USW pushes ExxonMobil deal to end Texas lockout: A warning to all 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, the company's "final offer" and the fight for a nationwide refinery strike.

The United Steelworkers (USW) has scheduled a vote for Monday, February 21, on ExxonMobil's latest ultimatum to locked out workers at its oil refinery and processing plant in Beaumont, Texas. The proposal, which is encountering deep opposition from rank-and-file workers, would set the precedent for the wholesale destruction of the jobs, wages, benefits and working conditions of workers throughout the entire oil industry.

The giant energy firm, which made $23 billion last year, locked out 650 workers at the refinery and the adjacent blending and packaging plant on May 1, 2021. The militant workers have courageously defied the company's threats and as late as October 2021 overwhelmingly rejected a concessions-laden contract proposal, which is virtually identical to the one the USW is bringing to a vote Monday.

ExxonMobil has relied on the treachery of the USW to carry out its well planned attack. The USW removed the Beaumont workers from the National Oil Bargaining agreement—which covers oil refinery and petrochemical workers at more than a dozen energy companies—during the union's sellout of the 2015 oil workers' strike. Over the last 10 months, the union has isolated the locked-out workers and kept them on starvation-level strike benefits, forcing many to take other jobs and rely on food banks to feed their families.

Most importantly, the USW has kept 30,000 Marathon, BP, Shell and other oil workers on the job for more than two weeks since the February 1 expiration of the national agreement. Among workers, there is widespread support for a national strike to come to the aid of the Beaumont workers and beat back the concession demands of the Big Oil companies.

There is no doubt that officials from the USW International headquarters in Pittsburgh instructed USW Local 13-243 officials in Beaumont to shut down the Beaumont struggle. USW International Representative Bryan Gross stated, "With the company's MLK holiday added, we felt it was time for the membership to have the say-so on where we go from here." In the most cowardly fashion, local leaders made no recommendation, with Local 13-243 Bargaining Chair Mark Morgan posting on Facebook, "We are not throwing in the towel, giving up or quitting it's just time for you to tell us path forward [sic]."

Believing they had sufficiently worn down the resistance of workers, the USW executives felt they could now push through this slave's charter. ExxonMobil management, which has also been pushing a decertification campaign to pressure the USW, hailed the decision. "We are pleased that our represented employees will have another chance to vote," said Exxon spokesperson Julie King, claiming the deal "provides long-term stability, including job protections and wage progressions for employees."

ExxonMobil and other oil workers who analyzed the contract told the *World Socialist Web Site* the contract would set them back decades and embolden the other oil companies to seek similar givebacks.

The following is a breakdown of the Memorandum of Understanding (MOU), dated February 11, 2022, sent by Blake Berend, ExxonMobil's Human Resources Manager in Beaumont, to USW Local 13-243 Bargaining Chair Mark Morgan:

Cuts to real wages

The five-year agreement includes "wages equal to the National Oil Bargaining Pattern (NOBP)." The raise being offered by Marathon, the lead negotiator for the oil company, is 2-3 percent a year. With inflation raging at 7.5 percent a year, this would mean Beaumont workers would suffer a de facto paycut of 20 percent or more.

Material specialists and clerical workers will have their wages frozen for the next five years, leading to a nearly 40 percent cut in real wages.

Workers at the Blending and Packaging Plant, the largest producer of the highly profitable Mobil 1 motor oil, will face a two-year pay freeze, followed by increases of 0.5 percent, 1.5 percent and 2 percent in the third, fourth and fifth years.

A free hand to management to cut benefits

Under the heading, "Medical Plan Contributions," the MOU states, "The Company agrees, effective upon ratification, to adjust, if necessary, its medical and dental contributions to Company-sponsored medical and dental plans for employees of the Beaumont Refinery and Blending & Packaging Plant represented by USW 13-243, by an amount equal to the Company contribution being provided to non-represented employees."

The MOU further states under the section "Benefits Waiver" that "The Company remains free to terminate or modify any or all of its employee benefit plans at any time." These include pensions, savings plans, disability, life insurance, medical and dental plans. It continues, "If the Union is dissatisfied with the results of bargaining" of these reduced benefits, it must give the company 120 days' notice suspending its obligation not to strike.

According to David, a veteran ExxonMobil worker, who spoke to the WSWS, "The company has been talking about eliminating pensions and cutting health care benefits for years. According to the language in the contract, if they eliminate plans for the salaried workers, they can do the same thing to the unionized workers. That wouldn't surprise me in the least. ExxonMobil doesn't give a damn about frontline salaried workers any more than they do us."

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Job cuts and eliminating bidding rights

There are no provisions to protect jobs. Included is the same worthless agreement with the USW which prohibits involuntary layoffs "except for decreases in the level of operation caused by a sale of operating unit(s), complete or partial closure, a merger or joint venture resulting in a change of managerial control, or an act of God."

At the same time, workers will no longer have seniority and bumping rights across the refinery and the Blending and Packaging facility. From now on seniority will be site-specific. This means if layoffs occur at either facility, workers will not be able to transfer to protect their jobs. "There are a lot of guys with 30-40 years seniority in the Blending facility," David said. "The company wants to get rid of them and bring in people making less money, from the street, rather than allowing a more senior, higher paid worker to bid for the job. At the same time, the company will have the power to force a worker to take any job in the facility if management needs to fill in a vacancy."

Fourfold extension of probationary period

Under the terms of the new contract, all employees hired on or after February 1, 2021, will have a 24-month probationary period, during which time his or her "services may be terminated at the discretion of the Company." According to workers, the probationary period used to be six months. In other words, a new tier of at-will employees is being created who are paid $38.18 an hour—$7 less than full-time operators—and will not accrue seniority or have any job security for two years. It is clear that the company aims to purge the workforce of workers making higher pay and benefits and replace them with these workers, who have no rights but will have to pay union dues to the USW.

Merging of classifications, leading to greater safety risks

The agreement will essentially merge operator classifications. Combined with "cross training," this will mean less specialized training, the undermining of skills needed to operate a refinery safely, and the ability of management to move workers anywhere they want. "They are basically making everybody the same," the veteran worker said. "Typically, an 'A' operator made 80 cents more an hour, and he took on a lot more responsibility for the whole unit. Now they will be combining all jobs into one. They are diluting specific skill sets and safety. Operators have assistants that may have fewer skills and need more training, but they are going to be put in charge of a whole area, creating greater risks of an accident."

Fatigue and the national agreement

Predictably, the deal does not include any proposals to address understaffing and fatigue. It includes the same bogus labor-management fatigue and health and safety agreements that give management a free hand to force workers to labor 12- to 16-hour days for 13 days in a row or more.

It goes without saying that the agreement, which is set to expire on January 31, 2027, will keep Beaumont workers under a separate labor deal and expiration date than the 30,000 workers covered by the NOBP.

Summing up, David said, "I would tell workers to say, 'Hell No!' to this garbage. The cuts in benefits, the cross-training, the elimination of bidding, all of it is no good. You used to be able to stay in the same position until you bid for another job. Now they can move an older worker to a more physically demanding job to force him to retire. Then they'll replace him with a worker making lower wages and benefits and be subjected to being fired for anything. If this is the new standard, it will set us back decades.

"During the 2015 strike, us older guys said if they take us off the national contract and same expiration date, this was what was coming."

Considering the implications for all oil workers, a Marathon worker at the Galveston Bay Refinery told the WSWS, "This contract is terrible. It didn't change since the initial offer. The terms are like not having a contract at all.

"It's scary watching everything workers fought for disappearing. Exxon has been planning this for a long time.

"We have to build up rank-and-file support to resist this. It won't come from the union."

ExxonMobil workers should overwhelmingly reject the deal in voting on Monday. But Beaumont workers cannot fight the corporation and its stooges in the USW alone. The WSWS urges workers to take the fight into their own hands by building rank-and-file committees at Beaumont and in every refinery and petrochemical plant to organize a fight independently of the pro-company USW. These committees must oppose the conspiracy of silence by the USW, outline their own demands based on what workers need not what the oil executives say they can afford and prepare a national strike to win their demands.

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