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Detroit Edison, UAW Contracts Underpin Partnership Principles

New five-year contracts between Detroit Edison and the Utility Workers Union are expected to underpin a set of "partnership principles" separately negotiated by the utility and the union.

The contracts, ratified May 27 and covering about 3,200 workers, replace a physical plant contract that was due to expire June 7 and an officeprofessionaltechnical accord that was not up for renegotiation until 2002.

Parties Commit to Principles

The union and the company decided to open negotiations early, in part, to show commitment to working in partnership and to secure a long-term agreement that would enable them to put the elements of partnership in place in a stable environment, the parties said.

The partnership involves a second union, International Brotherhood of Electrical Workers Local 17, and first was undertaken by the utility and its two unions about three years ago, according to Richard Martin, Detroit Edison's director of labor relations. It is based on a joint commitment to a written statement of principles, which includes commitments to the economic success of the company, the growth of high-quality jobs for employees, and the institutional integrity and success of the unions, Martin said. In committing to the partnership, top-level company and union officials have established a high degree of trust and mutual respect, Martin said. But he acknowledged that "if [the partnership] is to work, it's got to be at the employee and first-line supervisor level."

While the partnership principles and the bargaining contracts are separate documents, the partnership implementation phase is being put in place just as the contracts with UAW take effect. A new labor-management partnership office, staffed by 11 workers picked by a joint labor-management leadership committee, will oversee the implementation.

UAW Local 223 President Mike Langford described the partnership principles as a "road map to the new deregulated world" where Detroit Edison will be doing business in the future. "The partnership is necessary to get us through [to that world] by becoming a high-performance company that will give our employees job security," he said.

"In the past you had managers who managed and workers who did what they were told," Langford said. But the goals of the partnership are intended to create a "fundamental change in the way the work gets done." These goals include creating a work environment that enables employees to take ownership, responsibility, and pride in their work, and to participate in decisions that impact their jobs. Work will be organized using teams responsible for monitoring their own performance and the cost and quality of their work product. Employees will be encouraged to enhance and expand their skills. To help put the partnership in place, the utility and the unions about a year ago hired the Washington, D.C., consulting firm, Restructuring Associates.

John Stepp, an associate with the firm, said he has been impressed by the commitment to the partnership process shown by company and union officials. "There is no doubt about the commitment of both sides," he said. The partnership "has been blessed with far-sighted union officials" who have staked their political leadership on the program. They have been able to convince their members that they have not "jumped in bed with management, but that this [partnership] is the best way to represent the membership." Management, for its part, has committed considerable resources to the program, including paying the salaries of 11 full-time individuals in the labor-management partnership office, he said. "This is not a lick and a promise; this is a serious intent to bring about organizational transformation to survive in the new deregulated environment" of the utility industry, Stepp said. "They are going about this in a very methodical way, and I believe it will be well executed."

Contracts Overwhelmingly Ratified

The new UAW agreements for both the skilled trades and the officeprofessionaltechnical units were ratified by better than 80 percent of members, Langford said. Both contracts took effect June 7 and expire in June 2004.

Workers receive wage increases averaging 2.8 percent in each year and a 1 percent lump-sum payment in each of the last two years. Previously, the average base rate in the skilled trades unit was \$22.82 per hour. In the clericalprofessionaltechnical unit, hourly wages previously ranged from \$15.70 for a cashier to \$28.375 for a senior technician.

Health care coverage is extended to provide lifetime coverage for surviving spouses of active or retired employees and for long-term employees forced to leave their jobs because of disability. In addition, a prescription drug plan that provided a 20 percent co-payment on the cost of drugs is modified. Employees now will pay a flat \$5 for a generic drug prescription and \$10 for brand name drugs.

The contracts also change a pension plan to allow employees at least age 58 with 30 years of service to retire with full benefits and increase an early retirement supplemental allowance.