

Momentive workers strongly oppose tentative agreement

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On November 2, workers at Momentive Performance Materials plants in Waterford, New York (near Troy) and Willoughby, Ohio (near Cleveland) went on strike after five months of negotiations. Workers have maintained picket lines at plant entrances 24 hours a day in the face of a heavy police presence and the import of strikebreakers by the company.

On Friday, two days into the strike, IUE CWA (International Union of Electrical Workers/Communications Workers of America) announced it had reached a tentative agreement with the company. Workers began voting on the contract Sunday and will complete voting on the deal by 5p.m. today.

Preliminary reaction on the picket line indicates substantial opposition. Local union President Dom Patrignani stated he is trying to “educate” members before they vote.

The company, formerly part of GE Advanced Materials, a division of General Electric, manufactures sealants and adhesives used in the automotive and construction industries. There are 700 workers at the Waterford plant and 45 in Ohio. The Waterford plant was opened in 1947 as GE Silicone and is among the largest industrial employers in the area.

As with many struggles in recent years, the key issues are health care and retirement benefits. A union representative stated Momentive’s initial offer “would drastically raise workers’ health care costs and eliminate all retirement benefits for future retirees.”

According the *Times Union*, the company’s offer, which the workers voted to reject by 86 percent two months ago, included a 1.5 percent pay raise in the first year, followed by 2 percent increases in the second and third years. It would also include a \$3,500 sign-on bonus for each employee.

However, this would have been more than offset by the concessions being demanded by the company--additional health care costs in a high-deductible plan to be borne by workers, reduction of retiree benefits to supplement Medicare, and a reduction in one part of the company’s match to 401(k) retirement accounts, which Momentive had created several years after freezing the defined-benefit pension plan.

Mike Urbaetis, with 22 years at the Waterford plant, told the *Daily Gazette*, “Each contract we’ve taken a major hit on wages and pensions.”

Darryl Houshower, the vice president of IUE CWA Local 81359 at the Waterford plant, stated, “Overall, the contract is very concessionary. We had a pay cut in 2010--400 members lost wages, some up to 50 percent.” Three years later, the contract froze pensions for anyone under 50 years old with less than 10 years with the company. According to Houshower, the local’s older members are angry about numerous concessions they have made.

In a clear indication of Momentive’s determination to wrest major concessions from the workers, days before the strike began, news accounts reported that the company was hiring scab workers.

Regarding the scabs, John Ryan, who has worked at the Waterford plant for 26 years, said, “They [the company] bring these guys in here and put Waterford in jeopardy. They’re going to be running equipment that they can barely run when we’re in there... Well, it shows how little they care about us and the community of Waterford. They just care about their pockets.” The danger posed by the processes undertaken at the plant is highlighted by a flash fire five years ago in which two workers nearly died. Two other workers were injured in a hydrogen explosion in 1997.

Indicative of the rapidly increasing financialization of industry, Momentive was purchased in 2006 by Apollo Global Management, a major hedge fund, as part of a \$3.8 billion deal with GE. Apollo, based in New York City, also owns Caesars Entertainment Corporation; McGraw-Hill Education; Hostess Brands, maker of Twinkies; Norwegian Cruise Line; CORE Media Group, owner of American Idol; and real estate giants Coldwell Banker, Century 21 and Sotheby's International Realty.

The drive to extract major concessions from the workforce is part of Momentive's current implementation of a restructuring plan aimed at reducing expenses by \$35 million, which according to a company statement would allow "Momentive to remain competitive." The company reported that sales decreased 3 percent to \$586 million for the three-month period that ended June 30, which was attributed to a weak global environment. In other words, the company is seeking to increase the exploitation of its workforce in order to maximize profits and compensate for the world capitalist crisis.

In a move indicative of the union's long-standing pattern collaboration with the company's goal via successive concessions contracts, Patrignani offered to end the strike if the company would extend the existing, already deeply concessionary contract, for another three years. This would only deepen the losses Momentive workers have already suffered. Instead, workers should absorb the lessons of the Verizon strike earlier this year in which the CWA sold out its members to the company's drive for maximum profits. Promises made by the company to maintain jobs were soon broken.

Workers must break from these reactionary unions, whose sole aim is to maintain the comfortable conditions of their leaderships by collaborating with the employers to impose concession after concession. Workers at Momentive should election a rank-and-file committee to organize the defeat of the sellout deal and fight for the broadest mobilization of the working class to defend their jobs, pensions, health care and other social rights.

Workers in Waterford and Willoughby are not merely pitted against a single industrial corporation, but face the power of a mega conglomerate. Apollo Global Management will do whatever it feels necessary to

increase its profits on the backs of the workforce.

To fight such powerful enemies workers need to build a mass political party--independent of the two capitalist parties, the Democrats and Republicans--that will fight for a socialist program including the transformation of these giant companies and Wall Street firms into publicly owned enterprises collectively owned and democratically controlled by the working class.



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