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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION,

JAMES D. HODGSON, Secretary of Labor,
United States Department of Labor,

and

UNITED STATES OF AMERICA,

Plaintiffs,

v.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY,
NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY,
THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY,
NEW YORK TELPHONE COMPANY,
NEW JERSEY BELL TELEPHONE COMPANY,
THE BELL TELEPHONE COMPANY OF PENNSYLVANIA
AND THE DIAMOND STATE TELEPHONE COMPANY,
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY,
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
OF MARYLAND,
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
OF VIRGINIA,
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
OF WEST VIRGINIA,
SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY,
SOUTH CENTRAL BELL TELEPHONE COMPANY,
THE OHIO BELL TELEPHONE COMPANY,
CINCINNATI BELL INC.,
MICHIGAN BELL TELEPHONE COMPANY,
INDIANA BELL TELEPHONE COMPANY, INCORPORATED,
WISCONSIN TELEPHONE COMPANY,
ILLINOIS BELL TELEPHONE COMPANY,
NORTHWESTERN BELL TELEPHONE COMPANY,
SOUTHWESTERN BELL TELEPHONE COMPANY,
THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH
COMPANY,
PACIFIC NORTHWEST BELL TELEPHONE COMPANY,
THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY
AND BELL TELEPHONE COMPANY OF NEVADA,

Defendants.

CIVIL ACTION

NO. 73-149

FILED
MAY 13 1975
JOHN J. HARRINGTON, Clerk

INTERIM REPORT

On January 18, 1973, a Consent Decree was agreed to by AT&T, on behalf of itself and the Bell System operating companies, and various government agencies establishing procedures to assure equal employment opportunities for women and minorities at such Companies. In order to implement that Decree, the Plaintiffs established a Government Coordinating Committee (GCC) composed of representatives of The Equal Employment Opportunity Commission (Offices of Compliance and the General Counsel), the Department of Labor (Office of the Solicitor, Divisions of Civil Rights and Fair Labor Standards, and the Office of Federal Contract Compliance), the Department of Justice, and the General Services Administration. Similarly the Defendant AT&T added staff to its Human Resources Development Department (HRD), to work with the GCC and to implement the Decree. The GCC and HRD spent thousands of hours in order to assure compliance with the Decree.

It appears from an analysis of reports filed with the GCC that Bell System Companies made substantial progress, as shown in the following chart, during 1973:

	<u>Profile 1/1/73</u>	<u>Net Gain in 1973</u>	<u>% Increase</u>
Women, Second level management and above	5,168	1,280	25%
Women, Craft jobs	6,407	4,996	78%
Blacks, Second level management and above	506	171	34%
Blacks, Craft	12,295	1,591	13%
Spanish-surnamed, Second level management and above	196	53	27%
Spanish-surnamed, Craft jobs	5,267	1,138	22%
Other minorities (all jobs)	5,825	1,489	26%
Males, Clerical and Operator jobs	10,310	8,369	81%

In April, 1974, members of the GCC, accompanied by representatives of HRD, began on-site reviews of the 23 Bell System companies, which have now been completed. The purpose of these reviews was to examine the efforts made to meet 1973 intermediate targets,^{1/} to analyze the results of those efforts and to examine the problems encountered in implementing the Decree.

As a result of these reviews, members of the GCC and HRD recognize that the logistics of implementing a

^{1/} "Intermediate Targets" as used in this order means percent allocations of opportunities for race, sex, or ethnic groups established pursuant to the January 18, 1973, Decree.

Decree involving approximately 800,000 people are neither simple nor easily put into effect. In particular, a substantial amount of time and considerable effort was necessary to develop and implement an appropriate compliance procedure. The monitoring systems which HRD and the Bell System operating companies had designed initially were not effective tools for field managers. At the present time, these systems are substantially improved, but it is recognized that they will be in a constant state of evolution. Moreover, some affirmative action efforts were delayed because some intermediate targets were not fully submitted until August 1973 and could not be considered approved until November 1973.

Nevertheless, the 1973 reviews indicated that 1973 intermediate targets were not met for many job classifications in many companies. The GCC concluded that these failures were attributable to the following causes: (1) in some companies initially there was ineffective management control of the program; (2) as noted above, the initial monitoring controls were not effective; (3) in some companies the "affirmative action override" was used with insufficient frequency to meet intermediate targets;^{2/}

^{2/} The GCC recognized that the use of the "affirmative action override" in 1973 was discouraged by the filing of grievances. Therefore it has furnished AT&T and the Bell operating companies with a letter signed by the Acting General Counsel of the Equal Employment Opportunity Commission, the Solicitor of Labor, Department of Labor, and the Assistant Attorney

(4) in some cases, greater efforts could have been made affirmatively to recruit particular race, sex or ethnic groups where such groups were underutilized and intermediate targets were not being achieved; and (5) procedures were not adopted to deal with certain situations where test disqualifications of applicants from underutilized minority groups contributed to the failure to meet intermediate targets for such groups.

Based on these reviews, the GCC entered into discussions with AT&T to resolve the problems encountered in achieving 1973 intermediate targets. During these discussions, the GCC reviewed reports of 1974 target performance. These reports showed that system-wide, Bell operating companies achieved more than 90% of their 1974 intermediate targets.

The combined 1973 and 1974 performance, as shown in the following chart, represents a substantial accomplishment:

	<u>Profile</u> <u>12/31/74</u>	<u>Net Gain</u> <u>in 1973 & 74</u>	<u>% Increase</u>
Women, Second level management and above	7,570	2,402	46%

Footnote 2 continued

General--Civil Rights, Department of Justice, confirming that Title VII, as amended, Executive Order 11246, as amended, and the January 18, 1973, Decree, require that the seniority provisions of applicable collective bargaining agreements be overridden where necessary to meet intermediate targets. This letter is attached to the proposed Supplemental Order as Appendix C.

	<u>Profile</u> <u>12/31/74</u>	<u>Net Gains</u> <u>in 1973 & 74</u>	<u>% Increase</u>
Women, Craft jobs	14,032	7,625	119%
Blacks, Second level management and above	921	415	82%
Blacks, Craft jobs	14,073	1,778	14%
Spanish-surnamed, Second level manage- ment and above	379	183	93%
Spanish-surnamed, Craft jobs	7,082	1,815	34%
Other minorities (all jobs)	8,397	2,572	44%
Males, Clerical and Operator jobs	25,456	15,146	147%

The significant improvement in target performance over 1973 indicates that many of the problems encountered in 1973 have been overcome or minimized, and has led the GCC to conclude that onsite reviews for 1974 would not be necessary. In lieu of 1974 compliance reviews, the parties have agreed that target performance for 1973, 1974 and part of 1975 would be aggregated for the application of a supplemental action program. The GCC recognizes that the Bell operating companies have agreed to this procedure solely for the convenience of the parties and to facilitate the implementation of the supplemental action program, and that such agreement in no way constitutes an allegation, admission or finding of non-compliance with the January 18, 1973, Decree by any Company in 1974 or 1975.

In developing a supplemental action program for 1973, the parties have agreed to two adjustments to 1973 target performance. They recognize that with respect to female objectives in job classifications 6 and 9, outside craft positions, substantial changes in recruitment, placement, training, and retention techniques--some of which were not anticipated at the time--were required to achieve non-traditional objectives. For these reasons target performance for 1973 has been judged in light of the attainment of those companies which the GCC agrees made good faith efforts to meet intermediate targets for women in these job classifications. While these difficulties were recognized for 1973 they have not resulted in any modification to the goals or intermediate targets for women in job classifications 6 and 9. Rather Appendix B provides a list of actions, which, if undertaken by a company will normally constitute good faith efforts to achieve intermediate targets for women in these job classifications.^{3/} The parties have also agreed that in these present economic conditions, with their particularly severe impact on minority and female workers, it would be inappropriate for a corrective action program to provide disproportionate opportunities for non-minority group members. Therefore, 1973 and 1974 target performance in job

3/ These good faith standards also apply to certain positions in job classification 8 which involve non-traditional duties.

classifications 4, 11-13 and 15 was determined so that the corrective action program would provide comparable opportunities for minority and non-minority employees and applicants.

MOTION

WHEREFORE, the undersigned parties jointly move the Court, pursuant to its retained jurisdiction as provided as PART B, Section IV, A of its January 18, 1973, Decree, to enter the attached proposed Supplemental Order. This motion is made without any admission by any Defendant that it failed to comply with the January 18, 1973, Decree in any respect.

Respectfully submitted,

AMERICAN TELEPHONE AND TELEGRAPH COMPANY, for itself and on behalf of its associated telephone companies as set forth herein.

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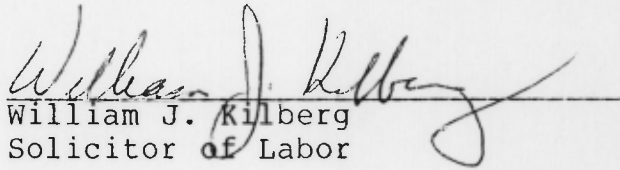
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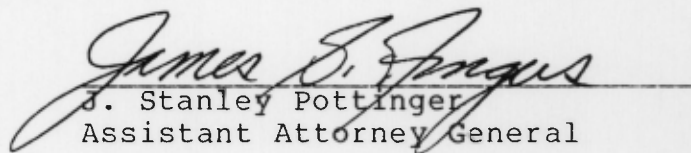
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