

United Steelworkers union extends contract at ArcelorMittal and US Steel

Jessica Goldstein
4 September 2018

The United Steelworkers union (USW) announced Saturday that it would extend its current contracts with US Steel and ArcelorMittal “for a short period of time” past the bargaining deadline. The current contract expired at 11:59 PM on September 1 and covers 15,000 workers at Luxembourg-based ArcelorMittal and 16,000 at Pittsburgh-based US Steel at plants throughout the US.

The union has been engaged in contract negotiations with the two steel manufacturing giants since July 9. Arcelor Mittal has proposed a 3-year contract that includes a 2 percent pay raise in the first year and 1 1/2 percent raises in the next two years, along with a signing bonus worth \$1,980 after taxes. The proposal also includes cuts to health insurance for current workers and retirees that could force workers to pay up to \$8,000 per year out-of-pocket for health care. Additionally, the company wants concessions on vacation pay, incentive pay, family and medical leave, and pensions.

US Steel’s demands are even more egregious. The company is demanding an unprecedented seven-year contract, with a 3.25 percent raise in the first year, 2 percent in the second, 1 percent in the third and no wage increases for the remaining four years. 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.

US Steel also wants to establish a new tier of new hires who will be paid less and receive fewer benefits. The company proposed to cut retiree health benefits last month, in addition to demanding cuts to hours and elimination of overtime pay.

Last month, US Steel announced it will invest \$750 million in its 7-mile long, 112-year-old Gary Works plant, all of which will come off the backs of workers. US Steel and the USW will no doubt threaten workers with a withdrawal of investment if they do not accept the massive takeaway demands.

Both companies have seen an increase in their profits since the last concessions contract was forced through after

steelworkers worked for seven months without a contract in 2015. Together, the steel giants made \$2.1 billion in profits last quarter.

ArcelorMittal workers have not had a wage increase for three years, while US Steel workers have not had a raise for six years. The companies look forward to even greater profits in 2019, as the Trump administration’s 25 percent tariffs on imported steel, which went into effect in June, have caused an uptick in stock prices and brought the price of US-made hot rolled steel to over \$900 per ton.

Well aware of the deep dissatisfaction among rank-and-file workers, USW officials have complained that US Steel and ArcelorMittal are not offering acceptable proposals. After forcing workers to labor beyond the contract deadlines, the USW has now announced it will hold a strike authorization vote. This is nothing more than a hollow maneuver, however, aimed at allowing workers to blow off steam while the USW conducts closed door talks to fashion a deal the union officials think they can ram past the oppositions. Since negotiations in Pittsburgh began nearly two months ago, the union has not released a single counter proposal to the membership, which is determined to recoup past concessions and win substantial improvements.

During the 2015 contract struggle, the USW refused to call a strike, and forced workers to remain on the job without a contract, isolating workers at US Steel and ArcelorMittal from locked out ATI workers, whom the union starved into submission with meager strike pay. At the end of the struggle, the USW pushed through wage freezes and increased health care costs, along with a restructuring of the steel industry that eliminated jobs, extended working hours and introduced new lower-paid tiers—giving the companies everything that they needed to satisfy their profit interests.

When the current contract was ratified in the beginning of 2016, the USW justified the sacrifices that it forced workers to make in the name of keeping the companies profitable against foreign competitors. The cuts, they said, were necessary for workers to keep their jobs. Thousands of workers lost their jobs nonetheless. Now, the USW is laying

the groundwork for even greater betrayals.

Thousands of steelworkers rallied at ArcelorMittal and US Steel plants across the country on August 30 to protest the concessions demanded by the corporations. Plans for the rallies were announced by the USW on its website just two days earlier, and were planned by the union to contain the mounting anger of the working class that has intensified in the course of a decade of wage and benefit cuts, and to keep them isolated from other steelworkers across the US and internationally.

The turnout at the rallies demonstrates the growing militancy among steelworkers, and mirrors that of teachers, UPS workers, autoworkers and many others who are coming into struggle around the US and internationally.

On Saturday, the USW called for the strike authorization vote among US Steel workers to take place in individual union chapters this week. If the strike vote is approved, the union will be able to call a strike with 48 hours' notice. Although the steelworkers are expected to overwhelmingly vote for strike action, the USW has made it clear that it will work to avoid it at all costs. In the same letter that announced the vote, the union wrote: "The local leadership will then return to Pittsburgh [after the vote] to try to finalize a deal before we take any strike action."

Earlier this year, 93% of UPS workers organized under the Teamsters union voted to authorize a strike at the beginning of June, and workers at Fiat Chrysler's Kokomo Transmissions plants voted to strike in a near unanimous vote on July 19. Following the massive strike wave among teachers in West Virginia, Kentucky, Colorado and Arizona this spring, teachers in Seattle, Washington and Los Angeles, California voted to strike on August 28 and August 31, respectively.

In all of these cases, the unions are either in a hurry to wrap up strikes as soon as they begin or to prevent them all together. The real interests of the trade unions in the US and around the world were summed up concisely in January during the *Janus v. AFSCME* case, when attorneys for the public-sector unions repeatedly told the Supreme Court that agency fees—the equivalent of union dues for public sector workers who opt out of union membership—was the "tradeoff for no strikes." In other words, unions serve to prevent strikes from threatening the wealth and power of the ruling elite.

On August 31, Italian steel unions called for a September 11 protest of workers at Ilva, one of Italy's largest steelmakers, as ArcelorMittal plans to take over the company and threatens workers with job losses and wage cuts. The nationalist unions on both sides of the Atlantic have made no attempt to connect these struggles.

The USW is quick to blame workers in other countries for

taking the jobs and wages of workers in the US and Canada. But workers must see through these nationalist lies, and ask themselves who is responsible for the attack on jobs and pushing through one concessions contract after another. It is the transnational corporations that scour the globe in search of the lowest labor costs, and unions, like the USW, which function as nothing more than cheap labor contractors and management's enforcers.

Rank-and-file steelworkers must take the conduct of this struggle into their own hands by electing rank-and-file factory and workplace committees at every US Steel and ArcelorMittal mill and facility. These committees should advance their own demands, for a 40 percent across-the-board wage increase, the abolition of all tiers, the shortening of the workweek with no loss of pay, full funding of health care and retirement benefits, and workers' control over production to stop speedup and unsafe conditions.

Instead of backdoor negotiations, rank-and-file committees must elect their own representatives to attend all negotiations and livestream them to all workers. Workers must reassert the principle of "No contract, no work" and prepare immediate strike action as US Steel, ArcelorMittal and the whole steel industry. Rank-and-file committees should fan out to unite with UPS workers, teachers, autoworkers, US Postal Service workers and other workers to prepare a general strike.

In opposition to the nationalist trap being set by the unions and the Trump administration, US steelworkers should unite with their class brothers and sisters internationally in a common struggle against the capitalist system and for a socialist program, which would include the transformation of the steel companies into public enterprises democratically controlled and collectively owned by the working class.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact