

USW agrees to sellout deal to end ATI lockout

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The United Steelworkers union (USW) and Pittsburgh-based specialty steelmaker Allegheny Technologies Inc. (ATI) announced Monday that they had come to a tentative agreement to end the six-month lockout of 2,200 workers at the company's flat-rolled products division.

Any agreement reached by the USW after it deliberately isolated the embattled ATI workers can only be a miserable betrayal, which should be decisively rejected. From the beginning, the USW's goal has been to supply ATI with millions of dollars in concessions to keep the company competitive amid a deep global slump in the steel industry.

"This is a tremendous victory for a very brave group of workers," USW International President Leo W. Gerard predictably said in a statement announcing the deal. "They should be proud of this agreement, and of the resolve they demonstrated throughout this six-month ordeal." USW International Vice President Tom Conway added, "We look forward to ratifying this agreement, returning to work, and getting back to doing what we do best: making the best steel in the world."

For half a year, the USW has worked to keep ATI workers isolated from more than 30,000 steelworkers facing similar attacks at US Steel and ArcelorMittal (AM). The aim of this divide-and-conquer strategy has been to weaken steelworkers and condition them for a new round of steep concessions, mill closures and mass layoffs.

Earlier this week, the USW acknowledged that despite its "partnership" with AM and offer of huge concessions—including lump-sum payments tied to hot-rolled steel prices instead of wage increases—the world's largest steelmaker was still pressing for sweeping concessions. These include lower health benefits and increased premiums for current and retired workers and reduced severance and supplemental unemployment benefits.

Now that it is winding down the ATI struggle, the USW will now go to work trying to batter down the resistance of AM workers.

Despite controlling a \$150 million-dollar strike fund, paid for with workers' dues money, the USW kept ATI workers on poverty rations since the lockout began in August 2015. By announcing an agreement this week, just as

unemployment benefits for the ATI workers expire, the USW hopes to starve ATI workers into submission.

Neither the USW nor ATI have commented on the contents of the new four-year contract, which they say will not be made public until it is ratified. Following the example at US Steel, the USW will do everything they can to prevent workers from seeing the details of the agreement and discussing it as union officials try to ram it through.

The deal will do nothing to preserve the jobs of workers at ATI's mills in Leechburg and Midland, Pennsylvania, which the company has announced it is idling.

Workers who spoke with the *World Socialist Web Site* the day before the deal was announced expressed anger at the situation. "Money-wise, it's real bad," explained Nicholas Relich, a slitter at the Bagdad mill with 27 years at ATI. "I drained my savings account making my truck payments. I'm probably going to lose my truck if we don't get an extension on unemployment."

"We don't get strike pay, we just get food cards. I don't know how long they [the USW] will give us that either."

"If they show us a contract now, a lot of the guys would probably take it, just to get back to work."

ATI cut off workers' health care benefits at the end of November, forcing many workers to forgo necessary health care. "We've got emergency health care right now, through the union. However, I'm paying for all my prescriptions out of pocket. It's over \$100 a month. I quit taking a few because of that. One was over \$100 a month itself, so I stopped taking that.

"A lot of workers found other jobs. They have to; they're on unemployment and they have house payments. Some went out of state."

"As part of unemployment, you've got to do job searches, two or three a week," explained Steve Dentici, a maintenance worker at ATI Bagdad with 28 years. "I've got all these pages [of signatures from jobs he applied to], but of all those jobs I applied to, even jobs that didn't pay much, I never even got a call. They look at your background and they don't even want to take a chance. They know that if they hire you, you're probably going back because you're going to be making more money. They don't want to put

you through all that training. We're stuck between a rock and a hard place."

Speaking of ATI's concession demands, a worker who asked not to be named said, "I think one of the biggest things was the outsourcing of the maintenance jobs. A maintenance man told me, 'If they do that with us, what's to stop them from doing that with other people?'"

ATI is demanding the ability to contract out all "non-core" positions, which they say constitute 40 percent of ATI's union workforce. In addition, ATI is calling for thousands of dollars of increases in out-of-pocket health care payments, and scheduling rules that transform workers into on-call employees.

The same worker commented on the recent US Steel contract, which removes defined-benefit pensions for new hires, a demand ATI is also making. "The new hires don't get a pension, they get a 401(k). That's a double-edged sword. What happens when those guys are 51 percent of the workforce? They're to going sell the retirees out, thinking you didn't think of them."

Since the beginning of the lockout, ATI has been running its mills at limited capacity with a scab workforce, largely supplied by strikebreaking firm Strom Engineering.

Nicholas spoke of the horrific conditions currently inside the plants. "I know one scab who's working in there, fixing all their stuff, and he's telling me what's going on in there. He says that a lot of the scabs want out. They thought it was just temporary work. Now they've got their money, they want to go spend it. They're stuck working 12-hour days, seven days a week. There are also local people they've hired. I know an electrician who got hired as a scab; he was a neighbor of my friend's. He got hurt the first week breathing some sort of acid and had to go to the hospital."

"There is very little steel production going on. This is partially because they don't have many orders, and they stockpiled."

The global steel industry is in a deep state of slump. The price of benchmark hot-rolled coil steel fell from over \$600/ton in February 2013 to under \$300/ton in December 2015. Global overcapacity is now more than 300 million tons per year, more than all US steel production. Steel companies in the UK, Australia, Italy, and New Zealand have all announced major layoffs. China, which produced half the world's steel, has announced plans to shut down 150 million tons of annual capacity, destroying an estimated 400,000 steel jobs.

Responding to this pressure as much as to the lockout, ATI has idled its plants in Bagdad and Midland, and will likely keep them closed even after any contract agreement. ATI has said its Midland plant could remain idled into 2018.

"They're going to close Bagdad down, so I don't know

whether they're going to transfer us somewhere else," said Nicholas, "We're just not sure what's going to happen."

Meanwhile, locked-out workers at alumina maker Sherwin Alumina face similar uncertainty as the company moves forward with the Chapter 11 bankruptcy process after a lockout lasting over a year. The USW fully accepts the bankruptcy process, and has signed on to the "creditors committee" in a self-serving attempt to profit from yet another devastating bankruptcy. Meanwhile, the USW states, "Our union is prepared to work with any buyer that is committed to operating the plant and bargaining a fair contract." In other words, the USW will happily work with any buyer to restore the plant's profitability on the backs of workers.

Like other unions in the US and internationally, the USW is a nationalist organization that fully supports the profit system. The USW's answer to the crisis of the steel industry is to put the costs onto the backs of the workers they supposedly represent, while calling for trade war with China. The USW's denunciations of Chinese "dumping" aim to turn US workers against their brothers and sisters in China, and ultimately toward war with China.

A fourth worker, who asked not to be named, saw through this deceit, "I'm sure they [the steel companies] are organized behind closed doors. I don't know what kind of conspiracy they've got going on, but it's got to be international. They're pitting us against each other, and just wringing their hands, laughing all the way to the bank."

The third worker criticized the USW negotiators: "These guys go down there with their suits and go to the companies saying, 'You need this, and we can do that.' They're not militant at all, and they tell us 'one day longer, stand stronger.' We're not even fighting. We're sitting here on the sidelines. We'll be screwed if we eat what they're trying to feed us."



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