# USW rejects new offer by Shell as oil strike enters sixth day

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The United Steelworkers (USW) on Thursday rejected the latest proposal from Royal Dutch Shell for a new three-year labor contract covering 30,000 US workers in the oil industry. The rejection comes as the refinery workers' strike enters its sixth day, with the union continuing to limit the walkout to 3,800 workers at nine out of country's 65 refineries organized by the USW.

The proposal is the sixth offered by Shell, which the USW handpicked to set the pattern for a nationwide contract with ExxonMobil, BP, Marathon and other oil giants. The contents of the latest offer are unknown, as neither union officials nor Shell will release details of ongoing negotiations.

"The USW instructed the local unions in the National Oil Bargaining Program to reject Shell's 6th offer, which was given Wednesday night," USW spokeswoman Lynne Hancock said in a statement. "Negotiations are in recess pending data that the union has requested."

It is clear that USW officials feel they would not be able to ram a sellout deal through an increasingly restive workforce. Like workers throughout the US economy, oil workers have long faced declining living standards, exhausting and dangerous working conditions and the growth of low-paid part-time and temporary work.

Oil workers constitute a critical section of the working class and a nationwide strike would shut down 65 percent of the nation's refinery capacity. USW officials, however, including President Leo Gerard, are opposed to such a struggle. If oil workers won a significant wage increase it could open the floodgates for tens of millions of American workers who have suffered through the longest period of wage stagnation since the Great Depression.

Gerard sits on President Obama's Advanced Manufacturing Partnership (AMP) Steering Committee, a joint labor-management body that has spearheaded the administration's drive to slash labor costs and boost the international "competitiveness" of manufacturing and energy companies.

The USW called the strike reluctantly last weekend after negotiators for Shell walked out. USW Vice President Tom Conway said, "We didn't seek this strike. We're not looking for it. But we need problems solved…an intransigent attitude from them isn't going to get us there… They don't seem to us to be difficult discussions that a management should be so unwilling to have with its workforce."

With largely symbolic picketing doing little to hurt production, the oil companies are in no hurry to settle and can afford to wait for the union to wear down workers who have lost pay and health care. Though falling crude prices have been used by the companies to demand concessions, the *Wall Street Journal* reported, independent refiners such as Valero Energy Corp., Phillips 66 and Marathon Petroleum Corp. reported stronger-than-expected fourth quarter results, and are benefiting from cheaper oil.

Certain executives, moreover, say that Shell gave away too much during negotiations in years past and are demanding a hard line against workers' demands for higher wages and lower co-pays on health insurance.

The USW announced yesterday it will be holding a rally outside Shell's US headquarters in downtown Houston at noon on Friday. Union representatives say they want to "show management that union members are united in their drive for a fair contract that improves safety throughout the industry."

Union officials assiduously insist the major issue in the strike is not wages. This only suggests that they will soon drop their demand for a six percent increase in annual wages in exchange for some proposal to limit contract workers and add more union officials to safety committees.

In fact the USW has instructed picketers not to talk to the media so it can “control the message” that the strike is over safety, not wages. “This is not a bunch of greedy workers trying to get more, more, more,” said USW spokesperson Lynne Hancock. “We know we’re well paid. That’s not the issue.”

While safety and long working hours are certainly major concerns—in an industry where American refinery workers die at a rate three times higher than their European counterparts—wages are not a small factor. Oil workers have long faced a freeze in real wages, and pay 20 percent of the cost of their health care. It is significant that in the last oil strike, a 14-week walkout in 1980, 60,000 workers defied the Carter administration and won a 31.5 percent increase over three years.

There is popular sympathy for such a struggle today but workers cannot leave the conduct of the fight in the hands of the USW, which is completely tied to the energy companies and the Obama administration.

Neighboring communities have come out in support of the workers. A Houston area resident named Terry Thackeray commented on *Fuel Fix*, “[Refinery workers’] wages and benefits are not bank breakers for a company like Lyondell that just gave its CEO an annual bonus of over 20 million.”

Another Houston resident commented on the local news website *Click2Houston*, “The companies say that they have qualified people currently working the units. The reality is it’s a combo of managers, engineers, and admin people, who may have came out to the unit once or twice over the past year. They are doing jobs they were never intended to do. Also, they are being treated rather unfairly by being locked in for weeks at a time. What do you think happens when they get tired? I will tell you. Mistakes get made that could put them and the surrounding communities at risk for something potentially serious.”

Two of the refineries affected by the strike, Tesoro’s Los Angeles-area refinery in Carson, California and Marathon Petroleum Corporation’s Galveston Bay Refinery in Texas City, Texas, have reported leaks to regulators. Emergency responders in Texas City were notified of the leaks as a precaution. Reports have emerged that state inspectors are anxious over the continuation of the strike, citing safety concerns over the untrained strikebreakers used in the companies’ contingency plans.