

As contract deadline nears

US Steel to close blast furnace, cut 1,100 jobs at Alabama mill

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With two weeks before the September 1 expiration of labor agreements covering 30,000 steelworkers in the United States, US Steel announced Monday that it would permanently close the blast furnace and most of the flat-rolled finishing operations at its Fairfield Works near Birmingham, Alabama.

The move, which will eliminate 1,100 out of the 2,000 jobs at the steel mill complex, is the latest provocation by steel industry executives aimed at blackmailing workers into accepting sweeping wage and benefit concessions in the next contract. On Saturday, specialty manufacturer Allegheny Technologies Incorporated (ATI)—which, like US Steel, is based in Pittsburgh, Pennsylvania --locked out 2,200 workers at 12 factories in six states.

The Fairfield operations will be shut down on or after November 17, 2015. For the moment, Fairfield Tubular Operations and the electric arc furnace (EAF) construction projects are being spared. In March, the company announced it was laying off 1,600 workers at the Alabama complex, as part of 9,000 job cuts across the US.

“We have made some difficult decisions over the last year as part of our portfolio optimization,” said Mario Longhi, US Steel President and CEO. “We have determined that the permanent shut-down of the Fairfield Works blast furnace, steelmaking and most of the finishing operations is necessary to improve the overall efficiency and cost structure of our flat-rolled segment.”

US Steel executives, under the relentless whip of Wall Street, are engaged in a ruthless restructuring plan, which includes idling blast furnaces and laying off workers in Gary, Indiana; Pittsburgh, Pennsylvania;

Lorain, Ohio; Granite City, Illinois; Pine Bluff, Arkansas and the Houston, Texas area. Hundreds of taconite miners have also been laid off in Minnesota’s Iron Range.

The steel industry is being hard hit by a sharp reduction in demand from China, which consumes half of the world’s steel. The plunge in oil prices has also undermined pipeline and tubular business, and there is a looming threat that the car industry will increasingly turn to aluminum and other metals. US Steel’s restructuring plan—dubbed the Carnegie Way—is designed to make the company profitable under virtually all market conditions.

According to the *Wall Street Journal*, “After losing money in five of the last six years, US Steel is trying to remake itself by downsizing, cutting costs and becoming more nimble and responsive to the market.” Brazilian-born Chief Executive Mario Longhi “has said Pittsburgh-based U.S. Steel must adapt and that ‘everything is on the table’ in remaking the company.”

Predictably, the USW blamed the Fairfield shutdown not on the global economic slowdown or the ruthless cost cutting campaign by steel bosses and their Wall Street investors, but on imported steel from China. “In particular, China has repeatedly violated international trade rules to bolster its state-owned industry while dumping its products into our market,” the union said. “And American workers have already paid the price.”

The USW has long peddled this nationalist poison to divide American workers from their brothers and sisters internationally and join management in demanding ever-greater sacrifices from workers in the name of making US steelmakers more “competitive.” The result of this corporatist labor-management collusion has been the

destruction of hundreds of thousands of steelmaking jobs beginning in the mid-1970s.

In the early 1980s, there were 450,000 steelworker jobs across the country. By the end of the decade only 170,000 jobs would remain. In 1986-87, 22,000 workers struck US Steel (then known as USX). Today, there are less than 13,000 workers at US Steel.

Far from opposing job cuts, the USW worked with Wall Street consultant and later Obama auto restructuring czar, Ron Bloom, to destroy the jobs and pensions of tens of thousands of steelworkers in exchange for gaining control of multi-billion dollar retiree health care trust funds. The USW colluded with asset strippers like billionaire Wilbur Ross who consolidated much of the bankrupted industry only to flip it for \$4.5 billion to Indian steel magnate Lakshmi Mittal, the founder of ArcelorMittal, the world's largest steelmaker.

The USW will do nothing to defend the jobs of the Alabama workers. USW International Vice President Tom Conway told local media that the USW has been aware of the impending shutdown and was “counseling our members regarding their options under the labor agreement and related benefits agreements and will expand our existing Career Development programs to assist those who may need training and want to explore educational opportunities...”

The abandonment of the threatened workers, along with the USW's isolation of the Allegheny Technologies workers has only encouraged US Steel and ArcelorMittal to escalate the attack on workers. According to the USW, the two companies “are demanding dramatic increases in the amount that workers pay for health insurance, concessions in contract language around overtime, safety and job security, and cutbacks in retirement security.”

Expressing their willingness to hand over even more concessions, the USW declared, “We understand the very real challenges that our industry is facing right now and we are fully prepared to work with all of our employers to ensure the security and viability of our industry and our workplaces. But we also understand that we are working in a cyclical industry and we've faced good times and we've faced challenging times.”

This only underscores the fraudulent character of the rallies the USW has called this week to supposedly demand a “fair contract.” Earlier this year the USW

betrayed the oil refinery strike—calling out only 6,500 out of 30,000 USW-organized workers—and signed a contract that expanded labor-management committees while abandoning workers' demands for improved wages, safety conditions and end to grueling levels of forced overtime.

If steelworkers are not to face the same type of betrayal, they must take the conduct of the struggle out of the hands of USW by organizing rank-and-file action committees, democratically run by workers and free of the control of the USW, and link up their struggle with the 140,000 autoworkers facing the expiration of their contracts on September 15.



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