USW sellout leaves oil workers at mercy of energy giants

Jerry White
19 March 2015

The sellout agreement the United Steelworkers reached with lead industry bargainer Shell last week has been a signal for the rest of the energy companies to demand even greater concessions from oil workers on a plant-by-plant basis. This will result in essentially breaking up the industrywide labor agreement and the common expiration date for contracts won by oil workers in 1966.

The wholly predictable outcome of this betrayal has been to leave oil workers entirely at the mercy of the oil giants, which are now whipsawing workers in different refineries against each other in a fratricidal race to see who will accept the worst conditions and lowest wages. In an industry where refineries and petrochemical plants regularly change hands, oil workers face the prospect of never-ending demands for givebacks in the name of "saving jobs" and remaining "competitive."

The world's largest oil company, ExxonMobil, is demanding workers at its Beaumont, Texas refinery accept a contract with a separate expiration date from the rest of the workers in the national oil bargaining agreement. This would deprive Beaumont workers of any leverage to oppose the oil giant's effort to strip workers of their longstanding rights.

Prior to the USW reaching a four-year settlement with Shell, ExxonMobil had demanded a five-year deal. It is now demanding that it be extended to six years as a precondition for the expansion of the refinery.

According to Reuters, USW local 13-243 negotiators countered with an offer to accept the current four-year national agreement, plus the next national agreement, which would amount to a seven- or eight-year contract for workers at the Beaumont refinery. "It's unprecedented," USW local 13-243 President Robert Hill said. "It could be a seven- or eight-year deal."

An Exxon spokesman said the company would like an agreement not tied to the pattern bargaining cycle. "We seek to maintain the competitive position and unique advantages of the Beaumont refinery, which drive our interest in moving to a non-pattern term," Exxon spokesman Todd Spitler told Reuters.

ExxonMobil previously separated workers at its Baton Rouge, Louisiana and Baytown, Texas refineries from the national agreement. Having long taken the measure of the USW—whose selective strike policy specifically excluded the two largest US-based companies, ExxonMobil and Chevron—the company now essentially believes the sky is the limit.

The USW local's suggestion that a seven- or eight-year deal would align Beaumont workers with the rest of the industry in 2022-23 is a fraud. The logic of the USW pro-company policy is the decimation of any industrywide contract and the endless pitting of worker against worker.

A veteran refinery worker in Beaumont told the *World Socialist Web Site*, "ExxonMobil first said they needed a five-year deal for labor stability in order to expand the refinery. Now they feel so bold that they are admitting they want us off the pattern. It's blatant; they are just out to screw us.

"The USW International all of a sudden went belly up. Earlier last week they were talking tough. Then they signed an agreement with nothing but vague language about safety and staffing and not much money. If I had been up in Houston or Galveston walking the picket lines for weeks, I would be livid. It is beyond me how we are going to take a small fraction of the workforce out and then settle for nothing.

"The union said they did not want a national strike because they didn't want the government getting involved. If it were a Republican president, you'd be concerned. But with my way of thinking we had a

Democrat in the White House who is our friend. Now I don't think that way anymore. The union did not want a confrontation because Obama is not our friend.

"We had an opportunity to pull out all the oil workers and the dockworkers on the West Coast together. But we lost that opportunity and we were pulled out of the fight all of a sudden. The companies knew what the USW would come up with. I'll be retiring soon but I got kids and grandkids. I grew up in a refinery home. We didn't have everything, but we were comfortable. Now the way it is going the young ones are going to be in the lower class. It's a two class system with the haves and the have-nots, and the haves have a silver spoon in their mouths."

The USW is moving rapidly to isolate those workers who remain on strike in order to blackmail them into signing the sellout deal it reached with Shell or local agreements containing even more egregious demands. The deal was pushed through Tuesday at facilities owned by Motiva Enterprises—a joint venture between Shell and Saudi Aramco—in Port Arthur, Texas and Norco and Convent, Louisiana. Workers are expected to return to their jobs by early next week.

While the USW claimed it received "unanimous" backing for the deal in Port Arthur—the largest refinery in the US—the union no doubt concealed the details of the pact from workers. It is open to question whether there is really a contract rather than some type of memorandum of understanding reached to shut down the strike. Workers have been told they will receive a miserly 12 percent increase in wages over four years, barely keeping up with the rate of inflation, and that the companies made meaningless promises to hold "discussions" and "semi-annual" meetings with the USW about excessive overtime, fatigue and the hiring of non-union contractors.

Industry spokesmen have gloated that the deals holds the oil companies to nothing, and that they will maintain the "flexibility" to hire contractors with no job security, health benefits or pensions.

At the locations in Texas, California, Indiana, Ohio, Washington State and Kentucky where workers are continuing to strike, BP, Marathon, Tesoro and LyondellBasell are taking a hard line in negotiations for local contracts.

Negotiators for LyondellBasell walked out of talks Saturday and have said they will not even look at the national agreement until local issues are resolved. USW officials said the company's walkout is a "stalling tactic" and that it seeking to cut overtime pay rates. The *Pittsburgh Post Gazette* cited a "source familiar with the talks," who said the company may be waiting to see if more workers cross the picket line at the plant.

Joshua Lege, a USW 227 coordinator at LyondellBasell, told the *Houston News* that representatives from both sides were in the middle of negotiating Saturday when company officials got up and left the room. "At the request of the company a federal mediator has been involved in the local negotiations from the start," Lege said. "Everyone assumed they were taking a break until the federal mediator came back and told the USW local reps that LyondellBasell's people were leaving and said they needed a 'cooling off' period." Company officials reportedly told the local USW representatives they would call when they were ready to meet again.

At Marathon's Texas City plant near Houston a federal mediator has also been brought in, but local talks are going nowhere, with the sub-director for USW District 13, W.E. Sanders, telling Reuters, "The company refuses to offer the pattern unencumbered."

If all of the gains won by generations of oil workers are not to be decimated rank-and-file workers must initiate a campaign to defeat the remaining local contracts and fight for a general strike by all oil workers in defiance of the USW. The sellout agreement must be overturned and the fight broadened into a mobilization of the working class against the Obama administration, both corporate-controlled parties and the profit system they defend. Only in this way can workers secure the social right to a decent-paying, secure and safe job.