NEWS Equal Employment Opportunity Commission
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Appendix 1

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MAJOR EEO AGREEMENT REACHED BY GOVERNMENT AND BELL TELEPHONE COMPANIES

A comprehensive agreement to assure equal employment opportunity for women and minorities has been signed by the Department of Labor, the U.S. Equal Employment Opportunity Commission, the American Telephone and Telegraph Company and its 24 operating companies.

Under this agreement, AT&T and the 24 Bell telephone companies--largest private employer in the United States--will make one-time payments totaling approximately $15 million to some 15,000 present employees whom the government claims have been injured by the companies' employment practices. This includes the largest single back pay settlement in the nation's history.

In addition to the one-time payments, a new promotion pay policy and wage adjustments resulting from the agreement will increase wages for many women, minorities and other employees by an estimated $23 million a year.

As part of the agreement, the EEOC will move to dismiss the case against the companies it brought before the Federal Communications Commission. Public hearings in the case have been going on for the past year.

The EEOC and Bell System will also work together to resolve all pending charges of discrimination against Bell Telephone Companies on the basis of changes AT&T has agreed to make in its employment and promotion policies. Approximately 1,000 complaints would be affected.

In announcing the agreement, which may serve as a model for other firms, Secretary of Labor James D. Hodgson and EEOC Chairman William H. Brown III, listed these major elements of the plan:

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-- The companies will develop goals for increasing the utilization of women and minorities in each job classification of all 700 establishments within the Bell system, and will set specific hiring and promotion targets. These targets will be under constant review by the companies, by the Office of Federal Contract Compliance, and by the EEOC.

--An unusual provision of the agreement is the establishment of goals for the employment of males in previously all female job categories.

-- The companies will also take the necessary steps to assure that their transfer and promotion procedures are in compliance with the Equal Pay Act, the Civil Rights Act of 1964, and Executive Order 11246. Back pay will be awarded to women who have been paid less than men for substantially equal work.

In addition to the establishment of goals, the affirmative action program contained in the agreement provides that:

-- Women and minorities in non-management, non-craft jobs will compete for entry-level craft jobs on basic qualifications and seniority. Competition for higher-paying craft jobs will also be facilitated.

-- The companies agree not to use the results of pre-employment tests as a justification for failure to meet their goals but reserve the right to use validated tests to help determine qualifications of prospective employees.

-- Employees who are promoted will be paid on the basis of their length of service with the companies, subject to some limitations due to lack of experience in more skilled occupations.

-- All female college graduates hired into management between July 2, 1965, the effective date of the Civil Rights Act of 1964, and December 31, 1971 will be assessed to determine their interest and potential for higher -level jobs. A special development program will prepare these women for promotions as they become available.

-- All employees will be encouraged to seek promotions and will be informed of the agreement's provisions and of the vacancies and promotions under the agreement which take place in their respective establishments.

A number of pay adjustments will also be made by the companies involved. Chief among them are these:

1. Approximately 3,000 women presently employed in craft jobs will receive retroactive pay adjustments covering a period up to two years.

2. Women presently employed in craft jobs who are not yet at their maximum rate of pay will receive immediate wage increases to conform to the agreement.

3. Wage rates for 500 switchroom helpers in Michigan Bell, mostly women, will be brought into line with what is paid for comparable work in other Bell companies. In addition, they will receive retroactive pay adjustments for a period of up to two years.

4. To compensate for possible delays in promotion, the companies have agreed to make lump sum payments ranging from $100 to $400 to at least 10,000 women and minorities promoted from non-craft jobs into craft jobs between June 30, 1971 and July 1, 1974, provided they remain in the new jobs a minimum of 6 months.

5. Women college graduates hired directly into management, who qualify under the telephone companies' new assessment program, will receive a $100 a month raise as soon as they qualify.

Judicial approval, in the form of a consent decree embodying the terms of this agreement, has been obtained in Federal District Court in Philadelphia, Pennsylvania.

In his statement following the signing of the agreement, Chairman Brown said it represents "a major step by the Bell System in improving its employment record" with regard to women and minorities. "It was achieved," he said, "with the active support of the National Organization for Women and several other national civil rights organizations, including the Mexican American Legal Defense and Education Fund, California Rural Legal Assistance, and the National Association for the Advancement of Colored People."

Richard F. Schubert, Solicitor of Labor indicated that the contents of the settlement agreement have been discussed with representatives of the two largest unions representing telephone workers, the Communication Workers of America and the International Brotherhood of Electrical Workers.

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