USW proposed agreement with ATI would cut hundreds of jobs

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After more than three months on strike, the United Steelworkers (USW) has brought back a proposed agreement to 1,300 striking workers at Allegheny Technologies (ATI) in Pennsylvania and four other states. Despite the USW's proclamations of victory, the contract is a transparent sellout for workers, giving the company everything it wants, including slashing hundreds of jobs.

After starving and isolating workers on the picket line for months, the USW clearly calculates that the proposed deal will pass when it comes to a vote this coming Tuesday.

The USW has only released self-serving highlights instead of the full contract. Even these highlights, however, make clear the depth of the concessions the deal contains. The headlined "gain" in the agreement is a 3 percent wage increase in the second, third, and fourth years of the contract. The CPI inflation index has already risen by 5 percent this year, meaning that these nominal wage increases will likely mean a cut in real wages. ATI workers have not had a raise in seven years.

The proposal also includes lump sum payments of $1,500 in the third and fourth years and a $4,000 signing bonus bribe. ATI workers have been on strike for more than three months and have already lost thousands of dollars in income. Throughout this period, the USW has provided a miniscule $150-$225 per week in strike pay. While the USW promised that workers would receive $900 a week in unemployment benefits, this has already been denied in Ohio and will in all likelihood also be denied in Pennsylvania and Massachusetts.

From the outset, ATI demanded that any wage increase be offset by cuts in another part of the contract. The USW has complied, pairing the above "gains" with, among other things, the elimination of profit sharing.

A major demand of workers during the strike has been for premium-free medical coverage and an end to healthcare tiers. The USW touts the fact that the proposed agreement does not include premiums and is the same for all USW-represented employees. The USW achieved this by raising deductibles and co-pays for *all* workers and by agreeing to cap increases in the company's medical and prescription drug costs at 3.5 percent per year. If the cost of workers' healthcare rises above this cap, a Joint Benefits Committee, composed of "three union representatives and three company representatives" must "meet and determine how to pay the amount over the cap." The summary explains, "This could be through a reduction to the lump sum in 2024 or through a premium payment in 2024. The parties have to agree on how to pay this and if there is a dispute."

In other words, if workers' healthcare costs more than ATI wants to pay, workers will pay the difference. The USW calls this a "victory" because it does not necessarily involve "premiums" and because it applies to all workers, rather than only to new hires.

The agreement also includes no gains for retirees. The union-controlled Voluntary Employee Beneficiary Association (VEBA) retiree healthcare fund will continue to receive $1 per hour worked. The summary explains that, "This is adequate to fund the benefits for the term of the agreement, but long term funding will need to be addressed in the future." In other words, the fund will run out of money no sooner than 2025. The VEBA is largely invested in the stock market, which has risen to record heights in the past several years due to massive infusions of cheap money from the US Federal Reserve. A decline in the stock market could leave retirees without healthcare within years.

The most damning indictment against this proposed agreement is that it does not lift a finger to protect the jobs of roughly 300 workers, about a quarter of the workforce, who are slated to be fired due to plant and department closings during the life of the contract. The USW summary simply notes that "Before negotiations began, ATI announced their intent to permanently close #3 Finishing in Brackenridge [in Pennsylvania], the Waterbury plant [in Connecticut] and the Louisville plant [in Ohio].” The USW then pats itself on the back for opposing company plans to deny laid off workers their pensions.

The summary also makes clear that upon returning to work, workers should expect a management dictatorship lasting at least 90 days. Although the summary says workers will not be forced to work alongside scabs, this only applies to contracted scabs, not management scabs. The union has agreed to “allow supervisors, non-represented workers and retirees to perform some bargaining unit work for 90 days as operations return to normal.” The union will also “allow the company to cancel or reschedule vacation shutdowns, and allow increased overtime.”

At the conclusion of the 2015-2016 lockout, ATI workers returned to the factories to find equipment vandalized by scabs, including human feces in some areas. The USW suspended the grievance procedure and allowed the company to force workers into extended overtime alongside management scabs.

ATI workers should vote to reject this agreement. After months on strike, ATI workers are seeking to win back old concessions, not accept new ones. ATI is immensely profitable, making $40 million in the fourth quarter of 2020 alone.

To move forward, ATI workers must understand that they face not only ATI, but also the pro-corporate USW. Appeals must be made not to the company, the USW, and the National Labor Relations Board, but to the wider working class, which is also moving into struggle.

Within the USW, 650 ExxonMobil refinery workers are locked out at a refinery in Beaumont, Texas. 2,400 miners in Sudbury, Ontario have been on strike since January 1. 2,500 steelworkers in Quebec are angered over the USW betrayal of their strike against ArcelorMittal. Roughly 70 workers at Custom Hoists in Ashland, Ohio walked off the job on June 13. In addition, 1,100 Warrior Met coal miners remain on strike in Alabama. 700 nurses in Worcester, Massachusetts have been on strike since March. And nearly 600 workers at a Frito Lay food processing plant in Topeka, Kansas, went on strike this Monday.

3,000 striking Volvo workers in Virginia are leading the way with the formation of the Volvo Workers Rank-and-File Committee. Working through this committee, Volvo workers have now voted down two pro-company contracts, which the United Auto Workers (UAW) said were the best deals workers could get. Volvo workers are now fighting against a third pro-company contract that the UAW says contains “major gains” beyond the two rotten earlier deals.

It is likely not a coincidence that the USW brought back a deal at the same time as the latest Volvo tentative agreement. The USW recognizes that if Volvo workers vote their contract down, this will embolden ATI workers to do the same, and vice versa.

To carry forward the struggle, ATI workers must form rank-and-file committees to break the USW-imposed isolation of the strike. These committees must reach out as broadly as possible, including to striking Volvo workers as well as to other workers in the steel industry. ATI workers in Pennsylvania should send delegations to nearby US Steel plants and make an appeal for their support.

These committees should draw up demands based on what workers need, not on what the company says it can afford. These demands should include an end to layoffs, the restoration of all concessions granted by the USW, a return to the eight-hour day, no increases in healthcare costs borne by workers, full funding for retiree healthcare, and at least $900 a week in strike pay.

Workers should also demand to see the full contract, rather than often vague highlights, with a full two weeks to study and discuss it. Any memoranda of understanding between the USW and ATI must also be made available to workers.

We call on all workers who agree with this perspective to contact the World Socialist Web Site today.