



Fact Sheet for Union Workers at American Water

American Water recently distributed a phony “Update on National Benefits Mediation” attacking the Utility Workers for terminating a mediation session and praising the Company “negotiating team who has contributed tirelessly to this negotiations process.”

This was a dishonest and dishonorable attempt by American Water to undermine the Unions and demoralize our members. It won't work. All of the Local and International Unions are united. Here are the facts:

1. There was no “National Benefits Mediation.” There was a voluntary, confidential mediation to discuss settlement of a huge unfair labor practice case against American Water for unilaterally and illegally cutting healthcare benefits of 3,200 union members beginning January 2011.

A Judge has already decided against American Water in this unfair labor practice case. The Judge ruled the Company should re-pay union members the millions they have lost due to those healthcare cuts and restore healthcare coverage to its 2010 level. American Water appealed the Judge’s Decision to the NLRB, and that appeal is still pending.

2. The NLRB, which sponsored the confidential mediation, invited only the parties to the unfair labor practice case (the NLRB General Counsel, the Utility Workers, and American Water) to the mediation meeting. The Utility Workers coordinated with all the other Unions as it has throughout this legal case. American Water was advised that any settlement would have to be approved by all the Unions and their members.
3. The NLRB Executive Secretary, who administers the confidential mediation program, saw the Company's so-called "Update on National Benefits Mediation" and immediately wrote the American Water attorney that:
 - "[The Company] has violated the confidentiality provision of the agreement that all parties committed to honor as a pre-requisite for participating in the Board's ADR [mediation] program."
 - "American Water Works Service Company will not be allowed to participate in the Board's ADR [mediation] program until further notice."
 - "I am also releasing the Charging Party [the Utility Workers] from its confidentiality commitment, and it is free to communicate to the public any information exchanged during the settlement negotiations."
4. As of the mediation meeting on July 1, 2014, American Water's estimated liability to 3,200 union members covered by the unfair labor practice case was several million dollars. In addition, that number gets bigger every day as Union members continue to incur damages due to the Company's unlawful cuts in healthcare.
5. After 1½ days of confidential mediation, however, *American Water offered to pay less than 12 cents on the dollar* for its estimated multi-million dollar liability – *and even then only if* the NLRB General Counsel and the Utility Workers agreed to accept American Water's unilateral cuts in healthcare.
6. American Water's "offer" disrespected the membership. No legitimate Union would waste membership dues entertaining such a ridiculous proposal to settle a huge unfair labor practice case against an employer who has already lost before a Judge. The Utility Workers left the voluntary mediation.
7. The next day, both the NLRB General Counsel and the Utility Workers gave notice to the Board that we had withdrawn from the confidential mediation program, and the Board should proceed to decide American Water's appeal from the Judge's Decision.

No one has a crystal ball, and we could still lose our case on appeal. But at this point in the legal process, we are optimistic that the Board will uphold the Judge's Decision. American Water could then appeal again, but if we stay united, we believe that sooner or later American Water will be forced to do the right thing.

WE WILL KEEP YOU UPDATED WITH THE FACTS