

# US Steel maintaining hard line in contract talks with steelworkers

**Shannon Jones****12 September 2015**

In a statement released September 10, the United Steelworkers (USW) reported that US Steel is intransigent in its demands for huge cuts in health care and what essentially amounts to the institution of a two-tier system for benefits.

The contracts for 30,000 steelworkers at US Steel and ArcelorMittal expired on September 1. The USW, however, did not call a strike; instead, it ordered its members to continue working without a contract. Meanwhile, the USW is continuing its isolation of 2,200 workers at Allegheny Technologies Inc. (ATI) who were locked out by the company on August 15 after the USW ordered workers to stay on the job past a June 30 contract deadline.

The USW's statement reported that US Steel is calling for "dramatic" benefit cuts and higher health care premiums for active workers and a two-tier high deductible plan for new hires. US Steel also wants active employees to pay higher deductibles and copays, higher coinsurance and out of pocket maximums and charge each family up to \$3,300 per year by 2018. According to the USW a family could face up to \$6,300 per year in premiums and out of pocket costs if more than one family member gets sick.

New employees hired after January 1, 2016 would be excluded from the current health plan and put in a high deductible plan. A family would pay premiums of almost \$3,000 per year and be exposed to out-of-pocket costs that could total another \$6,000.

US Steel is also demanding higher deductibles and copays for Medicare-eligible retirees and spouses. Other cuts include the denial of sickness and accident benefits to employees with less than three years' seniority and the right to expand the use of subcontractors.

If the steel companies feel emboldened to demand such draconian cuts, it is largely due to the duplicity of

the USW. Last month the USW announced that it had made a formal contract proposal to ArcelorMittal that would save the company "millions in short term expenses and long term liabilities." In other words, the USW has already indicated it will accept concessions, the only disagreement is over the details.

An undoubted factor in the talks is the pending imposition of the Obama administration's "Cadillac Tax" on employer-paid healthcare plans that are considered overly generous. The aim is the eventual scrapping of employer paid benefits, a right won by workers in decades of bitter struggles, and the dumping of workers into the Obama administration's health care exchanges where workers will be forced to shop around for plans offering rock bottom benefits.

By refusing to call a strike the USW is maintaining the isolation of workers who are locked out at ATI, leaving them to battle on their own while workers at US Steel and ArcelorMittal continue production.

Steelworkers at ATI face demands for cuts similar to those advanced by US Steel. The company is calling for steep increases in out-of-pocket health care expenses and the elimination of employer-paid pensions for new hires. The company also wants to sharply increase the number of outside contractors and impose draconian changes to work rules.

At the same time, by blocking a strike the USW is preventing a united struggle with autoworkers and other sections of the working class facing similar attacks.

Hundreds of thousands of workers across the United States are currently working without contracts. This includes 300,000 postal workers, 60,000 AT&T and Verizon workers, 38,000 Illinois state workers and tens of thousands of teachers in school districts across the country. The expiration of the US Steel and ArcelorMittal contracts coincides with the expiration of

the contracts for approximately 140,000 autoworkers at Ford, Fiat Chrysler and General Motors.

The ruthlessness of the employers' assault was indicated by a recent incident on a picket line in Brackenridge, Pennsylvania when a van carrying strikebreakers hit a picketing worker. Rather than arresting the driver of the scab van the police cited the picketer for obstructing a public passage.

Strom Engineering, the same firm that is organizing strikebreaking against steelworkers at Allegheny Technologies, is reportedly posting ads in the Chicago area, which includes northeast Indiana, where both ArcelorMittal and US Steel have large mills.

The USW is the bargaining agent for roughly 850,000 workers, including oil refinery workers, paperworkers, chemical workers and some workers in the public sector. But it has taken no steps toward mobilizing this considerable body of workers behind the steelworkers, let alone to call for the unification of the steelworkers' struggle with those of workers in other industries.

Steelworkers should take a warning from the treacherous role played by the USW in the recent struggle of oil refinery workers in the US. When the contract for 30,000 oil workers expired the USW refused to mobilize the full power of its membership, calling instead a selective strike of just 5,000 workers who battled alone for months against some of the largest industrial conglomerates in the world. Despite the hardships endured by the workers, the USW refused to issue any significant aid to picketers from its \$350 million strike fund.

The USW wound down the strike in piecemeal fashion, leaving some workers isolated on the picket line for months. In the end, the union accepted as good coin worthless promises from the companies to provide "opportunities for discussion" on critical safety issues such as fatigue and contracting out.

In the oil workers' strike and the current contract struggle in steel the policies of the USW are not determined by the interests of workers but by the narrow interests of the highly privileged bureaucrats that run the union. The USW is willing to accept any deal so long as it maintains the intimate ties of the union apparatus to management and the flow of dues into the union coffers.

A further consideration of the USW is to prevent a collision between tens of thousands of industrial

workers and the Obama administration over wages and benefits. The Obama administration is undoubtedly coordinating the assault on the health care benefits of steelworkers as part of its drive to slash health care costs. This is in line with its overall policy of improving the competitive position of US industry through the driving down of labor costs.



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