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## Sprint and the Shutdown of La Conexion Familiar: A Union-Hating Multinational Finds Nowhere to Run

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## **Sprint and the Shutdown of La Conexion Familiar: A Union-Hating Multinational Finds Nowhere to Run**

### **Abstract**

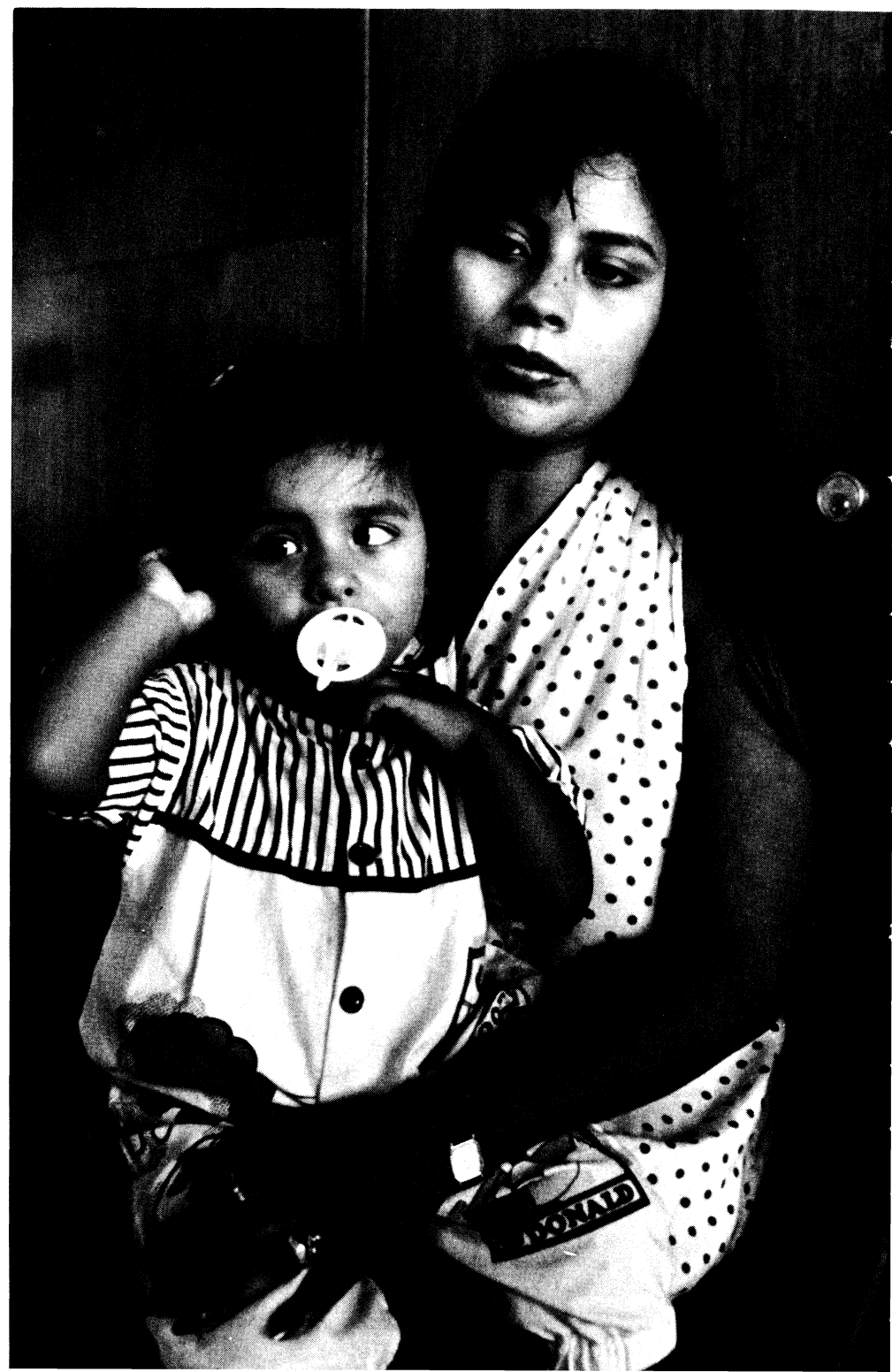
[Excerpt] Sprint chairman William T. Esrey has a dream: a long-distance phone company whose fiber-optic tentacles snake across the globe to embrace European and Asian partners, snaring a chunk of the projected \$30 billion market for such global corporate networks.

The workers fired en masse from Sprint's San Francisco-based La Conexion Familiar subsidiary, thwarted in their attempt to unionize, have their own dreams: among them, receiving reparations for the wrongs dealt to them by Sprint, and keeping their families out of homeless shelters.

The chasm between these dreams illustrates the bitter truth about the global economy: while the heads of executives spin with plans for ever-larger money-making enterprises, the workers on whose backs these schemes are erected face a harsh reality: increased union-busting, job losses, lower wages, and worsening working conditions.

### **Keywords**

Sprint, La Conexion Familiar, union organizing, anti-union activity, labor dispute, globalization



# Sprint and the Shutdown of La Conexion Familiar

## A Union-Hating Multinational Finds Nowhere to Run

■ Jon Pattee

*Sprint chairman William T. Esrey has a dream: a long-distance phone company whose fiber-optic tentacles snake across the globe to embrace European and Asian partners, snaring a chunk of the projected \$30 billion market for such global corporate networks.*

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*The chasm between these dreams illustrates the bitter truth about the global economy: while the heads of executives spin with plans for ever-larger money-making enterprises, the workers on whose backs these schemes are erected face a harsh reality: increased union-busting, job losses, lower wages, and worsening working conditions.*

Rather than accept William T. Esrey's dreams in place of their own, the 235 workers of La Conexion Familiar, largely women, immigrant and Latino, have chosen to fight. They didn't turn tail in July of 1994, when Sprint's management handed each of them a cardboard box for their belongings, had them searched, and told them to get out.

Rather than concede to Sprint, the fired La Conexion workers joined with the Communications Workers of America to recruit powerful union allies in Mexico, Germany, and France, and took their case to the NLRB, the governing bodies of NAFTA, and the court of public opinion. The workers story is full of strategies which organizers and labor activists can use in the increasingly volatile global economy. Among them: exploring the potential clout of NAFTA's side agreements on labor, building alliances with Latin American, European and other unions, and organizing management-to-management pressure on multinationals.

### **SPRINT ACQUIRES LA CONEXION**

Sprint, the third-largest U.S. long-distance service, acquired La Conexion Familiar (The Family Connection) in 1992. At the time, the firm's niche as a marketer of long-distance phone services to Latinos seemed to assure ready profits.

As the Communications Workers of America (CWA) developed its 1994 organizing drive at La Conexion, other companies were cutting into the subsidiary's profits. Sprint, however, was pushing an optimistic line in both industry and public press. An in-house newsletter described La Conexion Familiar as "very successful;" a Sprint attorney had informed the FCC that La Conexion was a "viable competitor" seeking to "expand operations." Indeed, a year after the acquisition, La Conexion's general manager was quoted in the *San Francisco Chronicle* as saying that the unit had been growing at a rate of 20 percent each month, and predicted that revenues would triple by 1996. In addition, Sprint's investments in new management, new equipment, employee training, and product development showed that their commitment to La Conexion was more than just a public relations campaign.

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**One of the most serious challenges we face is the threat of union intervention in our business.** **– Sprint**

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In spite of all this, Sprint management claimed "unprofitability" as the motive for shutting down La Conexion when a campaign of threats, intimidation, and surveillance failed to head off a certain CWA victory in 1994 representation elections. CWA organizers found Sprint's actions to be consistent with anti-union practices across their entire long-distance division. In fact, the company provides managers with a "Union-Free Management Guide" stating "one of the most serious [challenges] we face is the threat of union intervention in our business."

## SPRINT GOES AFTER THE UNION

The mostly immigrant, Latino workforce of La Conexión Familiar greeted CWA's organizing drive with enthusiasm. Seventy percent of the eligible workers joined in petitioning the NLRB for the representation vote. After all, Sprint's management style was to demand that employees get permission to use the bathroom, and the \$7 per-hour telemarketer's base wages barely kept many single mothers and their families out of poverty. "On the day that we petitioned, everybody wore their t-shirts reading 'Justice and Dignity.' So many people were wearing them that we didn't have enough for everyone," recalls Virginia Rodríguez-Jones, organizing coordinator for CWA District 9 and a key player in the drive.

The loudspeaker announcement of La Conexión's closing came eight days before the scheduled NLRB representation vote, which would have been the first in Sprint's long-distance division. Though there had been threatening rumors that attempts to unionize would be punished by a shutdown, it still came as a shock to many workers. Tears and anger spread along with the news, and one single mother, struggling to put her daughter through school after her husband's death, passed out and had to be hospitalized.

Despite CWA efforts to find jobs for La Conexión workers, they have suffered since the firings. For many, their economic security was shattered. One woman had to enter a homeless shelter along with her two children. "People didn't expect to be fired. Many of them ended up with lots of personal and financial problems. There were couples that separated over the problems the firings caused in their daily lives," said Fernanda Díaz, a former La Conexión employee, now an organizer and coordinator for the CWA local trying to find jobs for the workers.

## HOW THE UNION WENT AFTER SPRINT

In response to the situation, the workers of La Conexión and the CWA quickly launched a creative domestic and international campaign to pressure Sprint. Since the firings, their domestic tactics have included the following components:

- filing a complaint with the NLRB charging unfair labor practices. The NLRB found evidence showing that during CWA's organizing campaign, Sprint management committed more than 50 violations of the law. A decision by the administrative law judge currently handling the case is expected in July. Penalties against Sprint could include an order to re-hire the fired workers, but the fact that the

appeals process could go on for years demonstrates the severe limitations of U.S. labor laws.

- mobilizing 14 major women's groups to write a joint letter to William Esrey, saying: "Sprint can do nothing short of reopening this facility, re-hiring the laid-off workers, and refraining from any further intervention in their right to vote." Sixty-four members of Congress also signed a joint letter to Esrey.
- pursuing actress and Sprint spokesperson Candice Bergen with calls, letters, and rallies, in a lively (and media-attracting) campaign to persuade her to publicly question Sprint's actions.
- winning a case before an administrative law judge, who ordered the California State Employment Development Department to pay

## **LRR FOCUS: MORE NAFTA COMPLAINTS, MORE LABOR LEVERAGE**

To respond to complaints about worker's rights, the labor side agreement to NAFTA established *National Administrative Offices (NAO's)* in Mexico, the U.S., and Canada. While the U.S. NAO recently rebuffed the complaints against GE and Honeywell, the side agreement is a toolbox for labor whose potential is still unexplored. While Mexico's telecommunications workers are pursuing a complaint against Sprint and U.S. labor law, four U.S. and Mexican organizations are challenging Mexico to enforce its labor laws.

The organizations—the American Friends Service Committee (AFSC), the Coalition for Justice in the Maquiladoras (CJM), the International Labor Rights Education and Research Fund (ILRERF), and the National Association of Democratic Lawyers (ANAD)—allege in their complaint filed with the U.S. NAO that the Sony Corporation interfered with the rights of its Mexican workers to organize, and that the Mexican government conspired in that suppression of rights and failed to enforce its labor laws. Specifically, the filers took issue with:

- the unjust dismissal of Sony workers in Nuevo Laredo, Mexico, for trying to organize an independent slate of candidates to run for union office
- improper conduct by Sony and Mexican labor "leaders" in the union election process
- police violence in suppressing a peaceful work stoppage to protest the undemocratic union election
- the Mexican government's repeated denial of the worker's petition to register an independent union

overdue unemployment benefits to over 60 former La Conexion employees. This was accomplished by the Women's Employment Rights Clinic at California's Golden Gate University School of Law.

### **HOW UNIONS WORLDWIDE WENT AFTER SPRINT**

It is the *international* strategy of the CWA, however, which is most remarkable and cutting-edge. La Conexion workers and their CWA allies called upon and, where necessary, built relationships across the globe.

The CWA represents more than 600,000 members in the U.S. and Canada in telecommunications, broadcasting, publishing, cable TV, health care, and the public sector.

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The filing groups have expressed "qualified" satisfaction with U.S./NAO process, but concern about the weak results. Based on the complaint, Robert Reich, the U.S. Secretary of Labor held consultations with Santiago Onate, the Mexican Secretary of Labor, and reached an agreement to examine further the "remedies available in Mexican labor law" for the Sony workers. Whether this will bring improvement is uncertain as of this date. Separately, the U.S. NAO has agreed to publish its own study of how Mexican labor boards handled claims of unjustified dismissal of union petitions.

Jerome Levinson, ILRERF legal counsel who headed the team preparing the complaint, noted that the NAO decisions "resurrected the NAO from irrelevance... It's a significant improvement over the decisions made in the first two NAO cases, on violations by GE and Honeywell of their Mexican worker's rights." Levinson, however, was highly critical of the lack of teeth in the ministerial agreement.

It remains to be seen whether filing NAFTA complaints will become standard tools used by labor activists. For the moment, the filings demonstrate the labor movement's flexible use of *international* law in the face of highly imperfect mechanisms to defend worker's rights at the *national* level. As Pharis Harvey, executive director of ILRERF, observed, the filings demonstrate that "legally, in both the U.S. and Mexico, there are serious problems for worker's rights to organize. In the U.S. the weakness is in the law; in Mexico the problem is in its enforcement." Test cases like the Sony filing will show whether international agreements such as NAFTA will deliver more than the low blows and runarounds which are standard fare nationally. ■

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For years, they have been putting their members' communications skills to the best possible use: linking the struggles of workers across borders and between continents. In 1992, responding to the increasing globalization of the telecommunications industry, CWA signed a formal "alliance" to defend workers' rights with the Communications Workers of Canada and the Mexican Telecommunications Workers. (See "The Search for Counterparts," by David Brooks, LRR #19, for more information on this and similar alliances).

During their organizing drive, the workers of La Conexion Familiar received morale-raising letters of support from telecommunications workers in Germany, France, Mexico, and Central America. Much of the organizing groundwork was done through the Postal, Telegraph and Telephone International (PTTI), the 115-country, 4.5 million-member *international trade union secretariat* of which CWA is a member. The most effective work with and by PTTI occurred after Sprint brought down the axe.

Since the La Conexion closing, the union has received support from union members around the world and has used its international links to organize groundbreaking management-to-management pressure between Sprint and its European business partners. (See "Global Solidarity Trips Sprint," next page). Another tactic has been to work with the Telecommunications Workers of the Republic of Mexico (STRM), which filed a formal complaint against Sprint using NAFTA's side agreements.

### **TAKING AIM WITH THE NAFTA SIDE AGREEMENTS ON LABOR**

STRM filed a formal complaint against Sprint with Mexico's *National Administrative Office (NAO)*, the governmental body charged with overseeing labor complaints under NAFTA. The filing demands that Mexico's NAO bar Sprint from Mexico "given its track record of abuses against workers," at least until the company reinstates the workers of La Conexion.

The complaint, filed in February of this year, is the first by a Mexican union against a U.S. corporation. In explaining STRM's motivation for filing, General Secretary Francisco Hernandez Juarez charged that the absence of a prompt remedy to the violation of workers' rights at La Conexion demonstrates "the ineffectiveness of U.S. law to comply with the principles contained in [the NAFTA labor side agreement] to which the U.S. is now obligated." On that basis, STRM is asking that Sprint be barred from entering into a venture with Telmex, the company which employs most of STRM's members. The filing process is

## LRR FOCUS: GLOBAL SOLIDARITY TRIPS SPRINT

Leaders of CWA, working with and through the Postal, Telegraph, and Telephone International (PTTI), have denounced the La Conexion firings at international conferences, raised the alarm on the information superhighway, and pushed the story in the world's media outlets. The result? From the top brass to the rank and file, union members all over the world have heard about the firings at La Conexion.

In Brazil, union representatives from 22 countries throughout the Americas demonstrated at Sprint offices. They demand that Sprint reinstate La Conexion's workers, and that Sprint adopt an International Code of Conduct in Labor Relations, guaranteeing the right to organize. In Nicaragua, where Sprint is a bidder on telephone services, 14 unions assembled to stage a similar protest, and ran an ad in Nicaragua's leading newspaper urging the public to "Say NO to Sprint in Nicaragua."

The alliance between U.S. workers and the telecommunications workers of Deutsche Telekom is exploring another strategy: using management-to-management pressure to monkeywrench William Esrey's plans for global conquest.

Sprint is courting German telephone titan Deutsche Telekom in order to consummate a \$4.2 billion joint venture. However, German telecommunications workers are demanding that European labor standards be upheld in the deal. Their union, Deutsche Postgewerkschaft (DPG), has particular clout in this situation. DPG controls several seats on Deutsche Telekom's board, which, through a public buy out, will eventually be made up of 50 percent company employees. According to Rolf Johanning, DPG's Director of International Affairs, "We have very good relationships with Deutsche Telekom, and now that companies like Sprint are coming to Europe with bad records on labor relations, we're taking the necessary actions to build international labor solidarity."

DPG's pressure on Sprint to conform to internationally recognized labor standards includes a specific focus on La Conexion's workers. In an August 3, 1994 letter to Sprint, DPG president Kurt van Haaren called on the company to reverse its decision to close La Conexion, and "to put [La Conexion] into operation, and to re-employ all [La Conexion] workers." To drive home its point, DPG members of the Deutsche Telekom board obtained the passage of "Principles of Conduct of Deutsche Telekom AG in Global Telecommunications Partnerships." Among the principles:

- "Special emphasis is placed on Deutsche Telekom's responsibilities to society, as well as on its responsibilities to its employees of both sexes."
- "In global partnerships, Deutsche Telekom recognizes the duly elected representatives of its male and female employees, including labor unions."

- "Deutsche Telekom makes an effort to see that its business principles are adopted and put into practice by its global partners. This includes assuring that employer-employee relations customary to Germany are recognized and complied with in all business sectors... in which Deutsche Telekom AG operates jointly with its global partners and their enterprises in Germany."

The international labor mobilization sparked by PTTI and CWA is making Sprint's actions at one U.S. small operation a liability all over the world. Like the Germans, French unions have asked their employer, France Telecom, to hold up a deal with Sprint pending an agreement on the right to organize. From Sao Paulo to Paris, from Managua to Munich, telecommunications workers continue to fight for La Conexion's workers. As Rolf Johanning puts it, "We sent the labor rules of Deutsche Telekom to Sprint, so they know what they have to respect when they come to Europe. And Sprint needs to respect the rules not only in Europe, but all over the world." ■



*CWA officials, California politicians and German delegate from Telecom Union.*

moving forward; on May 31 the Mexican NAO issued a report calling for U.S.-Mexican ministerial consultation on the complaint.

According to Mateo Lejarza, a member of the national executive commission of the STRM, the complaint is an expression of solidarity by Mexican workers with their U.S. counterparts, particularly those of Mexican origin. More importantly, though, the complaint gives teeth to Mexican unions' demands that multinationals such as Sprint agree to codes of labor-management conduct before entering Mexico's market. "The globalization of the economy demands that unions adopt multinational strategies," Lejarza noted. In fact, other unions are exploring strategies around NAFTA side agreement complaints. (For more details, see page 16, "More NAFTA Complaints, More Labor Leverage.")

### **LA CONEXION WORKERS FACE THE FUTURE**

Sprint chairman William T. Esrey's multinational fiber-optic octopus may one day encircle the globe. But until Sprint makes strides in recognizing workers' rights to organize, it will have a shop-by-shop, country-by-country, and continent-by-continent battle with increasingly coordinated union strategies. Steve Abrecht, researcher in charge of CWA's corporate campaign against Sprint, observes, "One important lesson of the La Conexion struggle is that Sprint made it very clear to everybody in the world, including the workers with whom they were trying to create a global alliance, that they are going to be ruthless in stopping those worker's efforts to unionize and gain a higher standard of living."

In response, the workers of La Conexion and their CWA allies have demonstrated a new level of labor mobilization in the global economy. The CWA-STRM alliance points out that U.S. unions can significantly bolster their struggle by allying themselves with unions south of the border. The STRM filing has proven to be an effective means to explore the uses of NAFTA's side agreements. Management-to-management pressure is another tactic, one that is viable where unions such as those in Europe sit on corporate boards. These tactics have exposed how Sprint and other U.S. multinationals are trying to spread labor practices that are substandard in comparison to those in the rest of the industrialized world.

And the workers of La Conexion? They are hopeful that the many strategies currently underway will restore their jobs. Though many are still searching for employment to support their families, says CWA's Fernanda Diaz, "They call, they come around, they want to know what's going on with the campaign. They still keep their sense of humor. They want to see justice." ■