United Steelworkers isolate steelworker strike near Pittsburgh

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The United Steelworkers is isolating a strike by 450 steelworkers near Pittsburgh as it prepares to force through a sellout. The workers have been on strike against the Russian-based global steel giant NLMK since August 22. The plant is located in Farrell, Pennsylvania, about 70 miles north of Pittsburgh, just east of the state border with Ohio.

The main issue in the strike is the proposal of cuts to workers' health insurance. The company is demanding that they accept massive increases in their out-of-pocket costs.

In March, workers voted unanimously to strike if the company went ahead with their attempt to cut health benefits. In 2016, the United Steelworkers pushed through a concessions contract which included no wage increases for the life of the four-year term. Workers were told the concessions were needed so the company could update equipment.

Currently workers pay $185 each month for their health insurance. The company is seeking to increase the cost to $385 each month by the end of the four years of the contract. Workers say the increased health costs will wipe out the wage increases the company is offering once taxes and other deductibles are taken out.

The company is pressuring workers to accept a high deductible plan in which workers pay for increased costs for doctor visits, prescriptions, tests, and hospital stays.

The company says that they will offset those amounts by providing workers with a health savings account, worth $2,350 in the first three years before going down to $1,550 in the fourth year.

Such plans are designed to incentivize workers not to get routine medical treatments. Even a few days in the hospital for a relatively minor illness would use up the savings account and potentially leave the worker with thousands in bills.

NLMK is the American subsidiary of the Russian steelmaker of the same name. The company had been importing steel slabs from its parent company in Russia and produces hot- and cold-rolled steel for the automobile, appliances and special steel markets.

Since 2018, the company has been hit hard by the trade tariffs imposed by the Trump administration on imported steel from Europe, Russia and China. In 2018 and 2019 the company paid $167 million in tariffs.

In an attempt to get around the tariffs, the company applied for an exemption but did not receive it. It has also begun buying steel from Brazil. Taking advantage of the tariffs, Brazilian steelmakers have begun adding a surcharge to their steel products. However, Brazilian steelmakers still face a quota on imports and often shipments are held up for months by customs.

The United Steelworkers is a strong backer of the tariffs. It only criticizes Trump for not going far enough: the union would like to see automobiles and auto parts added to the list.

The USW is backing of the election of Joe Biden, who supports in all essentials the same trade war measures of the Trump administration. During the first presidential debate, Biden repeatedly argued that he would take a stronger stand than Trump against China, Russia and other US rivals.

The USW has a long history of using nationalism and chauvinism to divide American workers from their class brothers and sisters in other countries. This only serves the interests of the steelmakers and their Wall Street backers. While the corporations will scour the globe for the cheapest sources of raw materials and labor, workers are told that their real enemies are workers of other countries, who in reality face the same attacks from the global corporations.

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United States Steel, ArcelorMittal and Nucor, the three largest steelmakers in the United States, were strong backers of the tariffs. Both US Steel and ArcelorMittal are represented by the United Steelworkers, with about 32,000 members.

After an initial surge in orders, all three steelmakers brought additional capacity on line hoping to capitalize on the tariffs. The result was massive overproduction by 2019, and each company was forced to make cutbacks.

Despite this, all three steel producers refuse to sell slabs to NLMK since they compete for the sale of the finished products. They would prefer to see NLMK go out of business so that they could pick up a piece of the Russian company's $10.6 billion in revenues.

The 2020 coronavirus outbreak and the resulting economic downturn caused another major drop in demand for steel and resulted in layoffs. US Steel stock has plummeted and the company is desperately seeking to stay out of bankruptcy.

On Monday, ArcelorMittal, the world's largest steel producer outside of China, announced that it was selling its' American operations to Cleveland-Cliffs threatening the destruction of thousands of jobs.

Cleveland-Cliffs, which for most of its history was an iron ore mining company, is now overnight become the largest North American steel producer. Earlier this year, Cleveland-Cliffs bought AK Steel, a smaller, near bankrupt steel producer.

Cleveland-Cliffs hopes to make profits by controlling production from the mining of iron ore to the output of finished steel products. In addition, they plan to cut thousands of jobs as they combine production facilities and eliminate excess capacity.

The United Steelworkers has also been a strong backer of United States Steel, ArcelorMittal and the former AK Steel, and has worked with the companies to cut costs. Last year, the USW pushed through concessions contracts with the steelmakers which cut health care and pensions. The union did nothing as the steelmakers cut jobs.

There can be little doubt that the USW would like to see the Russian NLMK go under to the advantage of the "American" steelmakers, who in reality also control production and supply chains spanning the entire world.

Neither the USW main website nor the District 10 website mentions the NLMK strike. The USW has signaled that it is preparing to end the strike without winning any of the demands of the workers.

The USW has limited itself to filing charges with the National Labor Relation Board against NLMK that the company is not negotiating in "good faith." The result is to refocus the strike, not on a better contract, but on forcing the company to the "bargaining table" to collaborate with the USW in engineering a sellout.

Earlier this year, the USW completed an unconditional surrender in the 10-month-long strike of 1,800 copper miners against Mexican-owned mining firm Asarco. Like with the NLMK strikers, the USW claimed that the copper miners were engaged in an NLRB strike. In August, after the district NLRB office issued a complaint against the miners, the USW ordered its members to return to work and closed down the picket lines.

For their part, Asarco refused to fire the scabs they had hired and rehire all the miners. Miners who were offered to return to work were forced to work at lower paying jobs and worse shifts. The USW warned workers who refused to go back that they would be considered as resigned, lose their unemployment benefits and recall rights.

The United Steelworkers do not represent the interests of the workers, but are rather another layer of management over the workers. To break through the USW-imposed isolation, autoworkers must form rank-and-file strike committees to take the struggle out of the hands of the union.

The *World Socialist Web Site* and the Socialist Equality Party have assisted autoworkers and teachers throughout the country to form rank-and-file safety committees independent of the United Auto Workers and the teachers unions, in opposition to the unsafe return to work in the midst of the pandemic.

We will do everything possible to assist steelworkers in forming their own rank-and-file committees. To learn more, contact us today.

To contact the WSWS and the Socialist Equality Party visit:

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