

USW blocks strike, extends contract for 30,000 US oil workers

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Are you an oil worker? Contact the WSWS and let us know what you think about the extension of the contract and the company's "final offer."

With the contract covering 30,000 oil refinery workers set to expire at 12:01 a.m. Tuesday morning, the United Steelworkers union (USW) announced it was extending the current three-year contract with Marathon and other oil, gas and petro-chemical corporations.

The USW is seeking to prevent a strike against the highly profitable oil giants, which are demanding more wage and benefit concessions and a further destruction and outsourcing of jobs. Marathon, which is leading the negotiations for Shell, BP, Chevron, Tesoro and other refiners, is reportedly offering between 2 and 3 percent annual raise over a three-year contract. This would amount to a massive de facto cut in real wages given the annual inflation rate of 7 percent.

Well aware they would face a full-scale revolt from the rank and file if they accepted the company's insulting offer, the USW officials announced that they had rejected the proposal but were nevertheless keeping workers on the job. In a perfunctory text message sent out just before the deadline, they declared, "USW has rejected Marathon's last proposal and the union has offered 24 hour rolling extensions across the industry. Under an extension, everything in our contract remains in place with a 24-hour notice required to terminate the extension. Keep working, stay safe."

Without outlining any specific demands, the USW has said it is looking for "improvements in successor language, our severance packages, our health and safety coverage and, in particular, our wage demands." The reference to improved "successor language" and "severance packages" makes it clear that the USW is willing to accept further layoffs and refinery closures, and the industry consolidates and restructures.

Marathon reacted provocatively, calling its degrading proposal "a comprehensive final settlement offer that includes substantial wage increases in each year of a

proposed three-year agreement, and maintains other economic and non-economic provisions of the previous pattern labor agreement, including those related to employee benefits, health and safety, and job security."

The reference to a "final offer" is particularly threatening. 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. 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.

Workers at ExxonMobil's Beaumont, Texas, refinery have been locked out for 10 months after rejecting the "last, best and final" ultimatum from the company, which just announced 2021 profits of \$23 billion. The USW, which separated the Beaumont workers from the national contract during the 2015 refinery strike, has kept the locked-out workers isolated, emboldening the companies to step up their attack on oil workers.

Workers are frustrated by years of stagnant wages, tiered wage systems, grueling hours with forced overtime, unsafe work conditions, and lack of COVID protections. Many are forced into 12-hour shifts, six or even seven days a week. The work itself is physically hazardous and demanding, forcing many workers into early retirement and increasing the chance of industrial accidents, such as the 2019 explosion at ExxonMobil's Baytown, Texas, refinery that injured 60 workers.

In social media comments, workers expressed their anger. One worker denounced the "last offer on wages of 2/2.5/3%" while workers "apparently crushed all of our earning targets last year." He noted that workers had made the company a "pile of money" while "understaffed by 20% during the pandemic."

Another worker said, "I hope that pay raise keeps getting knocked down. We made so much f... money in 2021, pair

that with inflation, 2–3% is BS.” Another worker commented, “The crack spread has been great this year,” referring to the differential between the price of crude oil and the petroleum products extracted from it. “2.5–3% raises are stingy. Especially with inflation over 7%.”

While demanding that workers accept a further erosion of their living standards, the oil giants enjoyed a bonanza year of profits. Chevron took home \$15.6 billion in 2021, its highest in eight years, while the industry collectively enjoyed \$174 billion in profits for the first nine months of the year. In addition, oil companies received \$20.5 billion in federal and state subsidies, plus trillions more when including the contributions of the US military, State Department, and CIA in securing the oil industry’s global interests.

The Biden administration is determined to prevent a walkout by oil workers that would reduce supplies and lead to a further spike in gas prices. Such a strike would be a catalyst for a broader movement of the working class against the ravages of inflation and the “let it rip” pandemic policy of both corporate-backed parties, which have done everything to protect profits, not human life.

More than 100,000 railroad workers have been working without a contract for two years, and anger is boiling over at Warren Buffett–owned BNSF, where a federal judge has just blocked a strike by 17,000 rail workers against a draconian absenteeism policy, which could lead to the termination of workers for taking time off to be with their families or go to doctor appointments. On July 1, the contract is expiring for 28,000 West Coast dock workers who have been working around the clock even as more than 1,700 workers are out because of COVID-19.

But the biggest obstacle to waging a united fight is the USW and the rest of the pro-corporate unions. As a veteran of the last strike said, “In 2015, the union took 10–15 refineries out and pussy-footed around instead of taking the whole industry out. ... 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 do this, so can Marathon, Tesoro and the others.”

He continued, “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.”

While enjoying the closest relations with the corporations, the USW has repeatedly isolated and betrayed workers. Last summer, the USW and the United Auto Workers kept 8,500 Dana auto parts workers on the job after they rejected a union-backed concessions contract by a near-unanimous

vote. After months of contract extensions, the unions wore down the workers and imposed a repackaged sellout deal. In November, workers at Newport News Shipbuilding in Virginia voted down a USW-negotiated agreement by 2-to-1. The USW has kept them on the job despite an overwhelming strike vote.

Oil workers must be on guard against another betrayal and mobilize now to take the conduct of the struggle into their own hands. This means following the example of Volvo Trucks, John Deere, Stellantis and other autoworkers, as well as nurses, educators, transit, Amazon and other workers in the US and internationally who are forming rank-and-file committees, independent of the corporatist unions.

These committees must fight for what workers need, not what the companies and their USW stooges like President Tom Conway and Bargaining Chair Mike Smith say is affordable.

These demands should include:

- A 40 percent wage increase over the life of the contract and full cost-of-living (COLA) protections.
- A ban on outsourcing, refinery closures and job cuts and the rehiring of all laid-off workers.
- The enforcement of the eight-hour day and the abolition of forced overtime.
- Workers’ control of production and health and safety, including protections against COVID-19 and 10 days of fully paid quarantining for all infected or exposed workers.

To fight for these just demands, rank-and-file workers should establish connections to workers at all refineries and petrochemical plants, including Beaumont, Texas, to prepare an industry-wide strike and to link up with railway and dock workers.

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