

# Lockout of 2,200 workers at Pittsburgh-based steel manufacturer enters second week

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The lockout of 2,200 steelworkers by Pittsburgh-based Allegheny Technologies Inc. (ATI) entered its second week on Saturday. There have been no further negotiations between ATI and the United Steelworkers union (USW) since the lockout began on August 15, after the company presented its draconian “last, best and final offer” the week before.

The contract details the company’s determination to transform its workforce into low-wage casual labor. Its provisions include steep increases in worker health care payments, with premiums alone costing a family over \$2,500 in the final contract year, on top of up to \$6,000 in maximum out-of-pocket expenditures. For a worker working 40 hours per week at \$25 per hour, a typical wage of picketing ATI workers, this amounts to a pay cut of up to 17 percent.

The company is also demanding the elimination of defined-benefit pension plans for new hires, replacing them with 401k plans dependent on the highly unpredictable stock market. Several workers pointed out to the WSWs that this establishes a version of the hated two-tier wage system that was forced on autoworkers during the Obama administration’s auto bailout in 2009.

On top of benefit cuts, the contract includes provisions that allow ATI “to supplement the workforce during peak maintenance periods and to contract out work that is non-core to our business and/or is considered specialized.” In other words, the company reserves the right to hire nonunion contractors for steelmaking operations, and plans to transition to a nonunion workforce for “non-core” work, defined as “janitorial [work], grounds keeping, road maintenance services, and **interior/exterior building construction and maintenance**” [emphasis in original], in other words, every job that does not directly involve making steel.

In addition, the contract’s scheduling rules essentially reduce the unionized workforce to the position of casual laborers. While the company has dropped its demand for the outright abolition of the 40-hour workweek and overtime pay after 40 hours of work in a week, it has done so by simply guaranteeing 40 hours of work per week, distributed as the company pleases throughout the week. Under the terms of the contract, ATI requires only 48-hour notice to schedule workers for 12- to 16-hour shifts, and can do so on shorter notice in case of an

undefined “emergency,” which could simply be a busy period for the company. After working such a shift, a worker could be sent home for a day or more, as the company is only required to schedule a total of 40 hours in a week.

A Vandergrift worker, referring to the company’s last offer, told the *World Socialist Web Site*, “I didn’t like it. There were too many uncertainties, too many question marks. They were not going to guarantee you 40-hour weeks. They could work you 12-hour days and then send you home. We already have sacrificed a lot of our family time to help this company and now they don’t want to even tell you when you will work.

“This company always finds a loophole. They will call anything an emergency and force us to work. I’ve worked a long time and I’ve missed a lot of family life. You can ask any of the guys on this line and they will tell you the same thing: ‘we did this for the company and this is how they are treating us.’

“Another thing is that the company wants to change our incentive pay. They want to make it based on how many orders the company has, not on how much we produce. They could tell us anything about the number of orders and we don’t control that.

“The company wants to take back everything that we and steelworkers before us fought for.”

With the ATI demands, the steel industry is outlining what it plans to impose on steelworkers across the US and internationally. The contracts covering 30,000 steelworkers at ArcelorMittal and US Steel are expiring on September 1 and the steelmaking giants intend to attain the same or even worse if ATI is successful.

The USW, however, is working to sabotage the struggle, wear workers down and impose management’s demands. USW officials initially begged ATI to accept its contract proposals, which the union boasted contained “tens of millions of dollars” in givebacks. After the lockout, the USW responded by sowing the illusion that the struggle against ATI is a waiting game, illustrated by its slogan “one day longer.” Workers have been instructed to apply for unemployment benefits, and the USW is actively encouraging workers to find other jobs.

Although the steel bosses are clearly coordinating their attacks, the USW is deliberately isolating ATI workers and

blocking a unified struggle with ArcelorMittal and US Steel workers.

The statement announcing the August 20 “Solidarity in Steel” rally at a US Steel plant in Braddock, Pennsylvania, made no mention of the struggle at ATI, whose largest facility is 30 miles away in Brackenridge. The rally was attended by only a handful of people, mostly USW bureaucrats, while demonstrations in Indiana, Alabama, Illinois, Minnesota and Michigan attracted one to two thousand workers in many cases. In other words, the further the demonstrations were from the Pittsburgh headquarters of the USW, the more workers could express their determination and solidarity.

In the ATI lockout the USW is also replicating its strike pay policy from its recent sellout of the 30,000 oil workers earlier this year. There will be no strike pay from its \$350 million strike fund until after the fourth week of the lockout. From then on the USW will distribute \$200 per week per locked-out worker to the union local, which will decide which workers are “in need.” Any worker who doesn’t toe the line of the USW or dares question its disastrous policy will be left without anything.

Instead of uniting the working class, the USW seeks to divide the workers with their campaign of economic nationalism and protectionism, seeking to place the blame on steelworkers in China, South Korea or Brazil. Furthermore, the USW fears that any struggle by steelworkers would expose and cut across their long-established ties to the Obama administration and the Democrats, who just as much as the Republicans are determined to slash workers’ wages, health and pension benefits even further.

Bruce Johnson, a longtime ATI steelworker, transferred to the Vandergrift, Pennsylvania mill six years ago after the Indiana facility he was working at was shut down. “I transferred here from New Castle, Indiana when they shut our [ATI] mill down six years ago. We’ve given concessions on the last two contracts, and where does it end? We’re not asking for anything more than what we have.

“I think they’re looking to take us for all they can get. I came out because I’m 58, because it was my only shot at a pension. I might as well go back to Indiana and work \$12 an hour.

“My intention is to come here until I retire, and come back home. I’ve lived there 52 years, it’s the house I was born and raised in. Right now my son lives there. I gave up a lot to come out here to have a career and now they want to gut us.

“At one point in New Castle we had two GM plants, a Westinghouse plant, and BorgWarner Automotive. One factory employed 6,000 people. We had dozens of machine shops that supplied the plants, but when the factories closed down, they all moved out. All we’ve got now are the hospitals and Ball State College.”

Speaking on the current working conditions, Bruce said, “they don’t tell you about the forced overtime. If they don’t have enough people, if a guy goes on vacation, everyone picks

up the hours until they come back. The two lines I work on are continuous operations, so you’ve got to work weekends. They have a rotating shift here and we change hours every week. We didn’t have that back in Indiana.

“I never know until Friday what I will be working the next week. A lot of the time you’re working 14 days in a row. You put in a lot of time that you don’t get with your family to keep your job.

“One of the biggest reasons I came to this company is for the health care. I’m 58, and so far I have been fortunate, but I might need it. Right now, premiums are \$300 a year per person, \$600 a year for a family. The co-pay at the doctor is \$20, specialists are \$25, and the ER is \$35 unless you’re admitted to the hospital, in which case it is waived. That’s in-network; out is 50 percent of the bill.

“If we wait on lockout a year, the company can call for a vote. People who work there [the strikebreakers] get to vote on whether they want a union or not, and what way do you think they’ll vote? I’ve seen it done in a small UAW shop back home. The town I came from is a UAW town. They let that little shop go out alone when they had 10,000 or 15,000 union members in town.”

In addition to the 1,100 workers in western Pennsylvania, ATI has locked out another 1,110 workers in Connecticut, Massachusetts, Ohio, Oregon and New York. A WSWS reporting team spoke to locked-out workers in New Bedford, Massachusetts, 60 miles south of Boston. They described how the company prepared in advance of the strike, setting up security cameras around the property and patrolling around the facility.

Workers had no idea whether management and others brought in as replacements were producing anything, but that the work was highly skilled and could be dangerous. Workers have lost hands and fingers on the job in the past and 12- and 16-hour days were not uncommon.

Many of the 115 workers have worked at the plant for decades, and began when the plant was owned by Teledyne and was nonunion. While workers are being asked for huge sacrifices in working conditions and benefits, they pointed to the total compensation of ATI CEO Richard J. Harshman, who collected in excess of \$6.4 million in total compensation in 2014.



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