

Ten-month lockout at ExxonMobil refinery ends in union betrayal

Omri Wolfe

24 February 2022

Oil workers at ExxonMobil's Beaumont, TX refinery and processing plant ratified the latest Tentative Agreement on Monday, ending a 10-month lockout imposed by the company after the previous contract expired last year. The agreement was approved by 214 to 133, with just over half of the approximately 600 locked-out workers participating—an abysmal turnout given the high stakes.

The United Steelworkers union (USW) met with ExxonMobil negotiators over 60 times. Despite the spectacle of back-and-forth negotiations, the reality is that the USW worked tirelessly to isolate and wear down workers, stringing them out on starvation strike pay and food tickets, in order to impose a sellout agreement dictated by the company.

A near-identical contract was last put to a vote in October 2021 and rejected with a much higher turnout. One worker theorized on social media about the different outcome four months ago: "I think many people voted the [October] contract down because it was a secret ballot. ... Had this been another secret ballot it probably would have failed."

The *World Socialist Web Site* posted an analysis of the proposed agreement, or Memorandum of Understanding (MOU), three days before the February 21 vote. The MOU exacts major concessions across every key category: wages, seniority, benefits, job security, safety, scheduling, and more.

"Highlights" of the MOU include:

- Wages will increase 2-3 percent per year—a massive cut in real pay, given present inflation rates—with full or partial wage freezes for large categories of workers.

- Benefits—including pensions, health plans, and disability—can be altered or eliminated unilaterally by management. The union must provide 120 days' notice before suspending its obligation not to strike.

- Seniority will no longer transfer between facilities, significantly reducing the mobility of experienced workers.

- Operator classifications will be merged and roles made interchangeable, diluting specialties that are critical for the safe operation of facilities.

- The new-hire probationary period will expand from six months to two years, during which workers will be paid less and can be fired at will.

In the final agreement, ExxonMobil was also granted sole discretion over worker assignments, while Martin Luther King Jr. Day was added to the list of company holidays.

On top of a cut in real wages, this contract hands management enormous leverage over workers' daily lives and expands the hated tiered wage system, which serves to divide workers. By creating a vast tier of younger, lower-paid workers with no job security, Exxon, abetted by the USW, aims to depress wages, reduce militancy, and push out experienced, higher-paid workers.

No provisions were included to address worker fatigue and forced overtime, practices that lead to 12- and 16-hour shifts back-to-back for long stretches, a major contributor to health problems, early retirement and industrial accidents. Nor are there any serious measures to protect workers from COVID-19, which rages on outbreak after outbreak, largely transmitted in schools and industrial settings.

The new six-year contract is retroactively dated to February 2021, when the previous contract expired, so it will continue to be off-cycle from the national bargaining agreement. However, benefits lapsed during the lockout, including accrual towards retirement and medical insurance, or as one worker put it on social media, "10 months no pay, delayed retirement,

insurance re-enrollment, and God only knows what else ... \$100k loss.”

Another worker was concerned that a newly discovered health condition would be considered pre-existing and not covered under the new insurance plan. “Insurance re-enrollment is my concern. Being diagnosed with cancer while we were out, hoping I don’t have trouble getting it all reinstated.”

The ground was laid for the Beaumont betrayal in 2015, when, despite an outbreak of wildcat strikes that shut down a dozen refineries and reduced US production capacity by 20 percent, the USW caved to major concessions, including removing numerous refineries from the national bargaining agreement and altering their renewal schedules. Rather than negotiating with strength in numbers, the USW isolated these refineries, including ExxonMobil Beaumont, whose workers could be locked out with minimal consequence to the company.

The *World Socialist Web Site* recently interviewed a long-time worker at Marathon Petroleum’s Galveston Bay Refinery (GBR) in nearby Texas City, and veteran of the 2015 strike. He emphasized that a key demand of the Beaumont struggle should be to get their contract renewal dates in line with the national cycle. “I don’t understand why the USW doesn’t take action now and get the contract renewal back on date. The USW has lost that principle.”

The Beaumont struggle was becoming a major thorn in Exxon’s side, garnering support from oil and gas workers across the US and internationally, not to mention from rail workers, educators, health care providers, and other workers locked in their own struggles. The national contract covering 30,000 refinery workers or two-thirds of the US total, expired three weeks ago. Exxon was in a hurry to defuse the situation in Beaumont, lest it spark a repeat of the 2015 nationwide strikes. The USW was happy to call a snap vote and promote the previously rejected contract with minor adjustments.

The return to work is well-timed for ExxonMobil, which was able to run the refinery at full capacity during the lockout by forcing supervisors to pick up shifts and filling gaps with temporary workers. Exxon is planning an expansion at Beaumont of an additional 200,000 barrels per day capacity, which would make it the largest refinery in the country. When the companies

demand workers, the USW races to comply.

Such was the case in January, when a cold snap in Texas caused the orderly shutdown of three Gulf Coast refineries, costing Valero, Chevron, and Marathon Petroleum millions of dollars per day in lost profits. Marathon, which is leading the national contract negotiations on behalf of the industry, needed the USW’s support to expedite restarting the GBR facility. Rather than using this as negotiating leverage, the USW rushed workers to the facility in unsafe, round-the-clock shifts, as the company demanded.

The GBR worker was aghast at the USW’s response: “The [USW] International ought to be holding this over their [Marathon’s] heads. It’s a bargaining chip. It’s a gimme, a fumble on the 1-yard line.”

The USW’s actions are not mere missteps: the union leadership seeks to prove to the corporations and state that they are useful instruments to discipline workers and maximize profit-extraction, so that they can continue to enjoy their privileges while workers suffer year over year, contract over contract.

However, the mood of workers is moving rapidly towards confrontation with the corporations and union apparatus. No meaningful progress is possible for workers until they take the struggle into their own hands by forming rank-and-file committees independent of the USW and forging alliances with other class-conscious workers across North America and the world.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact