

Half of ArcelorMittal workers abstain as USW pushes through concessions deal

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27 June 2016

The United Steelworkers (USW) announced June 23 that nearly 14,000 steelworkers at ArcelorMittal (AM) facilities in the United States voted to approve a tentative agreement reached by the USW with the world's largest steelmaker. The three-year deal will attack the jobs, wages, health and retiree benefits of workers in Illinois, Indiana, Pennsylvania, West Virginia, Ohio and Minnesota.

The USW reached the deal with ArcelorMittal in late April, and voting has taken place over the last several weeks. Before reaching the tentative agreement, the USW forced AM workers to remain on the job for 10 months after the expiration of their previous contract in August 2015. The USW did the same thing to 18,000 workers at US Steel, while it isolated another 2,200 steelworkers locked out by Allegheny Technologies.

Having pushed through the pro-company deals, USW President Leo Gerard announced, "Together now we can focus on addressing the industry's real problems, such as global overcapacity and the unfair and often illegal foreign trade practices that depress prices, close plants and cost jobs." In other words, the USW will drop the rhetorical criticisms of the companies it used during negotiations and will return to its main course of business: spewing the nationalist poison of trade war and militarism in order to divide steelworkers internationally and make them more vulnerable to global attack on their jobs and living standards.

While the USW claimed workers "overwhelmingly" supported the agreement, in reality the balloting was largely a vote of no confidence in the USW, which workers understood would do nothing to win any improvements from the company. According to vote totals released by the USW, more than 50 percent of ArcelorMittal workers did not even cast ballots on the contract. The USW reports 5,059 ballots in favor, and 1,878 against, which, when abstentions are considered, amounts to 36 percent in favor, 13 percent opposed, and 51 percent abstaining.

The contract freezes wages for three years, amounting to a cut in real wages, in exchange for a worthless bonus offered only if the price of hot rolled steel nearly doubles to \$600 a

ton. The deal also gives the company the green light to continue the destruction of jobs.

The company plans to idle its 84-inch hot strip mill at Indiana Harbor West, its No. 2 steel shop and No. 2 aluminizing line, and No 5. continuous galvining line at Indiana Harbor East. The USW disingenuously claims that the shutdowns will not result in layoffs because displaced workers can be transferred, while the company expects a sufficient number of workers to retire in the next few years. In the end, however, this will lead to net job cuts.

Workers and retirees also face a steep rise in health care costs from new in-network deductible fees and other increases. They will shoulder 10 percent of the cost of medical care while out-of-pocket annual maximums rise to \$1,250 per family for retirees, and from \$1,000 per family to \$3,000 per family for active workers. Retirees are being pushed onto the Medicare Advantage health care plans, which partially shift costs from the company to the government. Monthly premiums for retirees also increase from \$70 to \$100.

ArcelorMittal historically has contributed \$25 million per quarter to the Voluntary Retiree Beneficiary Association (VEBA), the partially USW-administered retiree health care fund. Under the new contract, the company will make no payments whatsoever until 2018, at which point it will begin paying a fixed fraction of quarterly earnings. This provision will starve the retiree health fund, making it inevitable that the USW will impose further cuts to retiree health care.

The contract creates a two-tier benefit system, eliminating defined-benefit retiree health care for new hires in exchange for a \$0.50 per hour company contribution to a 401(k) plan.

Workers and retirees responded angrily on social media to the ratification announcement. "Yaaa we got a whole lot of nothing. Higher deductible in coinsurance. Which means next time everyone will be paying. No raise no nothing while the cost of living keeps going up," wrote Ben Stone on the USW Local 6878 Facebook page.

"Oh hoo'ray, retirees now r on medicare part d for prescription drugs..I guess that's better than nothing after all

I gave up my right lung for those pricks,” wrote John Pollock, a retiree, on the same Facebook page.

Other comments suggested the possibility of ballot fraud. “2/3’s again? All that I can remember have passed by 2/3. C’mon, pick a new number!” wrote Paula Deiotte.

WSWS reporters discussed the contract with workers at the Indiana Harbor plant in East Chicago, Indiana before final tallying of the vote. “We didn’t get anything. It’s the same thing all the time,” said one worker who asked not to be named.

The USW deliberately isolated steelworkers from each other and hundreds of thousands in auto, telecommunications, and other industries who faced or still face contract battles in 2015-2016. The USW, the AFL-CIO and the Change to Win labor federations worked with the Obama administration to prevent a feared upsurge of working-class militancy, as workers sought to recoup their losses since the 2008 financial crisis. In July 2015, USW President Leo Gerard, who sits on Obama’s corporate competitiveness board, and other union executives held a White House meeting with the president to discuss how to suppress an expected “wages push” by workers.

The enormous Indiana Harbor plant, which employs over 4,000 workers, sits next to the BP Whiting oil refinery. Workers at that facility struck for three months as part of a partial strike called by the USW at facilities in Texas, California, Washington, Ohio and Illinois. Although Northwest Indiana has the highest concentration of steelworkers in the US, the USW did not call out any of them to defend striking oil refinery workers.

An Indiana Harbor steelworker expressed no confidence in the USW’s ability to lead a genuine struggle for a better contract, referring to the USW’s betrayal of the 2015 oil workers strike. “Look what happened to the BP oil refinery workers—they struck and were out there all winter, and what did they gain? Nothing.”

Even as the USW made verbal criticisms of ArcelorMittal’s “relentless and endless attempts to reverse decades of collective bargaining progress,” the USW deliberately kept AM and US Steel workers on the job without new contracts, while isolating locked-out Allegheny Technologies workers.

Finally, after announcing the ArcelorMittal contract agreement on April 27, the USW waited to hold informational meetings and begin the voting process in earnest until after the Communications Workers of America and the International Brotherhood of Electrical Workers had shut down the seven-week strike by 39,000 Verizon telecom workers. Like all the other contracts pushed through by the unions, the Verizon contract—brokered by Obama’s labor secretary and a federal mediator—contained major health care

concessions, a virtual freeze in real wages and more job cuts.

Only after months of the divide-and-conquer tactics was the USW able to push this contract onto ArcelorMittal workers.

The USW is now ramping up its efforts, in collaboration with steel companies and the Democratic Party, to impose trade war measures against China. It has played a leading role in numerous “anti-dumping” trade lawsuits aimed at preventing foreign steel, primarily from China, from entering the US market. The USW hailed a June 22 International Trade Commission decision to penalize Chinese and Japanese steel imports to the United States.

These trade war measures serve to pit US workers against their brothers and sisters in China and across the world even as the global capitalist crisis is leading to the destruction of 1.5 million steel and coal jobs in China. The ultimate logic of this trade war is a shooting war with China.

Workers must draw the lessons of this struggle and recognize the USW and the rest of the trade unions as adjuncts of the corporations and the government whose major function is not to unite workers but to divide them. Workers should elect factory committees, answerable only to the rank-and-file, not the corporations and their company unions, to represent and defend themselves against the coming attacks on their jobs and living standards.

No real struggle is possible unless workers reject the economic nationalism of the USW and other unions and their subordination of the working class to the Democratic Party and the profit interests of the giant corporations and banks.



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