“We’re humans, not machines”

What’s at stake in the looming contract fight of 30,000 US oil refinery workers

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20 January 2022

We urge oil workers to contact the WSWS for more information on building rank-and-file committees and to send your thoughts on the upcoming contract battle.

Tens of thousands of oil refinery workers are heading into a battle against the giant oil companies as the three-year national agreement for 30,000 workers at 14 different companies is set to expire on February 1. The workers at 20 refinery and petrochemical plants, accounting for two-thirds of US refinery capacity, are looking for substantial wage increases to combat record high levels of inflation and an end to exhausting and dangerous levels of forced overtime and the outsourcing and destruction of jobs.

While fourth-quarter and full year earnings reports for the industry are due next month in the first three quarters of 2021, the global oil giants made a combined $174 billion in profits. The windfall has been driven by a sharp rise in crude oil prices, which have fully recovered since the pandemic-driven economic collapse and worldwide oil glut in early 2020. Refiners are also profiting from the sharp rise in gasoline prices.

This has led to enormous payouts to wealthy shareholders, who received more than $36.5 billion last year in dividends and other payments last year. The energy companies also bought back $8 billion worth of stock to drive up share values.

Refinery workers also face a battle against the Biden administration, which is determined to prevent any interruption in gas supplies and a broader movement of the working class against rising inflation. Biden served in the Obama administration, which did the bidding of Big Oil with its kid-gloves treatment of BP after the 2010 Gulf of Mexico oil spill. Obama’s Justice Department also dropped the pursuit of any criminal charges against Tesoro for the 2010 explosion that killed seven oil workers in Washington state.

While oil workers were deemed “essential workers” and forced to risk their lives as Covid raged through the refineries, the US Congress passed the bipartisan CARES Act in March 2020, which handed the oil and gas companies $8.2 billion in tax relief. The Federal Reserve spent billions of dollars buying up the industry’s bad debts, which were largely accrued before the pandemic.

The bailed-out companies used the pandemic to eliminate 60,000 jobs and permanently shutter five refineries, which industry analysts said were long on the chopping block. Shell, which had been the industry’s lead negotiator for more than two decades, currently operates only one US refinery after the recent sale of the Houston-area Deer Park, Texas refinery to Mexico state-owned oil company Petroleos Mexicanos (Pemex).

Marathon, the largest US refiner with 13 facilities processing 2.9 million barrels per day, has taken over as lead negotiator in the talks for a new national agreement with the United Steelworkers (USW) union, which began January 12 in San Antonio, Texas.

The selection of Marathon is significant. The company laid off 1,920 workers--about 9 percent of its workforce—in 2020, and shut three refineries in Martinez, California; Gallup, New Mexico; and Dickinson, North Dakota. At the same time, it received $2.1 billion in federal tax benefits--or about $1.1 million for every job eliminated--according to a report from BailoutWatch. It also used half of its revenue from the sale of its Speedway gas retail business for stock buybacks.

Last year, Marathon waged a months-long war against workers at its St. Paul Park, Minnesota refinery after they struck on January 21 to oppose the outsourcing of one fifth of the unionized jobs at the facility, including trained workers critical for safety and fire prevention. The company responded by locking out the 200 members of the Teamsters union for five months. After workers overwhelmingly rejected the company’s “last, best and final offer” on June 22, the Teamsters accepted a new six-year deal, which abandoned workers’ job security and health and safety concerns.

In advance of next month’s national contract expiration, the USW, headed by Tom Conway (2020 salary $217,292), has not issued any formal demands and has only made amorphous references to “wages, health care, severance package language and investment in decarbonization.” This only underscores that USW officials plan to deepen their collaboration with the oil companies to suppress workers’ wage demands, imposed more forced retirements of senior, higher-paid workers as the industry restructures and markets itself as more environmentally friendly.

The USW has demonstrated time and again its subservience to the oil corporations, including its sabotage of the 2015 oil workers’ strike—the first national walkout since 1982. Instead of calling out all 30,000 refinery workers in the union, the USW limited the action to partial strikes by 7,000 workers at 12 refineries and three chemical plants. It then isolated each section of workers, signing one strike-ending agreement after another which ignored workers’ demands for reduced overtime, lower out-of-pocket health costs and better wages. In 2019, the USW signed a deal that included an 8.5 percent pay increase over three years, which was more than eaten up by rising medical costs and inflation that is now running at a 40-year high of seven percent.

Worst of all, the USW is isolating 650 workers at ExxonMobil’s Beaumont, Texas oil refinery and packaging plant, who have been locked out since May 1, 2021 by the world’s largest publicly traded oil company. The nine-month lockout and the company-backed push to decertify the union are the direct product of the USW’s decision to split off the Beaumont workers from the national labor agreement in 2015.

Oil workers speak

"In 2015, the union took 10-15 refineries out and pussy-footed around instead of taking the whole industry out," a veteran of the 2015 strike and retired ExxonMobil worker at the Beaumont refinery told the *World Socialist Web Site*. "The union said, 'We got this, we got that,' but in the end it was the two or three percent raises we've been getting for years, which barely cover the cost of living and are paid for by raising our insurance rates."

"The USW is in bed with these people. They have left 650 workers locked out in Beaumont and that is going to affect workers across the whole industry. If ExxonMobil can get the union decertified, they're going to pick and choose who to hire back. A lot of workers will end up on the street and the ones hired back are going to be told when and how high to jump if they want to keep their jobs. They say they're competitors, but all the companies talk to each other and if ExxonMobil can do this, so can Marathon, Tesoro and the others.

"There shouldn't any negotiations with the oil industry until the Beaumont workers get what they need. If the companies don't agree to that then every oil worker in the country should go out. The companies are making money hand over fist.

"In addition to Beaumont, the union took ExxonMobil workers at Baytown, Texas and Baton Rouge, Louisiana off the national contract too. If you are alone, you're going to get attacked. We should all be together with the same contract and expiration dates."

He continued, "I've been pro-union all my life, but the union has gotten to be a game. The fat boys in Pittsburgh (USW headquarters) all get outrageous salaries. When I retired, we were paying $100 a month in union dues so they could break us apart and screw us. The union has set up all these 'teams' and joint safety programs. 'This is great for safety,' they tell us, but it's to lower the company's insurance costs and to get local union officials out of work, so they can go to junkets in Las Vegas or whatever.

"There are supposed to be restrictions on overtime, like you're supposed to get one day off if you're working 14 straight days. But if the company gets in a bind there are always 'exceptions.' The process workers are working 12-hour shifts and flip-flopping from days to nights. They're working 700-800 extra hours a year in overtime, whether they want to or not. It is extremely difficult on your body.

"The government basically forgave all the debts of the oil industry, but they won't touch the billions in student loans." Referring to the pandemic, he said, "Covid was raging through the refineries at the beginning of the pandemic, but they wouldn't protect workers. Here in Texas and other states they're forcing kids back into schools so parents can go to work. It's all about money, not biting the bullet and shutting down for however long it takes to stop the pandemic."

Another veteran of the 2015 strike, who was forced to retire from Motiva's Norco, Louisiana refinery due to injuries, told the WSWS, "After the strike they made our lives as uncomfortable as they could. The type of work we do is physically demanding and the way they hurt us [is] to take account of every second we're in the refinery. But we are humans not machines and our bodies break down and need time to repair. If you don't get the time off, you break down.

"It's not possible for your body to repair if you are working overtime to the extreme. As a worker, I would say don't work 12-hour days, go back to eight hours, and if extra work is needed, cycle people instead of drilling the lowest ones on the totem pole to do all the overtime."

He concluded, "I don't know about all this globalization stuff, it's become terrible in America." This reporter pointed out that the global corporations were doing this to all workers, noting that last month the Greek government deployed hundreds of police against oil workers who occupied a refinery to protest layoffs and dangerous 12-hour workday. In reply to the WSWS's call for workers around the world to unite against the multinational corporations, the retired oil worker responded, "Yes, that's right."

The way forward

Oil workers are entering this fight following a year of escalating class struggle in the US and internationally. In 2021, tens of thousands of workers struck, including Alabama coal miners, nurses in Massachusetts, Minnesota and West Virginia, graduate student workers at Columbia and other universities, manufacturing workers at Volvo Trucks and John Deere, and food processing workers at Frito-Lay, Nabisco and Kellogg's. Workers at auto parts manufacturer Dana, healthcare provider Kaiser Permanente and in the Hollywood TV and film studios overwhelmingly rejected sellout agreements pushed by the unions but were prevented from striking.

More than 8,400 King Soopers grocery store workers in Colorado have entered their second week on strike and more than 20,000 dock workers in California, Oregon and Washington face a contract expiration on July 1. More than 25,000 teachers in Chicago carried out a four-day job action to demand remote-only classes, followed by a wave of student walkouts in New York, Boston, Oakland, St. Paul and other cities to protect their lives as the pandemic spreads out of control.

Workers and young people are being driven into struggle by the criminal response of the corporate and political establishment to pandemic, which has prioritized profit over human life and driven and further enriched the billionaires and mega-millionaires that rule the country.

To take forward their fight, oil workers need new organizations of struggle, rank-and-file committees, democratically controlled by workers themselves and completely independent of the corporatist USW. These committees must advance their own demands based on what workers need, not what is acceptable to big business, including a 30 percent increase in wages and Cost-of-Living allowances, fully paid medical and retirement benefits, the restoration of the eight-hour day, a ban on forced overtime, and the control of production speed and health and safety by rank-and-file committees.