

Oil workers: Reject the USW sellout agreement!

Oil Workers Rank-and-File Committee
28 February 2022

To join the Oil Workers Rank-and-File Committee, email oilworkersrfc@gmail.com.

Dear Brothers and Sisters,

After keeping us on the job and in the dark for more than three weeks, the United Steelworkers has brought back a garbage contract proposal that will roll back the conditions of every oil worker past, present and future. To add insult to injury, the USW executives have not even released the full details of their agreement, but that has not stopped them from trying to force us to vote on it later this week.

This contract can only be understood within the context of the Biden administration's response to the war in Ukraine, which it deliberately provoked by backing Russia into a corner. For weeks, Biden has said that he would do everything in his power to ensure that the war in Eastern Europe would not impact prices or lead to supply issues. Now, only a day after the war began, the USW suddenly has sprung this contract upon us which even their own highlights show is a betrayal on every point. Once again, workers and their families are the ones who are being told to bear the burden of war even as the oil companies profit from it.

The Oil Workers Rank-and-File Committee calls on workers to demand the USW release the full contract and give workers a full week to study and discuss it before any ratification vote is scheduled. We are the ones who are going to have to live with this contract for the next four years, not USW President Tom Conway and NOBP (National Oil Bargaining Program) Chair Mike Smith. The USW functionaries in the International, regional and local levels may think this is a dictatorship, but rank-and-file workers have the right to read and discuss the entire contract before we vote on it.

The full details of the agreement are no doubt even worse than the five-page summary that some workers have seen. We know the USW agreed to a deal at the ExxonMobil refinery in Beaumont, Texas, which will transform workers into little more than industrial slaves. The deal quadruples the probationary period from 6 months to 24 months, gives management unilateral power to shift workers around the refinery and further attack medical benefits and pensions. Does the NOBP agreement include similar concessions, which are not listed in the five-page summary?

According to Conway, the USW rejected Marathon's "final offer" because it "would have undermined generations of collective bargaining progress." Now, the USW Policy Committee is unanimously recommending a deal which supposedly "provides

both economic and non-economic improvements," that reflect workers' "essential role in the industry, especially considering its recent, historic boom in profits," according to Smith.

Who do Conway and Smith think they're kidding? The current deal is virtually identical to the one that the USW rejected three weeks ago—because they knew we would have rejected it overwhelmingly. The only difference between this and the previous offer is they've extended it by a year and added a \$2,500 (before taxes and union dues) ratification bonus they think they can sucker us with. As Volvo Trucks, John Deere, Kellogg's and other workers can attest to, the larger the signing bonus, the worse the deal.

What's in this proposal?

Wages. According to the summary, the four-year deal will include annual raises of 2.5 percent, 3.0 percent, 3.0 percent and 3.5 percent. With inflation running at a 7.5 percent yearly rate, this deal would result in a 16 percent cut in real wages by the end of the contract, or even more if inflation rises at a faster clip. There is no Cost-of-Living Adjustment (COLA) to protect our incomes from the ravages of inflation.

Out-of-pocket medical costs. Under the agreement, we will continue to bear the burden of skyrocketing health care costs, which eat away at our family budgets. The USW did not even try to reduce the 20 percent share we have to pay or the dozens of other out-of-pocket costs we incur.

Continued attack on jobs. There is nothing in the contract to protect us from the continued attack on jobs. Under the severance pay proposal, workers who lose their jobs will only get a maximum of 10 weeks' pay! Like our brothers and sisters at the Marathon plants in California and North Dakota that were closed and "converted" to renewable fuel facilities, we can find ourselves suddenly unemployed and virtually empty handed.

Pensions and other benefits undermined. The oil bosses are determined to drive out older, higher paid workers and replace them with at-will employees, including probationary and contract workers, with few if any benefits. The contract includes no protections from a further consolidation of job classifications, which will be used to drive older workers out of the industry. As for the "successor language," a new employer will have to do nothing more than claim its benefit package, including retirement benefits, are "comparable" to the old one provided by the previous company.

Workers being killed on the job: the cost of doing business.

The new agreement will do nothing to address exhausting work schedules and management cutting corners on maintenance and repair which lead to accidents, deaths and injuries. Last week's explosion and fire at Marathon's Garyville, Louisiana, refinery is only the latest warning of the sacrificing of safety for profit. Marathon rejected out of hand any proposal to raise family benefits for workers killed on the job from \$500,000 to \$1 million. Under the deal hailed by the USW as a "fair contract," the oil companies will pay COBRA premiums for one year for the surviving dependents of the worker killed due to their negligence and greed. So, if you are killed at work and the company is liable, your family will now receive \$500,000 and one year of the health insurance that they currently have—that's evidently what our lives are worth to the company and the USW.

Bogus joint health and safety committees. The deal will create more cushy jobs for USW officials on the labor-management committees, which do nothing to protect our lives and health. The union and company will continue to hand pick committee members, and they will be paid more and enjoy a regular eight-hour day, five days a week, with holidays off, rather than shift work, if they toe the company line.

This miserable deal was worked out months ago. The contract rejection, the so-called breakdown in talks and then the sudden agreement were all a charade. Behind the scenes, the oil bosses told the USW exactly what they were willing to part with and then gave Conway, Smith and the rest of the USW stooges their marching orders to sell it to us.

The USW functionaries think they have worn us down and that we will sell our souls for their miserable signing bonus. But we are sick and tired of watching the oil executives boast about their record profits while we struggle from paycheck to paycheck, barely see our families and risk our lives in the face of a pandemic and deadly hazards.

The Oil Workers Rank-and-File Committee (OWRFC), which was formed last week to give a voice and leadership to this struggle, calls on workers to reject this sellout deal and prepare now for a nationwide strike to win the demands we need for our families.

As we said in our founding statement, we recommend that workers not ratify any contract unless it includes the following:

- **A 40 percent raise and the restoration of Cost-of-Living Adjustments (COLA);**
- **Restoration of the 8-hour day;**
- **Expansion of paid time off, including a six-week vacation during the first year of service and one month of paid paternity leave;**
- **Fully paid medical benefits;**
- **The hiring of more full-time workers;**
- **The establishment of worker-run health and safety committees and the abolition of corrupt joint labor-management committees;**
- **Workers' control over production rates and input over capital expenditures;**
- **Fully paid pensions and retiree medical benefits after 25 years of service;**
- **The elevation of contractors to full-time positions, with the**

same pay and benefits.

There is more than enough money, which we have produced, to pay for these basic demands. The top seven oil companies, including BP, Shell, ExxonMobil and Chevron, are on the way to handing over \$38 billion to shareholders through buyback programs this year, according to data from Bernstein Research. This is the biggest total since 2008. A mere 15 percent of this payout would be enough to provide a \$190,000 bonus to every one of the 30,000 oil refinery and petrochemical workers covered by the NOBP agreement.

Nothing has ever been won without determined struggle. Earlier generations of oil workers fought to unite black, white and immigrant workers against efforts by the oil bosses to divide them, and they even defied government anti-strike measures during the world wars and the Korean War to fight the oil monopolies that were profiteering from the wars.

These militant traditions must be revived today. This includes preparations to fight the Biden administration, which is opposed to any struggle by oil workers because it threatens to spark a broader movement of the working class against inflation, the criminal policy of letting the pandemic rip even as the death toll from COVID-19 approaches 1 million and continuing the grotesque levels of social inequality. One of the chief reasons behind Biden's ratcheting up of tensions with Russia is to suppress the class conflict within America itself so the billionaires can continue to enrich themselves, including from profits from war.

We have formed the Oil Workers Rank-and-File Committee to provide a voice, a powerful source of truthful information and real leadership to oil workers. If we stand up now, we will win the support of millions of workers in the US and internationally, from BNSF railroad workers, teachers, autoworkers and others. The USW has proved again and again to be on the other side of the barricades. Our committee must be expanded and similar committees, led by the most militant workers and controlled democratically by the ranks, must be built in every refinery and petrochemical plant to defeat this sellout contract and prepare a national strike to win our just demands.

If you agree with this, join us! Contact us today by emailing oilworkersrfc@gmail.com.



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