



# LOCAL 1-2 UPDATE

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## 2 Sides in Con Ed Talks Each Held a Strong Hand

By [KEN BELSON](#)

Labor negotiations often take place in a fishbowl, with the two sides huddled behind closed doors to hammer out agreements across big conference tables. So it was with the four-year contract between Consolidated Edison and its leading union that emerged before daybreak on Wednesday after marathon overnight talks at the State Labor Department headquarters downtown.

The pact, which union officials expect their nearly 9,000 members to approve as early as next week, was the result of a mix of factors, including the health of New York's economy, a demand for utility workers nationally, and pressures on corporations, particularly publicly traded ones, to lower costs. Seen through that prism, labor and management both made concessions, but also had leverage to win points in their negotiations.

By some measures, Local 1-2 of the Utility Workers Union of America had a lot going for it when negotiations began in mid-June. Electricity use in New York City has jumped 20 percent in the last decade, thanks to a boom in home and office construction, and an explosion of air-conditioners, computers, flat-panel televisions and other appliances filling the new buildings.

As a result, Con Edison has rushed to build more substations, add extra transformers and lay thousands of miles of new cables. The utility is also filling jobs being vacated by retiring baby boomers and positions left open because of previous cuts.

All that means new workers: Con Edison has hired more than 1,200 people in each of the past three years, and its total work force has grown by 11 percent since 2003, to around 14,000.

There is also a shortage of line workers, cable splicers and electrical engineers nationally as technically minded young people are lured into newer industries like biotechnology. And fast-growing states like Nevada, where the cost of living is so much lower, can lure workers willing to relocate.

"The power industry has this image problem," said G. T. Heydt, a professor of electrical engineering at [Arizona State University](#). "Students think it's a [Thomas Edison](#)-era industry. Even the worst students are getting a lot of offers."

Both sides refused to release the specific terms of the agreement on Wednesday, but union officials said that they had won annual wage increases roughly in line with the inflation rate of about 4 percent, a significant jump from Con Edison's original offer

of 1.5 percent. Most jobs at the utility have starting wages around \$15 an hour; experienced employees in highly skilled positions can make as much as \$40 an hour.

While the competitive labor market in the power industry put the union in a good negotiating position, the utility had the advantage of negotiating during an economic slowdown, with rising gas and [food prices](#) making a picket line particularly unattractive.

“The economy in general is tough,” said John F. Miksad, the senior vice president of electric operations at Con Edison. “It’s not a good place to be out of work. The fact they didn’t strike is part of that.”

The utility was also aware that New Yorkers are clamoring to land jobs at Con Edison, which officials said received 68,000 applications for 1,300 spots last year. Still, union officials say that the work is hard and even dangerous — dealing with high-voltage wires, working outdoors in the heat and cold — and that the utility, while benevolent in some ways, has some draconian rules.

“The reality is they are a very, very tough outlet to work for,” said Joe Flaherty, a spokesman for Local 1-2. “Their policies are formulated so no one can beat the system.”

Though New York State has the most heavily unionized work force in the country, organized labor is under pressure from consumers, politicians and shareholders.

Like many other companies across America, Con Edison wanted to create a two-tier retirement plan that would include 401(k)-style benefits for new workers to reduce its long-term obligations.

The union ultimately thwarted the effort, but conceded that its members would have to pay for more of their health care to help the company rein in skyrocketing costs.