

# United Steelworkers rams through sellout contract at ATI

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More than 2,000 locked-out Allegheny Technologies Inc. (ATI) workers in six states voted Tuesday to ratify a deeply concessionary contract. The contract, agreed upon on February 22 by ATI and the United Steelworkers union (USW), will end the six-month lockout of ATI workers.

According to USW International President Leo Gerard, “The strength and solidarity of our union paid off with a fair contract that contains virtually none of the drastic concessions ATI sought to arbitrarily impose.”

In fact, the opposite is true. The USW systematically isolated ATI workers and rammed through a contract that gives in to all of ATI’s major demands. What’s more, the ATI ratification further isolates 13,500 steelworkers at ArcelorMittal, and 2,500 workers at Cliffs Natural Resources, all of whom have been without a contract since September.

The contract includes thousands of dollars in increased out-of-pocket health care costs for current and retired workers, an effective wage cut of \$1.50/hour, large-scale expansion of outside contractors, and scheduling language that differs only slightly from what ATI demanded at the beginning of the lockout. The contract eliminates pensions and retiree health care for new hires, in favor of inadequate 401(k) plans. The USW claims that 420 workers from idled plants will be transferred to other facilities, but does not say when, or where in the country they will go. Workers still have not been told when they will return to work.

The 5-1 approval of the contract was not a vote in favor of this sellout contract. It was a vote of no confidence in the USW.

The ratification of this contract is the culmination of a monstrous betrayal of ATI workers, other steelworkers, and workers across the country by the USW. Throughout the six-and-a-half-month lockout, the USW worked tirelessly to isolate ATI workers in pursuit of three goals.

First and foremost, the USW sought to prevent the

struggle at ATI from catalyzing a mass “wages push” by workers across the country. In doing so, the USW worked hand-in-hand with the rest of the AFL-CIO and the Obama administration. Second, the USW aimed to weaken and fatigue workers into accepting deep concessions in the name of ensuring ATI’s competitiveness amid a deep crisis in the global steel industry. Third, the USW bargained for a share of the spoils looted from workers to finance its bureaucratic apparatus.

At the beginning of 2015, think tanks and leading media, political, and business leaders warned of the potential for a “wages push” as contracts covering millions of workers expired in 2015-2016. Fearing the implications of an upsurge in working-class militancy, the Obama administration has worked hand-in-hand with the AFL-CIO to suppress workers’ struggles.

The USW isolated and strangled the first major contract battle of 2015, the month-and-a-half oil workers’ strike, forcing workers to mobilize only a fraction of their strength in the industry. Simultaneously, the Obama administration threatened a Taft-Hartley injunction to force 20,000 West Coast dock workers to accept a five-year concessions contract that accelerated moves toward a casual labor workforce.

The ATI lockout, which began on August 14, coincided with contract battles covering hundreds of thousands of steel, auto, telecommunications and municipal workers. After contracts covering 140,000 workers at Fiat-Chrysler, General Motors, and Ford expired in September, the United Auto Workers relied on threats, intimidation and outright ballot fraud to push through deep concessions.

Within the steel industry, the USW forced 30,000 workers at US Steel and ArcelorMittal to continue working after their contracts expired September 1, despite the lockout at ATI. Throughout this period, the USW

allowed US Steel and ArcelorMittal to idle plants and lay off workers at will. The USW waited until auto negotiations were finished to push through a contract at US Steel on February 1 that freezes wages, eliminates pensions for new hires and accepts plant closures and layoffs. The contract settlement at US Steel further isolated ATI workers.

Throughout the negotiation process at ATI, the USW repeatedly offered millions of dollars in concessions. However, when ATI demanded blood in its “last, best, and final offer,” the USW recognized that workers would summarily reject it, and that any attempt to force the contract through would badly damage the USW’s credibility. After the USW refused to bring the contract to a vote, ATI locked out its workforce, importing scabs from strikebreaking firm Strom Engineering.

From the beginning, the USW worked to isolate and demobilize ATI workers. The USW ordered workers to allow ATI to bring in scabs unimpeded, put their faith in the National Labor Relations Board (NLRB), and wait “one day longer.” As the months dragged on, workers continued to drain their savings, and ATI ended their health care coverage at the end of November. In the meantime, ATI remained intransigent, refusing to even discuss changes to its proposed contract.

Fearing that ATI’s scorched-earth tactics could evoke a reaction that the USW would not be able to contain, the Obama administration intervened to pressure ATI and the USW to agree on a concessions contract.

The NLRB finding in January against ATI was a component of the Obama administration’s effort to press ATI to return to the bargaining table, while giving the USW political cover to present a capitulation contract as a victory.

Under these circumstances, ATI and the USW waited until unemployment benefits expired to announce a tentative agreement on February 22. After more than six months on lockout, ATI workers were in a much weaker position to resist as the USW sought to ram through a contract that was very similar to the one they had opposed in August.

The following Saturday, only three days before the ratification vote, were workers finally given a summary of proposed changes to the contract. They still have not received a full version of the contract. Well aware that the USW would not fight for a better contract, ATI workers voted to ratify the deal, rather than face an indefinite isolated lockout with essentially no income.

In return for services rendered to ATI, the contract gives

the USW substantial payoffs, in some cases directly extracted from ATI workers. Fifty cents per hour are diverted from workers’ quarterly bonuses into the USW-controlled Voluntary Employee Benefits Account (VEBA). Multi-million-dollar VEBA funds allow the USW to secure lucrative investment opportunities, and provide a direct incentive to slash retiree benefits.

While the USW enforces attacks on the living standards of workers in the US, it seeks to place the blame for these attacks on workers in other countries, asserting that “the flood of illegal imports” is “at the root of the problems that are harming our industry.” The day of the contract ratification, USW President Gerard hailed new “anti-dumping” duties on cold-rolled steel imported from Brazil, China, India, Korea, Russia, Japan and the United Kingdom. This ruling is the product of lawsuits launched by the USW itself. The ultimate logic of these trade war policies is war with China.

The USW’s betrayal of ATI workers, like the other betrayals of 2015 and 2016, have not gone unnoticed by workers. The USW, like the UAW and the rest of the corporatist trade unions, have been exposed as instruments of management, a labor police force.

The task of class-conscious workers at ATI and elsewhere is to form rank-and-file committees to carry forward coming struggles, and support current ones. These committees must be independent of and in opposition to the official trade unions and both big-business political parties. We call on all workers who agree with this perspective to contact the *World Socialist Web Site* today.



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