

Management demands cuts to healthcare and pensions

United Steelworkers forcing 6,100 Alcoa and Arconic workers to work without a contract

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Despite the expiration of their contract, 2,700 Alcoa and 3,400 Arconic workers, members of the United Steelworkers of America (USW), have been instructed to continue working. The workers are employed in plants in Texas, New York, Indiana, Arkansas, Iowa, Tennessee, Ohio and Washington.

The contract that expired on May 15 had been ratified by USW members in 2014, before Arconic was split off from Alcoa in 2016.

The USW and management have agreed to extend the old contract for an indefinite period to ensure there is no disruption of production while negotiations continue. It had been announced that there would be a strike vote at Alcoa/Arconic, but the vote has been delayed at key plants by the USW.

On Friday the USW conducted a strike authorization vote at two smaller Alcoa/Arconic facilities in Massena, New York. There are 460 and 145 employees respectively at these two plants, members of USW Local 420A. Some of them posted critical comments on social media about how the USW is keeping them in the dark, with Paul Barney stating, “If they have an offer you should post it, this bull of keeping the members in limbo is nonsense let’s ratify or strike.”

Results of the voting were not available at the time of this writing.

Meanwhile, the USW announced that a strike authorization vote won’t be held until May 30 for its 1,900 members at the key Arconic Davenport, Iowa, plant, which has Boeing as a major customer. No reason was given to explain why the entire workforce would not be asked to vote, thus effectively dividing workers.

The almost 130-year-old company is calling for cuts

to benefits, including retirement security with replacing the defined benefit pension by an employee funded 401(k) plan. It has proposed to freeze payments for hourly pension plans as of Dec. 31, 2020, and replace them with age-based contributions to a 401(k) savings plan.

The companies are also demanding increased out-of-pocket health insurance costs and elimination of coverage of retiree healthcare for workers not yet eligible for federal Medicare. Roy Hutt, second vice president of USW Local 105 in Iowa, said, “They’re demanding we take concessions before discussing wages,” adding, “We don’t know if those wages would be offset by some of the things they’re asking.”

The USW reacted with sham outrage last Monday when news of the latest multi-hundred-million dollar stock buyback by Arconic was announced, this round at \$500 million.

Alcoa bought out competitor Reynolds Metals Inc. in 2001. In the 2000’s there were a number of acquisitions of foreign-based smelters and refineries including in Russia and Brazil. It should also be noted that Alcoa was the company that produced the Reynobond PE aluminum composite panels that ignited in the horrific Grenfell Tower fire in June 2017.

Arconic was split off from Alcoa with assurances given to workers by the company and union. Behind the split was the shareholder hedge fund Elliott Management, which is led by billionaire Paul Singer, and is what financial industry publications refer to as a “vulture fund” that strips the assets of companies as well as attacking workers’ jobs, pay and benefits.

Singer is also a supporter of the far right and donated \$1 million to Donald Trump’s inaugural committee.

A USW press release concerning the split declared, “The USW is pleased that the pension plan covering the hourly employees of Alcoa Corporation will be fully funded on an ERISA basis following the split.” It continued, “We are satisfied that the allocation of retiree pension and health care obligations is balanced and sustainable.” The result, however, has been to weaken and divide workers to the benefit of wealthy investors.

The USW, which has been a vociferous backer of nationalist trade policies that divide the international working class, has over 850,000 active members. Rather than preparing workers industry-wide for a strike in opposition to the concession demands of companies worldwide it has joined forces with management to strip workers of hard-won rights and benefits.

The USW negotiating committee is led by International Vice President Tom Conway. He said in response to the breaking off of talks with Alcoa, “Management should understand by now that we are determined to negotiate fair agreements and nothing less.”

And further, “Our members at Alcoa create tremendous value and have earned and deserve a contract that recognizes their contributions to the company’s continued success.”

In 2015 Alcoa purchased RTI in Niles, Ohio, now part of Arconic, where workers have been compelled by the USW to work without a contract since June 30, 2018. In 2017, Arconic announced a \$1.1 billion contract that supplies titanium parts for Lockheed-Martin fighter jets ordered by the US military. This March the plant announced the layoff of 12 of the 750 employees.

This past December and March Arconic and Alcoa respectively had reached deals with the New York Power Authority (NYPA), which is overseen by Democratic Governor Andrew Cuomo, that gave the Massena plants cheap power to boost investor profits.

Many workers have taken the measure of the bureaucracy’s servility to corporations illustrated by the USW slogan, “A Fair Contract Now!”

On the Facebook page of USW Local 105 in Iowa a worker asked what Arconic’s customers would think of the drop in product quality made by scab labor, to which Susan Pyle Davis replied, “I work at Arconic in

Niles, Ohio of all places, and in the inspection dept. for 23 years now. That place has made so many changes it’s unbelievable! We have been without a contract for a few weeks shy of a year. I’ve also been through a strike and lockout with the former RMI, which is now Arconic. The defense contract didn’t mean shit to them for the 18 months we were on strike. We, I’m afraid, have a fight on our hands.”

On social media the USW has been evasive when answering questions about the delayed strike vote and explains that everyone should “attend union meetings” otherwise management would become aware of their plans. One worker aptly described the motive behind the USW’s secrecy, saying, “We have to wait till they have enough workers [to maintain production] for us to leave or it seems like that.”



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