USW pushes through sellout contracts at Indiana and Texas oil refineries

Marcus Day
16 May 2015

Oil workers voted to accept contract proposals at refineries in Indiana and Texas over the last two weeks, at BP and LyondellBasell respectively. Workers at Marathon's Galveston Bay refinery are scheduled to vote on a proposal on Monday.

None of the agreements resolve any of the issues that drove thousands of oil workers to strike at the beginning of February, including dangerous working conditions and eroding living standards.

However, workers have lost any confidence in the United Steelworkers (USW) to conduct a serious struggle. From the beginning, the USW worked to ensure the defeat of the strike, including by limiting it to just 15 refineries and other facilities—covering a fraction of the workers it represents in the industry.

After conducting the strike in such a way as to ensure that is had as little impact as possible on the profits of the oil companies, the USW reached a pro-industry pattern agreement with Shell, which bargained on behalf of the oil companies, on March 12. The deal proposed joint union-management "assessments" of staffing, workloads and maintenance. Such committees will do nothing to improve safety or working conditions, but they do provide a layer of the union bureaucracy with further income.

The deal with Shell also included an average wage increase of just 3 percent over its four years—effectively a wage freeze given the rising cost of living—and the continued imposition of high health care "cost-sharing."

The national pattern agreement was the basis for quickly shutting down the strike at many of the refineries. Other refineries remained on strike, but these were even further isolated. As workers have gone without strike pay and are confronting financial ruin, many see no reason to continue a strike.

At LyondellBasell in Pasadena, Texas, workers voted on May 7 to accept a contract that included the elimination of "premium" overtime pay, which will enable the company to demand even longer hours from workers who already regularly work 12- to 16-hour days, often for weeks without a day off.

After the company's "last, best, and final" offer was overwhelmingly voted down by workers on April 14, the company unilaterally imposed the contract and called on workers to cross the picket lines and return to work. Workers subsequently approved the company's proposal.

In an open letter to employees posted on the LyondellBasell's web site after their subsequent offer was ratified, Executive Vice President of Manufacturing and Refining Kevin Brown declared, "The fact is that all parties have voluntarily chosen to enter into a new agreement, end the work stoppage and return to work. We must not let the strike, now that it is done, become a distraction while we are working."

Brown arrogantly continued, "[W]e were extremely disappointed that we had a strike and, although we respect the legal rights of our employees to do so, we have a difficult time reconciling the senselessness of this particular strike as it was called and pursued by the USW."

At BP's refinery in Whiting, Indiana—which with a capacity of 428,000 barrels per day is the largest in the Midwest United States—USW Local 7-1 President Dave Danko said that the vote was 92 percent in favor of the new four-year contract.

After the USW's bargaining committee announced the tentative agreement two weeks ago, Danko said, "We keep our bargaining rights and the company gets the flexibility it wanted to be competitive."

The company, in fact, received everything it wanted in the deal, which will maintain the status quo of dangerous working conditions, all in the interest of the relentless drive to enrich executives and shareholders.

The union apparatus, for its part, gets to keep its “seat at the table” and continue to serve as a partner with BP in ensuring the discipline of the workforce.

At Marathon’s Galveston Bay facility, the third largest in the country, workers will vote Monday on a proposal put forth by a federal mediator.

The 451,000 barrel per day refinery, previously owned by BP, was the site of one of the worst industrial accidents in the US in the last decade, when in 2005 an explosion killed 15 and injured 170.

Previous reports indicated that Marathon was seeking the elimination of the safety measures put in place after the accident. Recent reports of recurring safety problems at the refinery, however, indicate that the measures were themselves insufficient. The company had also been demanding the ability to change work schedules without prior notice, requiring workers to remain after the end of their shift or work on their days off.

Although no details have been revealed of the proposal put forth by the federal mediator, workers should be under no illusions that it is anything less than a pro-company deal. The Obama administration, and the political establishment generally, has repeatedly demonstrated its complete subservience to the oil giants, from refusing to prosecute Tesoro for the deaths of seven workers in an explosion in 2010, to shielding BP from the consequences of the Gulf oil spill, the worst environmental disaster in US history.

Of the remaining refineries that have not yet returned to work, BP-Husky’s facility in Toledo, Ohio is the only one that has yet to announce a tentative agreement as of this writing.

Millions of workers this year—including auto workers, steelworkers, teachers and others—will be entering contract negotiations with huge expectations to reverse the decades of declining wages and intolerable working conditions. They must take as a warning the treacherous role of the USW in the course of the oil strike, which from the outset did everything in its power to prevent the strike from serving as the starting point of a broader industrial mobilization of the working class against the capitalist system as a whole.