

US oil industry strike enters fourth day as companies resist wage and safety demands

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The strike by 3,800 oil industry workers has entered its fourth day after talks between the United Steelworkers and industry negotiators failed to make any progress Monday or Tuesday on a new three-year agreement covering 30,000 workers.

While there is widespread determination among workers for a serious struggle—after years of declining living standards and eroding safety standards—the USW has limited the job action to largely symbolic picketing at just nine of the country’s 65 unionized refineries. The situation is so absurd that strikers are walking the picket lines at Marathon’s Galveston Bay Refinery in Texas City while at the nearby BP Texas City chemical plant the USW has ordered workers to continue working.

The strike began Sunday morning when Royal Dutch Shell, which is leading the negotiations for the industry, walked out of talks after the USW rejected another derisory offer, that union officials knew they could not sell to their members. According to reports, USW officials were shocked by the intransigence of Shell, which the union chose to set the pattern for the national agreement because of its supposed flexibility.

The oil giants have dug in their heels, however, refusing to cede any ground on wages, health care costs, safety conditions, or contracting work to temporary, part-time employees. The companies, which have squandered billions on executive bonuses, dividend payouts, and stock buybacks that benefit their wealthiest investors, have pointed to the collapse of crude oil prices to demand even further cost cutting.

Although the price fall has led to a decline in profits companies like Shell, ExxonMobil, Chevron and BP are well suited to weather the situation because they continue to make large profits from their refining operations, which produce gasoline, diesel, heating oil,

jet fuel, plastics, and chemical products.

In fact, as the *New York Times* noted Tuesday, “Refiners are making excellent margins these days with cheap crude supplies and robust demand for the more expensive spring blends they will be producing in the next couple of months.”

With large quantities of oil already on hand and with the strike affecting only 10 percent of the nation’s refinery capacity—instead of 65 percent, if all USW-organized refineries were struck—the energy companies are in no hurry to reach a settlement.

Commodity traders have already factored in that the USW will not expand the strike despite threats to do so. “If a serious refinery stoppage were imminent, gasoline prices would be expected to surge because of the lack of supply, and oil prices would be expected to fall because of the expected drop in demand,” the *Times* noted.

Since the last USW contract in 2012—which essentially froze real wages (an 8.5 percent increase over three years) while imposing 20 percent of the cost of health care on workers—shares of the energy conglomerates more than doubled. The oil companies have rejected USW proposals for “substantial wage increases” out of hand. For its part, the USW is no doubt prepared to retreat from its call for a six percent annual pay increase, with USW President Leo Gerard insisting that the strike is not over wages.

A *World Socialist Web Site* reporting team spoke with striking workers at the Tesoro Carson Refinery near Los Angeles. The largest refinery on the West Coast, the facility processes 363,000 barrels or 15.25 million gallons of crude oil per day when at full capacity. There are 1,450 full time employees at the factory. While the majority are unionized workers a growing number are temporary or contract workers.

Joel, a worker with many years experience at the Tesoro plant, described the safety concerns he and many of his fellow workers have. “They’re having us double up on jobs here now, which is extremely unsafe,” he said. “There is a lot of stress associated with this and it takes a toll on all of us, but more important than that are the safety issues. We’re working with extremely dangerous equipment and it’s literally putting our lives at risk. There was a gas main explosion in San Bruno a couple of years ago and Long Beach could face a similar catastrophe if things don’t change here.”

Steve also mentioned safety issues at the plant. “I feel like our situation is similar to the coal miners. You have these large oil or mining conglomerates, which are literally raking in billions and it’s all at the expense of our lives and of our communities. I also worry just standing outside today given the quality of the scabs they’re bringing in to replace us. These are advanced procedures requiring advanced training and I don’t see how you can bring anyone off the street to do this.”

Joseph, a young oil worker mentioned the need for all workers to carry out struggles on the widest possible basis. “We’re in a pivotal industry and we should mobilize on the broadest basis possible. I also think it’s a mistake for us to put our faith in either the Democrats or Republicans to achieve our demands,” he said.

While strikers wanted to express their views, USW officials, including picket captains at the Tesoro plant sought to enforce a virtual gag order on workers. When individual workers attempted to speak to our reporters, they were invariably pressured by union officials to stop speaking with us. Picket captains instructed our reporter to contact USW Local 675. Phone calls and emails to the union headquarters from the WSWS have up to the time of this writing gone unanswered.

The WSWS reporters handed out copies of the article, “ Oil giants take hard line against US workers on strike ” to picketers. The article calls on rank-and-file workers to take the conduct of the struggle out of the hands of the USW by setting up independent committees to spread the strike to shut down the industry and spearhead an industrial and political movement of the working class against both big business parties and the profit system they defend.

The World Socialist Web Site encourages oil workers to contact us to discuss this strategy.



To contact the WSWS and the Socialist Equality Party visit:

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