

# Steelmakers in US demand historic concessions as contracts for 31,000 workers set to expire

Samuel Davidson  
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Contracts covering 31,000 steelworkers at US Steel and ArcelorMittal expire at 12:01 a.m. Saturday morning, September 1. Although the corporations are demanding sweeping givebacks, the United Steelworkers union (USW) has indicated it will not call a strike and will instruct its members to work without a contract or under an extended contract as negotiations continue.

Talks with two of the three largest steel producers in the United States are being held separately. The largest US producer, Nucor Steel, is a non-union company that uses mini-mill technology to produce steel from recycled materials.

On Friday, US Steel, which employs about 18,000 USW members, presented its demands. The company, which is expected to make \$1.8 billion this year and even more in 2019 and beyond, is demanding an unprecedented seven-year contract, which provides a 3.25 percent raise in the first year, 2 percent in the second, 1 percent in the third and no wage increases afterwards. During years four through seven, hourly wage increases would be replaced with lump-sum annual bonuses of up to 5 percent of wages if company revenue hits targets set by management.

In addition, the company wants to establish a new permanently lower wage and benefit structure for new hires, similar to auto and other industries. New production workers would only earn 80 percent of current workers' wages and would be put on a different health care plan with deductibles up to \$3,200 and out-of-pocket maximums of \$6,000 a year, according to the *Northwest Indiana Times*. Those benefits would be slashed in half if new hires got laid off.

Retired workers who do not yet qualify for Medicare

will see their monthly premiums shoot up to \$320 in 2019 and to \$440 per month by the end of the contract. Workers who retire during the contract but are not yet eligible for Medicare will face a \$580-per-month premium in 2019, jumping to \$880 per month in the last year of the contract, making health care unaffordable.

The cuts to retiree health care are especially ominous since steelworkers spend their entire careers doing very physically demanding work while being continuously exposed to carcinogens and other toxic chemicals and fumes. The inevitable outcome will be quicker deaths for retired steelworkers.

Workers at the two companies have expressed outrage over the concession demands. For the past three years, workers have not received any pay raises while both companies have reaped millions in profits, particularly after the Trump tax cut.

In 2015, USW refused to call a strike and ordered workers to remain on the job without a contract even as ATI locked out thousands of steelworkers. In the end, the USW pushed through the pay freeze and other concessions.

USW officials called US Steel's current demands "insulting" but made clear they would do nothing to oppose them. The USW does not want workers at US Steel and ArcelorMittal to link up their struggles with other steelworkers at ATI and Cliff Natural Resources, let alone with workers at United Parcel Service and Amazon and teachers engaged in similar battles.

ArcelorMittal, the world's largest steel producer, is also demanding concessions in health care and benefits, claiming that the company's US operations are unprofitable and need to be competitive with mini-mills

and foreign imports. The company operates 16 mills in nine states, employing about 13,000 workers.

In a statement posted on the company's website, ArcelorMittal's president and CEO of US operations, John Brett, said, "ArcelorMittal USA must achieve parity with other integrated steel producers, mini-mills and competing material producers. While we've optimized our assets, invested hundreds of millions in [steelmaking], and been successful at achieving our Action 2020 targets so far, our business here in the United States is still not cost competitive in comparison to other US producers."

ArcelorMittal is demanding that workers take massive cuts to health insurance, in which employees have to choose between a plan in which they pay \$200 a month for premiums or a plan with up to \$8,000 a year in out-of-pocket costs. The company is also demanding cuts to pensions, supplemental unemployment, incentive and vacation pay, as well as family and medical leave.

The steel bosses feel emboldened to make such outrageous demands because of the USW's decades-long record of collusion in suppressing opposition to mass layoffs, wage and benefit cuts and the destruction of working conditions. They know the USW can be trusted to sabotage any struggle and impose another round of concessions, plant reorganization and expanded use of contractors to help boost corporate profits at the expense of the workers.

The Commerce Department reported Wednesday that corporate profits had risen 16.1 percent in the quarter that ended on June 30, the largest year-over-year increase in six years. With prices and demand for steel up, US Steel announced \$212 million in quarterly profits and ArcelorMittal posted a \$1.9 billion profit in the second quarter.

In an effort to divert anger away from the corporations, the USW is once again promoting nationalism and chauvinism. The union has become the greatest cheerleader for Trump's trade war measures as it seeks to pit steelworkers in the US against their class brothers and sisters in Asia, Europe and South America and line up workers for a catastrophic war.

The Trump administration has imposed steel and aluminum tariffs under Section 232 of US trade law, which protect industries the US government deems necessary for "national security." Underscoring the

militarist content of its trade war measures, Trump stated earlier in the year that "we don't want to be buying steel [from] a country we are fighting."

Echoing Trump, the USW issued a July 11 statement accusing opponents of the tariffs for "deliberately misleading" the public about national security. "What does pose a threat to national security is continual diminishment of U.S. steel and aluminum-making capacity caused by unfair trade practices, mostly by China. The tariffs are intended to shore up U.S. capacity to ensure its availability for defense and our critical infrastructure."

The USW officials are cheering news that tens of thousands of steelworkers in China will be put out of work and their families made destitute by the tariffs. Meanwhile, unions in Europe and other countries are pressuring their governments to respond in kind to the United States and impose tariffs of their own.

The Socialist Equality Party urges steelworkers to form rank-and-file factory committees to take the conduct of the struggle out of the hands of the USW, which is nothing but a tool of corporate management and the government. These committees should reach out to teachers, UPS workers, autoworkers and other sections of workers to prepare a common counter-offensive against the corporate and financial elite.

The industrial mobilization of the working class must be combined with a new political strategy in opposition to both big-business parties and based on the international unity of the working class and the fight for socialism. This is the only way to oppose the relentless wage-cutting demands of the transnational corporations, to unite the entire working class against war, and transform the steel industry into a public enterprise under the democratic control and collective ownership of the working class.



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