BP and Steelworkers union reach sellout deal to end three-month Indiana refinery strike

Marcus Day
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BP and United Steelworkers (USW) Local 7-1 reached a tentative agreement last week for the 1,100 workers at the Whiting, Indiana oil refinery, one of a handful where oil workers remain on strike. In addition to the Whiting facility, where workers walked out on February 8, BP-Husky in Toledo, Ohio; LyondellBasell in Pasadena, Texas; and Marathon's Galveston Bay refinery remain on strike.

Although few details of the deal at Whiting have been released to the press, any agreement reached on the basis of the isolation of strikers—who are confronting one of the world's most powerful corporations on their own—can only be a wholesale sellout.

According to USW spokeswoman Lynne Hancock, the national union leadership must review the local agreement to verify that it is in line with the national framework reached with Shell on March 13. That pattern-setting deal did nothing to address the issues of understaffing, grueling hours, unsafe working conditions and crushing health care costs that motivated workers to strike. Workers may vote on the contract as early as this week, Local 7-1 President Dave Danko said.

BP spokesman Scott Dean boasted that the deal "fairly compensates our employees for their work and improves the competitiveness of our business," adding, "we hope our USW-represented employees will ratify this contract as soon as possible."

Echoing the company representative, Danko declared, "We keep our bargaining rights and the company gets the flexibility it wanted to be competitive. We moved toward each other in negotiations. A strong company is balanced by a strong union, and we're satisfied and pleased to reach what we believe is a fair settlement."

Danko claimed the agreement "addresses concerns" over safety like the national agreement. In reality, the national deal imposes no obligations on the companies outside of meaningless "discussions" with the union about staffing and overtime levels.

As for the USW, its concern about maintaining "collective bargaining rights" had nothing to do with the legitimate desire of workers to protect themselves against the attacks of the employers. On the contrary, the union bureaucracy only wants to preserve its role as a partner in imposing the cost-cutting measures while feathering its nest through the expansion of management-union "safety committees." Such joint committees only sanction the continued sacrifice of workers' lives and limbs to profit while providing lucrative career paths for union functionaries.

In return for BP's essentially meaningless agreement to the union's "bargaining rights," the local agreed to a no-strike clause for the duration of the contract. USW spokeswoman Hancock claimed no one knew why the local previously had a clause allowing for strikes while the contract was in effect. "The only person who would know now is dead," Hancock said.

The deal at Whiting came within days of the announcement of BP's first quarter profits. Although adjusted earnings fell 20 percent from a year earlier—largely due to the drop in crude prices—the $2.6 billion profit beat analysts' predictions and was up 15 percent from the previous quarter. The steep price drop, however, has enabled the oil giants to significantly increase profit margins from refining operations and offset losses elsewhere. BP earnings for refining and exploration more than *doubled* from a year earlier, from $1 billion to $2.2 billion.

BP's Whiting refinery remained staffed by replacement workers throughout the strike. As strikers were cut off medical benefits and their savings were drained with no meaningful financial assistance from the union—despite a national strike fund in the hundreds of millions—increasing numbers crossed the picket lines and returned to work.

In a slap in the face to workers, BP announced it would continue providing dividends at 10 cents per share, despite the overall drop in earnings. “The dividend is the first priority within our financial framework, and the board is committed to maintaining it, as we have today,” said the company’s chief executive, Robert W. Dudley.

While BP boasts it has money for its first—and in reality, only—priority to enrich its executives and large shareholders, it has repeatedly claimed that it must cut costs and impose harsh working conditions to remain competitive.

Company negotiators continue to take a hard line at the other refineries, which remain on strike. At LyondellBasell in Pasadena, Texas, the company stated it was unilaterally imposing its “last, best, and final offer” on April 20 after workers voted down its ultimatum.

Marathon also recently rejected yet another counter-offer by USW Local 13-1 at the Galveston Bay refinery near Houston. The Texas City facility was the site of one of the worst US refinery accidents in recent history, where in 2005 a hydrocarbon vapor cloud exploded, killing 15 and injuring 170 workers.

Marathon’s own “last, best, and final” offer on April 8 demanded that operators, maintenance and product control workers accept “alternate work schedules” of eight- to 12-hour shifts, up to seven days a week, depending on what the company deems to be “the needs of business,” according to the *Houston Chronicle*. The 1,100 strikers at the refinery overwhelmingly rejected the blackmail demand.

The oil workers’ strike possesses urgent lessons for workers, including the millions of teachers, auto, telecommunication and postal workers with contract negotiations this year. The strike was led to defeat not due to any lack of militancy or willingness to fight on the part of oil workers, who spent months on the picket line, in some areas through the depths of winter. Nor was the strike defeated because of a supposed lack of support for a struggle to recover decades of lost wages and declining living standards.

On the contrary, it was precisely because there is enormous support for a serious struggle to improve conditions that the USW and the AFL-CIO consciously blocked the mobilization of the working class. Allied with the Obama administration and the Democratic Party, the unions are committed to implementing the savage wage-cutting that has been at the heart of Obama’s “in-sourcing” policy aimed at undercutting international competitors. Moreover, the USW—whose president Leo Gerard sits on Obama’s corporate competitiveness board—and other unions play a critical role in blocking an upsurge of industrial workers that could rapidly coalesce with other forms of social opposition against poverty, police killings and war.

There exists enormous potential for a struggle by workers in northwest Indiana and Chicago. Layoffs are mounting in the area, which has borne the brunt of decades of deindustrialization—with the complicity of the USW. US Steel issued layoff notices to 9,000 employees last week, which constitutes nearly a *third* of its normal global workforce.

According to the *Times of Northwest Indiana*, nearly 1,000 steelworkers have lost their job in the region since the start of 2015. Entire production facilities have been idled or closed, including the East Chicago tin mill and Gary Works’ coke plant.

Thousands of Chicago Ford workers and teachers also face contract struggles this summer.

The unions have proven to be the greatest obstacle to developing a unified struggle by the working class. Having long abandoned the defense of workers, these nationalist and pro-capitalist outfits function as tools of big business and its political representatives.

To secure the right to decent paying jobs, safe working conditions and a future for the next generation, workers must break free of the straitjacket of the unions and build new independent organizations of struggle, controlled by the rank-and-file. The coming struggles of the working class above all must be guided by a new international and socialist strategy, including the transformation of the global energy industry, and monopolies like BP, into public utilities under the control of the working class.