

Oct. 4, 2012  
Pacific Media Workers Guild  
Chronicle Unit Bargaining Committee

TO OUR MEMBERS: We offer the following unofficial summary of our negotiations with Hearst Corp. for your information. Please see *Mediaworkers.org* for bulletins. Contact any of us if you have any questions.

Bargaining Committee: Michael Cabanatuan, Jon Ferguson, Matthai Kuruvila, Autumn Grace. Guild Staff: Carl Hall (executive officer) and Kat Anderson (Guild special projects consultant) assisting.

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- Informal talks between the Guild and management began spring 2012. Management acknowledged a “looming crisis” in the Chronicle health care system had to be addressed, and stated Hearst’s benefits department might be able to provide health coverage at lower cost or get a better benefits provider.
- We were told a Hearst management benefits administrator would be in touch to obtain the information Hearst needed to investigate the options. We had to wait until June 8 before we were contacted, and only then after we made repeated inquiries.
- The Guild promptly provided all the information we were asked to deliver.
- Our first formal negotiations were on May 30. The Guild presented a full proposal, calling on Hearst to participate in a balanced plan to eliminate the estimated \$1.4 million annual deficit in our health plan. We proposed cuts and cost increases for ourselves, if the management would pay its fair share.
- Management made no proposals on May 30. But we made clear, and the company agreed, that we had to try to reach an agreement by the end of June.
- Management canceled our next bargaining date scheduled for June 6. The company’s local attorney, Calvin Siemer, departed on June 9, with no prior notice of departure date that soon. (We had been told June 30 was his last day in SF.) New York attorneys substituted, but were not available to meet until June 26.
- At the June 26 bargaining, the Guild reiterated our previous proposals, and demanded both sides make an effort to reach an agreement by the end of July, because the health plan’s monthly deficits were eating too deep into our reserve to continue. Open enrollment notices would have to be prepared, and the health plan’s trustees were pressing to decide whether to make benefit cuts or raise employee premiums.
- Management refused all the dates we proposed for bargaining in July.
- The Guild proposed extending our labor agreement – the company refused.
- The Guild proposed a short-term “patch” to keep the health plan out of default – the company refused.

- Throughout the summer, the Hearst lawyers said they were working diligently to investigate the options for a new health care system that would meet the objective of high-quality, affordable coverage for Guild employees and their families.
- Our negotiators had a conference call with Hearst on Aug 6, when the company said it intended to have its health care proposal ready for us to consider by Aug 18-19 – our next scheduled talks.
- Management canceled the mid-August meetings, saying the Hearst benefits administration office needed two more weeks.
- We set the next dates for bargaining on Sept. 12-13.
- On Sept. 11, the day before we were going to meet, Hearst lawyers called to cancel again. Now, they said, an outside broker needed another week.
- The Guild filed an unfair labor practice charge with the National Labor Relations Board to protest the continued stalling, cancellation of meetings, and bad faith surface bargaining.
- We rescheduled the talks yet again for Sept. 19-20.
- On Sept. 19, the company presented its first so-called “proposal,” a one-page document outlining some bare-bones version of health insurance offered by Cigna. The company presented no economic proposals, and made no real proposal of any kind except for its Cigna sheet.
- At the Sept. 19 meeting, the management insisted it was “fine” with the current company contribution for health care, which is set in our contract at \$148 per week per fulltime employee, in a provision called Article XIV.
- The management also said it was “deferring” its pay proposal until after we settled the health care issue, since that was the big-ticket “driver” of the bargaining.
- The Guild decided it was pointless to keep arguing to change Article XIV in light of the company’s stonewalling, and to shift the focus of the talks squarely to the main issue of economics and pay raises, since we are able to divert pay increases to the health plan. And we wanted to see what the company had in mind regarding a pay offer, hoping that by late September, Hearst was finally willing to put all its cards on the table.
- We offered to tentatively agree to the existing Article XIV and keep the weekly health care contribution by the management set at \$148 per week.
- Management refused. It made no proposal for pay or anything else.
- On Sept. 27-28, the “negotiations” resumed. The Guild requested additional information to help us formulate and “cost out” our proposals. The company required several hours to consider our request and question all details about what we were asking for and why. We answered all their questions. Some of the information has been provided.
- On Sept. 27, the management presented its first full proposal, which included only one actual change: a 1.5% annual pay increase for each year of a proposed three-year contract. The Guild prepared a response which we planned to present on the next day.
- However, before we could make our response, the management withdrew its own three-year offer, saying that it could only say the percentage pay raise,

but not how many years it would be making the pay raises. In effect, the company was rendering its own proposal meaningless. It refused to propose a term for the new contract.

- More talks were scheduled for Monday Oct. 1 and Wednesday Oct. 3. On Monday, we presented the company with a new proposal that substantially widened the scope of the talks. Our rationale: We had tried all summer to reach a quick agreement on a limited range of economic issues, and worked as hard as we could to find common ground with Hearst on the health care problem. The company made it clear it was not interested in working in good faith with us toward a speedy resolution, but instead wants to stall until the health care “looming crisis” actually hits, forcing the Guild to shoulder all the costs. This is a cynical and transparent ploy that will work only if we allow it to work. Meanwhile, we see no further reason to limit our goals in the negotiations – in fact, we see reasons to rethink our whole approach in dealings with Hearst, and have proposed canceling most of the good-faith concessions we made in 2009 when we sacrificed to help save the paper when Hearst threatened to shut it down.
- Our next negotiations are set for Oct. 26. We hope the management comes with a new attitude, real proposals for us to consider and a spirit of constructive engagement.
- Our health board of trustees meets on Oct. 30 to consider what to do about benefit costs and coverage options for 2013. We have asked our consultants to research all options.

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