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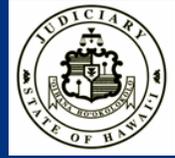
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## **16 Unions Ratify Contracts with the Metropolitan Opera**

In September, the last of 16 unions ratified contracts with the Metropolitan Opera (the Met) and the 2014-2015 season opened as scheduled. Negotiations began months before contracts expired on July 31 but were so tense the *New York Times* described meetings as the “most contentious start in decades.”<sup>1</sup> With increasing costs and declining ticket sales, the Met had drawn on and reduced its endowment.<sup>2</sup> The Met argued cuts to staff pay and benefits were necessary to preserve the future of the company.<sup>3</sup> Unions countered that General Manager Peter Gelb had overspent on unpopular productions causing a drop in attendance and revenue.<sup>4</sup> Disagreement over the facts posed the first obstacle to negotiations.

In early May, the Met began negotiations with three major unions: American Guild of Musical Artists (AGMA) representing chorus, dancers, singers, and stage managers; Local 802 of the American Federation of Musicians; and the International Alliance of Theatrical Stage Employees (IATSE) whose Local 1 represents stagehands and technicians. IATSE includes six additional locals that represent back stage artists and house staff. When the AGMA invited reporters to the first round of talks on May 5, the Met filed a complaint with the National Labor Relations Board.<sup>5</sup> Members of the press left when attorneys for the Met entered the session.<sup>6</sup> Katie Shonk of the Program on Negotiation at Harvard Law School identified this action as another obstacle to negotiations. Shonk noted when conflicts are made public, parties often escalate demands to demonstrate commitment to their position. Private meetings allow for collaboration to meet each other’s interests.<sup>7</sup>

On May 12, Local 802 voted to authorize a strike if negotiations broke down but representatives stated they would continue to bargain in good faith.<sup>8</sup> On July 23, Gelb announced the Met was close to agreements with several smaller unions but warned other unions would be locked out on August 1.<sup>9</sup> On July 30, the Met proposed that the Federal Mediation and Conciliation Service (FMCS) assist with the process, AGMA and Local 802 agreed, FMCS Deputy Director Allison Beck was brought in, and Gelb agreed to extend the contract deadline during mediation. IATSE, however, announced plans to continue negotiations directly with the Met. On July 31, the Met announced it had reached agreements with three smaller unions as talks with IATSE broke off.

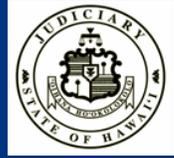


On August 2, negotiations between the Met and both AGMA and Local 802 were suspended as Beck brought in analyst Eugene Keilin to provide a nonbinding study of the company's finances. Keilin's confidential report offered another means to help the parties reach an agreement. Employees continued working and talks resumed a week later. On August 18, AGMA and Local 802 announced they had reached tentative agreements with the Met for new 4-year contracts. Beck praised the parties: "We are grateful for their commitment to the collective bargaining process and grateful most of all that the Metropolitan Opera, one of the world's premier cultural institutions, will continue providing outstanding operas for all to enjoy."<sup>10</sup> On August 19, IATSE and the Met resumed negotiations and reached an agreement for Local 1; within days, agreements with six other locals were announced.<sup>11</sup> Locals 1 and 764 ratified the new six-year contract on September 2.<sup>12</sup> The remaining unions ratified their contracts during September.

While specific terms and lengths of contracts with the unions differ, several important conditions are shared. The Met had sought a 16% - 17% pay cut, changes in work rules to reduce additional pay, an increase in the health care deductible to four times higher than the present cost to employees, and a reduction in its contribution to employee pensions.<sup>13</sup> The new contracts included smaller pay cuts followed by raises and no changes to work rules or health benefits. The Met also agreed to hire an independent financial analyst to track all spending, to reduce administrative expenses by the same percentage as pay, and to cut \$11.25 million from the budget each year of the contract.<sup>14</sup>

Past negotiations at the Met also drew national attention. In 1961, President John F. Kennedy asked Labor Secretary Arthur J. Goldberg to intervene after the unions called a strike. The parties agreed to final and binding arbitration with Secretary Goldberg as the arbitrator.<sup>15</sup> A strike was averted and the Met opened its 1961-1962 season.<sup>16</sup> In 1980, after a lockout, President Jimmy Carter sent a telegram to the Met and the unions expressing his concern about the cancellation of the 1980-1981 season. He asked FMCS Director Wayne Horvitz to request that parties resume negotiations.<sup>17</sup> A shortened season began in December after the Met and the unions reached agreements. This year the Met opened its season on September 22 with Mozart's *Le Nozze de Figaro*, which is fitting since it is a tale of a broken relationship healed through the ingenuity of third parties.

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## NOTES:

- <sup>1</sup> Michael Cooper, [Operatic Drama Swells in Labor Talks at the Met](#), *The New York Times*, April 7, 2014
- <sup>2</sup> [Cooper](#), April 7, 2014.
- <sup>3</sup> Rachel L. Swarns, [Asking How Much Opera Singers' Work is Worth](#), *The New York Times*, April 21, 2014
- <sup>4</sup> Contact [CADR](#) for a copy of Met Orchestra Musicians Local 802 AFM, Presentation to the Board of Directors of the Metropolitan Opera Association, June 18, 2014
- <sup>5</sup> Michael Cooper, [Met Opera Contract Talks Stumble to a Start](#), *The New York Times*, May 5, 2014
- <sup>6</sup> [Cooper](#), May 5, 2014
- <sup>7</sup> Katie Shonk, [At the Met: Conflict in a Minor Key](#), *Program on Negotiation at Harvard Law School*, June 17, 2014
- <sup>8</sup> Michael Cooper, [Met Orchestra Authorizes Strike Vote of Talks Fail](#), *The New York Times*, May 12, 2014
- <sup>9</sup> Jennifer Maloney, [Metropolitan Opera Leader Warns of Lockout](#), *Wall Street Journal*, July 23, 2014
- <sup>10</sup> [FMCS Statement on Tentative Agreements at New York Metropolitan Opera](#), August 18, 2014
- <sup>11</sup> [The Met and IATSE Reach Final Union Agreements](#), IATSE Labor Union, August 21, 2014
- <sup>12</sup> Contact [CADR](#) for a copy of The Associated Press, 2 Met Opera Unions Ratify New Labor Contracts, *The News Tribune*, September 2, 2014
- <sup>13</sup> [Swarns](#).
- <sup>14</sup> Terry Teachout, [Apocalypse Later: The Metropolitan Opera's Show Goes On, For Now](#), *Wall Street Journal*, August 28, 2014
- <sup>15</sup> Philip Benjamin, [Met Season is Assured: Goldberg Will Arbitrate](#), *The New York Times*, August 29, 1961
- <sup>16</sup> United States Department of Labor, About Department of Labor History, [Chapter 6: Eras of the New Frontier and the Great Society, 1961-1969](#)
- <sup>17</sup> Jimmy Carter, "[Metropolitan Opera Labor Dispute Telegram to the Principal Parties Negotiating New Labor Contracts](#)," October 2, 1980. Online by Gerhard Peters and John T. Woolley, The American Presidency Project

