ATI remains intransigent against steelworkers despite financial losses

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Pittsburgh-based Allegheny Technologies Inc. (ATI), which has conducted an eight-week lockout of 2,200 steelworkers, has reported a larger projected third-quarter loss of $142 million or more. Despite these losses, ATI continues to move ahead with scab production, demonstrating its determination to break the resistance of the locked-out workers.

The intransigence shows the bankruptcy of the United Steelworkers union (USW), which has presented the lockout as a waiting game, telling workers if they hold out "one day longer" the company will be forced to rehire them.

ATI announced the lockout at 13 facilities in six states on August 14, and swiftly brought in a workforce of strikebreakers from Strom Engineering. The company's facilities are constantly patrolled by a small army of private security guards.

ATI now claims to have largely returned to pre-lockout levels of production. Many workers are highly skeptical of these claims. ATI's losses are expected to translate to a drop of about 8 percent in its stock price. Nevertheless the company, and the banks and other steel giants behind ATI consider the costs as a down payment to create a cheaper, more highly exploitable workforce.

There have been no negotiations between ATI and the USW since a federal mediation session September 11-12, when ATI restated its previous "last, best, and final offer."

ATI is demanding increases in out-of-pocket health care costs that could rise above $10,000 per family per year. In an attempt to sow divisions between younger and older workers, the company is demanding the elimination of employer-paid pensions and health care for new hires when they retire.

The company also wants to impose work rule changes that would essentially turn workers into casual laborers. It is seeking to convert up to 40 percent of its workforce into outside contractors.

In response to ATI's extremely aggressive tactics, the USW has isolated the embattled workers from their allies in the rest of the steel industry and beyond. Despite the intransigent concession demands of US Steel and ArcelorMittal, the USW has ordered the 30,000 steelworkers to continue working more than a month after their contract expired September 1.

In an October 9 update on bargaining with US Steel, the USW seeks to divide the struggle of steelworkers by blaming the current crisis in steel production on imports and by implication on foreign steelworkers. "Our committee is well aware of the current crisis in the steel industry, and we are working hard to fight back against the effects of unfair trade, currency manipulation and global overcapacity."

Further in the same statement, the USW makes clear its willingness to impose concessions on its members if only US Steel is willing to engage in a "balanced discussions" with the union.

In a separate update on negotiations with ArcelorMittal, the USW claims to have "reached a basic understanding with the company on some non-economic issues." The USW gives no details as to what those are, but admits they have made no progress on the overall concessions being demanded by the steelmaker.

The WSWS spoke with workers at ATI's Bagdad plant in Leechburg, Pennsylvania.

"I got kicked out," said Ed Kraus, a worker with nine years at the plant. "I've got a wife and kids to take care of. Three kids, 13, 11, and 5, all girls.

"My health care coverage is ending at the end of November. It's rough with the wife and kids. It's not a good scenario. For CHIP [Children's Health Insurance

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Program] it's free. I heard that they [ATI] are going to offer COBRA [a government health plan], but with the price of COBRA that's going to be a joke. The union's supposed to offer us something in case of emergency. In case somebody breaks a leg and has to go to the hospital. The emergency room will be covered, just not the prescriptions."

COBRA plans can cost as much as $1,200/month per worker, more than half their monthly unemployment check.

Ed was also angry that fellow steelworker James Dietz was struck by a van carrying scabs out of ATI's neighboring mill in Brackenridge, Pennsylvania, and that the local police cited Dietz for allegedly obstructing traffic in a crosswalk.

"You've heard of peaceful protest," Ed said. "Even if he did walk out there, really that gives him [the driver] a right to hit him with a car? That was wrong.

"It's a shame to see where things are going now. It's not just us and US Steel. I think this is something we're going to see countrywide.

"I've heard of guys getting hurt in there. What do you expect? You've got guys working 12-hour days in there, six-seven days a week. Don't get me wrong, I'm not their friend, but I don't want to see anyone get hurt either. We've all got to make a living for our families.

"What they want now, is you can't even get a 40-hour workweek. When I first started here, we worked a four-crew schedule. And then we started to work harder, started to get more things done, and got to a three-crew schedule. You knew when you were working the next week. Then it started getting ridiculous. They started scheduling only two crews—'Oh, you're only going to be working four 10-hour shifts.' Then, next thing you know, they're adding another day. This has already been going on. This is not anything new. But we were at least guaranteed to get our 40 hours in. Now it's all unreasonable. They know what they're asking for. There are no negotiations."

Another worker argued that ATI was grossly exaggerating its level of production. "Wetherbee or Harshman said they're running at full production. That's total BS. I can't buy that they spend $1.2 billion on that steel mill at Brackenridge, and they're letting scabs who don't know the first thing about it to run it. Production's normal? That's a blatant lie.

"According to Wetherbee, everything's going smooth as silk, and nothing's going on. We, the ones who work in the steel mill, know that there's nothing going on. Drive by Vandergrift and look at the smokestacks. Now they've got scabs up there, and you don't see anything coming out of anywhere.

"If production's normal, why aren't the silicon trucks going in and out. There are trucks going in and out, but I say the trucks are empty, they've got one or two skids in there.

"There was a chemical spill at Vandergrift that went into the Kiski River, which has got wildlife in it, docks and fish. Don't hear anything about that anymore, do you? Are they going to get fined for it because they've got scabs in there? They should.

"Do they care? No. Does [ATI CEO Richard] Harshman care? No, he's making $8 million."

On October 1, ATI's Vandergrift plant discharged untreated wastewater and sludge into the Kiskimenitas River. The Pennsylvania Department of Environmental Protection is currently assessing the spill, but little has been made of it.

Ray Ausk worked for ATI for 31 years and has now been retired for seven years. "We are hanging in tight. The company is trying to break the union. We were on strike in 1994. but this is a lockout. They want to sell us out for a few shekels more.

"The company wants to take the workers back in time. These are things we fought for and we can't give them. Everyone needs pensions. This is hard work and you can't work in this mill forever. That is why we are here—we are not going back."

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