US steelworkers union negotiating sellout deal to end strike at Allegheny Technologies

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The United Steelworkers (USW) continues to isolate 1,300 striking steelworkers at Allegheny Technologies (ATI), who walked out on March 30, and 650 refinery workers in Beaumont, Texas that have been locked out by ExxonMobil since May 1. In northeastern Quebec, 2,500 steelworkers in the USW have also been on strike since May 10 against the world's largest steelmaker, ArcelorMittal.

On Friday, the USW announced progress in talks with ATI after the company said that it would look into moving employee health benefits to the union-managed health benefit fund. The ATI strike involves five facilities in Pennsylvania—Brackenridge, Latrobe, Natrona Heights, Vandergrift and Washington—and at Lockport, New York; Louisville, Ohio; New Bedford, Massachusetts; and Waterbury, Connecticut.

The USW has promised that such a move would ensure that ATI health care costs would remain fixed for the duration of the contract. In earlier negotiations, the USW proposed to ATI to offset any rise in health care costs with cuts to employee profit-sharing checks.

The push by the USW to have the company transfer its health care plan into a union-managed fund is aimed at safeguarding the institutional interests of the union at the expense of steelworkers, while making the union directly and jointly responsible for carrying out cuts to health care benefits. The collection of hefty management fees for operating health and pension funds is a significant source of financing for the bloated six-figure salaries of the union bureaucracy, as well as a means of shielding the union from the financial impact of decades of layoffs.

In 2016, following a seven-month lockout, the USW negotiated a concessions contract at ATI in which the union took over the administration of health benefits for the retired workers. Payments made by ATI into the Voluntary Employees Beneficiary Association (VEBA) fund have not been enough to fund the benefits, and the fund is expected to go broke before the end of the decade.

The USW has also dropped all mention of the other major demands of the steelworkers, including an end to the two-tier wage system agreed to by the union over the past two contracts, a substantial wage increase to make up for the seven years of pay freeze, and an end to layoffs.

"It is hard for people to picket when they have to have a job" to make ends meet, said Brian Troutman, a crane repair man with 28 years' service at the Brackenridge mill. The USW did not provide any strike funds for the first month of the strike, and only began paying each worker $150 a week in May.

Brian has been forced to take a job as a landscaper. "I can only come on the weekends [for picket duty]. I am busting my ass for $14 an hour, hustling all day long."

Catherine Kepple, who has worked as a crane operator and has 29 years' service with ATI, agreed. "It's hard to find a job. Nobody wants to hire us since they know we will go back once the strike is over.

"Our bills are piling up. We are skimping on a lot of things and going without a lot. I have had to dip into my savings once and I hope I don't have to do it again; that is supposed to be for my retirement. This is not an easy thing to do. We are stuck between a rock and a hard place.

"I have just one year to go until I can retire. We haven't had a pay raise in seven years. Management gets all kinds of bonuses. When we were locked out, [in 2015-16] we agreed to come back without a raise. Then when the pandemic hit, we agreed to work another year without a raise. It is time that they should give something back."

"We do all the work; they make all the money. The steel business is booming right now. All they have to do is give us a fair contract."

ATI has also been cutting hundreds of jobs. Since 2015, employment has been cut from 2,200 to the current 1,500 workers and the company is in the process of a reorganization that is cutting another 400 workers, including the closing of plants in Louisville, Ohio and Waterbury, Connecticut, and cut the number 3 division in Brackenridge, Pennsylvania.

"We have about 100 guys who are laid-off and they want to keep contracting out work," Catherine said. "People need these jobs to live on."

Brian agreed, "When I started here, people used to want to work here and were proud of the work they were doing. Not anymore. People no longer want to work at this place."

"They are going to be making millions and millions of dollars and they want to get rid of us so they can keep more for them."

The way forward against the USW sabotage of the struggle at ATI is through the formation of an independent rank-and-file strike committee, democratically elected by workers themselves, to take the conduct of the strike out of the hands of the union bureaucrats. To end the isolation of the strike, this committee should demand an increase of strike pay to $900 per week, along with health benefits for all striking and laid-off workers.

They will work to mobilize the power of the working class, uniting workers at ATI with workers at ExxonMobil, Volvo Truck and other sections of the working class which are struggling to defend wages and benefits.

USW conducts protest stunt at ExxonMobil shareholder meeting while isolating lockout at Beaumont refinery

Six hundred and fifty refinery workers in Beaumont, Texas have also been locked out by ExxonMobil since May 1. The union is isolating this strike from the tens of thousands of refinery workers in the USW, aided by the USW's decision in 2015, in the aftermath of its shutdown of a national refinery strike, to sign a deal at the Beaumont plant separate from the national agreement.

While keeping the various struggles of steelworkers isolated from each other, the USW is also seeking to ration the workers with inadequate strike pay to force them to accept any concessions contract that they push through.

This past Wednesday, the USW held a stunt protest inside and outside of ExxonMobil's headquarters in Irving, Texas headquarters while the company's online stockholder meeting was taking place. The USW also had a proxy-holding delegate attending the meeting.

While their intervention was portrayed as aimed at promoting "corporate responsibility," its real aim was to promote corrupt corporate relationships with the giant hedge funds that control the company's stock. During the meeting, USW Local 13-2001 president Ricky Brooks introduced a toothless resolution requiring greater transparency in the company's lobbying activities. "Disclosure of the company's payments to trade associations and social welfare groups that influence public policies will allow shareholders to assess the company's management of risks," Brooks said.

The stunt took place within the framework of a shareholder revolt at the meeting engineered by firms such as BlackRock, the world's largest hedge fund. Two candidates were elected to the firm's board of directors from a slate put forward by Engine No. 1, an activist hedge fund with a relatively small ownership stake in ExxonMobil.

Using environmental concerns in particular as a PR screen, the real concern of shareholders is that ExxonMobil's failure to cut costs and its sluggishness in diversifying its portfolio to include renewable energy sources is jeopardizing the company's position over the next decade. The successor to the infamous Standard Oil monopoly of the late 19th century, ExxonMobil lost its place in the Dow Jones Industrial Average last year and is saddled with skyrocketing levels of debt. Meanwhile, financial analysts predict that the shift towards electric vehicles and alternative energy sources will lead towards demand for oil peaking in the 2030s.