



## Legislation Text

**File #:** Res 1039-1999, **Version:** A

Res. No. 1039-A

Resolution calling upon the Public Service Commission to promptly review the Communication Workers of America petition which alleges a violation of the PSC's March 21, 1997 Order approving the merger of Bell Atlantic and NYNEX.

By Council Members Quinn, Berman, Carrion, Clarke, DiBrienza, Freed, Koslowitz, Reed and Rodriguez; also Council Members Eldridge, Michels, Nelson, Rivera and White:

Whereas, Bell Atlantic is a multi-national, Fortune 500 (ranked 25th) corporation, headquartered in New York City, providing telecommunications services on over 43 million telephone access lines and to 9 million wireless telephone customers worldwide; and Whereas, According to its annual report as of June 1999 Bell Atlantic provided wireline service to 13 eastern states and the District of Columbia, including New York City, wireless service to 25 states and the District of Columbia, has operations in over 20 nations, employs over 142,830 workers and as of December 1998 Bell Atlantic had total assets of \$55.1 billion, operating revenues of \$31.6 billion and a net income of \$13.8 billion; and Whereas, On April 22, 1996 Bell Atlantic and NYNEX Boards of Directors announced an agreement to merge the two companies into one of the largest providers of local and global telecommunications in the world; and Whereas, Between November 1996 and March 1997, the relevant regulatory bodies of the states of Connecticut, Maine, Massachusetts, New Hampshire and Vermont approved the merger of the two companies and the merger received antitrust clearance from the United State Department of Justice and approval by the United States Federal Communications Commission; and Whereas, Bell Atlantic and NYNEX completed the merger in August 1997; and Whereas, Bell Atlantic and NYNEX submitted a joint petition to the New York State Public Service Commission (PSC), the state regulatory agency for telecommunications in New York State, for approval of the merger; and Whereas, After extensive negotiations and public hearings, the PSC, as part of its approval for Bell Atlantic's merger with NYNEX, issued an order on March 21, 1997 (Opinion No. 97-8) setting forth certain conditions to be followed by Bell Atlantic, including the condition that "[t]he merged company shall establish its permanent headquarters in New York City and existing major New York Telephone or NYNEX functions shall not be relocated outside of New York State"; and Whereas, Beginning on April 1st of this year, Bell Atlantic began closing two Accounting Department offices, one located at 1166 Avenue of the Americas in Manhattan and the other at 395 Flatbush Avenue in Brooklyn, resulting in the relocation and/or loss of over 203 well paying jobs; and Whereas, The Manhattan and Brooklyn offices perform Bell Atlantic's major accounting functions, including all payroll, revenue accounts and customer billing operations for the former NYNEX and its subsidiaries, which will be entirely transferred to Massachusetts and Pennsylvania as a result of the closings; and Whereas, The Brooklyn office had approximately 148 clerical workers while the Manhattan office had 55 workers, who earn from \$39,440 to \$42,700 annually in the Accounting Operation Clerk or Financial Clerk job titles; and Whereas, The Communications Workers of America (CWA), which represents these 203 workers, filed a petition in early November 1999 with the PSC, charging that Bell Atlantic's relocation of the two offices violates the March 21, 1997 merger order by PSC; and Whereas, The CWA commissioned a study by the Five Borough Institute on the impact of the Bell Atlantic office closure, Bell Atlantic Office Closings: Their Cost to the African-American Community and to the City, which found that the planned closure will substantially affect both the individual workers involved but also the City's economy; and Whereas, The study found that the 203 clerical worker positions paid at least \$39,000 in wages, with a total compensation package of at least \$56,000 annually, that 70% of the workers were African-American woman (142), that 85% were persons of color (172) and 91% were 46 years of age or older (185); and Whereas, The study concluded that the potential cost to New York City would be 462 full-time year-round jobs, \$22 million in lost earnings and \$1.2 million in lost non-property tax revenues using standard multiplier analysis and that the workers choosing early retirement would have difficulty finding alternative employment due to the weak New York City job market; and Whereas, The Council of the City of New York is concerned about the loss of well paying jobs and the potential adverse economic impact to the City of New York by these office closings; and Whereas, The Council of the City of New York is concerned that due to importance and urgency of the CWA petition that it be reviewed fully and fairly on an expedited basis, now, therefore, be it Resolved, That the Council of the City of New York calls upon the Public Service Commission to promptly review the Communication Workers of America petition which alleges a violation of the PSC's March 21, 1997 Order approving the merger of Bell Atlantic and NYNEX.

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