

West Virginia aluminum plant retirees seek restoration of health benefits

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17 August 2012

Century Aluminum Company, located in the small town of Ravenswood, West Virginia, has announced it will decide in September whether to reopen its smelting plant, restoring health insurance benefits to retirees. Retirees, including men and women in their 60s, 70s, even 80s, began occupying a median strip along Route 33 in front of the closed Century Aluminum smelter plant December 18 last year after Century cancelled their health insurance.

The retirees, who were members of the United Steelworkers union, accepted lower wages than those of other industry workers in exchange for lifelong high-quality health coverage—a necessity in an industry fraught with danger, grueling physical labor, and long-term health risks.

Once the plant closed in February of 2009, the retirees' health benefits were put on the chopping block. The company eliminated health care coverage for retirees eligible for Medicare in June of 2010. Retirees without Medicare were cut off of health care in January 2011.

“We’ve not had any hope ever since it closed down,” Century retiree Franklin McCoy told WSAZ News during a demonstration. “We’re going on the third year now. It’s had a big impact on me. I worked out there 38 years.”

In the past two years, at least 20 former Century workers have died, some as young as 50.

Century contends that it can only reinstate health care if it reopens the plant. It is unclear what the working conditions or the pay of the workers will be if the plant is reopened, or if all of the 651 laid-off workers will be rehired. Earlier this year, the company suggested that 400 workers could return.

What is certain is that the terms and conditions of reopening the plant have been left by the USW in the

hands of Century. The company has insisted that it must have a more flexible power contract, a new labor agreement, and improvements that would help ensure the plant could remain profitable.

The plant was Appalachian Power’s biggest customer, representing 10 percent of overall power consumption. When the Century plant shut down, it meant the power company had a smaller customer base to work with, and fewer customers over which to spread cost and rate increases.

Century insists that Appalachian Power (APCO) must cut its electricity rates to the plant for it to reopen. Any reduction in rates to the company would be subsidized through a steep rate hike to residential APCO customers. West Virginia is one of the poorest states in the US, with double-digit poverty and a large number of elderly and disabled residents. An increase in utility costs will hit these layers hard.

Byron Harris, consumer advocate director for the state’s Public Services Commission, estimated that residential customers would “bear as much as \$196 million in Century’s electricity bill.”

The Century smelter previously produced raw aluminum for fabrication at the nearby Constellium Rolled Products plant, where 700 aluminum production and maintenance workers are on strike. The workers, also USW members, are opposed to attempts by the company to attack their health care and pension plans.

The two plants were at one time part of the same operations under Kaiser Aluminum. In 1988, Kaiser sold off the facility, leading to a rapid succession of owners and a sharp deterioration in workplace safety. A bitter lockout lasting nearly two years began in 1990 after workers protested over the hazardous conditions and long shifts that contributed to the deaths of four workers.

The company responded to the workers' objections by bringing in hundreds of strikebreakers and thugs and building up security fences at the facilities. The USW did nothing to defend workers against these attacks, instead facilitating the imposition of plant-by-plant contracts. The policy left Ravenswood workers isolated in their struggle and vulnerable to victimization. For these efforts, USW officials were placed on Kaiser's board of directors.

In the years that followed the lockout, the two plants changed hands numerous times, splitting in 1999 under separate corporate owners eager to wring profit out of the operations and then trade them off. The two plants are currently in the portfolios of international investment firms and produce aluminum aircraft components for the European defense industry.

West Virginia offers among the most generous tax rates for corporations in the nation. In April, Governor Earl Ray Tomblin toured Ravenswood to tout tax credits, tied to the electricity deal, estimated at \$20 million annually for Century Aluminum.

The living conditions in Ravenswood have suffered tremendously over the past several decades, a state of affairs that sharpened considerably with the onset of the economic crisis. After the Century plant closure, food pantries registered a quadrupling of clients in need of help. Working class families and elderly residents were thrust deeper into poverty, with many unable to make mortgage payments, losing their vehicles to repossession, and being unable to afford health care, utilities, or food.

With every change in management, workers have been told they must sacrifice to "return to profitability." The USW has played a critical role in imposing poor wages and working conditions. In discussing Century's second quarter earnings last month, CEO Michael Bless commented that negotiating an electric rate discount with the state was only one part of the company's agenda. "Obviously, we would need to have a labor agreement as well with United Steelworkers," he said, indicating that labor costs would have to be commensurate with "periods of weak commodity prices just like the one we are seeing right now."

The state Public Service Commission has delayed ruling on Century's electric rate request until mid-September.



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