

# Outraged Arconic aluminum workers speak out against USW's contract proposal: "It's a bad deal!"

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*Are you an Arconic worker? Contact us and tell us what you think of the contract and the fight to organize rank-and-file opposition to it.*

In the wake of the agreement announced between Arconic and the United Steelworkers (USW) last Saturday, there is growing anger among the 3,600 aluminum workers, who are indignant over the below-inflation raises and other concessions contained in the proposed deal.

"Myself and *many* others are upset," said John, an Arconic worker in Iowa whose name has been changed to protect his identity. John contrasted the retrograde terms of the contract for workers with the exorbitant compensation package handed to CEO Tim Myers, who was paid \$10.6 million in 2021, up a staggering 69 percent from what he received the year prior.

The USW's tentative agreement would entail a major cut in real pay for workers in the face of surging inflation, which stood at annual rate of 8.3 percent in April. The union's "highlights" of the proposal claim that workers will get a 7 percent raise in the first year, followed by 4.5 percent raises the next three years.

While the USW touts the total 20 percent raise over four years, this increase would be more than eaten by inflation, which would rise by a combined 33.2 percent if the current rate of price increases continues. The USW deal also ends a performance-based pay scheme, which workers had grown to depend on after the union imposed concessions contracts on behalf of Arconic in previous contracts.

The union is attempting to sell the deal with an insulting \$2,000 signing bonus this year and another \$2,000 bonus in January 2023. A worker in Lafayette, Indiana told the *World Socialist Web Site*, "Anything less than \$10,000 as a bonus would be a slap in the face," while management hands itself hundreds of thousands or more in bonuses.

Following a rally last Saturday in front of Arconic's massive Davenport Works in Riverdale, Iowa, the USW hastily released a tentative agreement. The proposed deal

would cover workers in Riverdale, located in the Quad Cities metro region along the Mississippi River; Alcoa, Tennessee; Lafayette, Indiana; and Massena, New York. The USW has announced that workers will vote on the contract on June 1. "Informational" meetings about the proposal are being held through Monday for Davenport Works, the largest plant.

Workers at all the Arconic facilities under the USW agreement had voted unanimously to strike in the run-up to the contract expiration, expressing an extraordinary determination to win significantly higher pay and benefits. Asked about workers readiness to strike, John replied, "I am as well! As well as many of my friends and co-workers."

"I'm a complex operator in ingot," John said, "where we cast molten aluminum ingots for aerospace and automotive." Similar to industrial workers who have struck at companies such as CNH Industrial and Eaton-Cobham Missions Systems recently, John pointed to the influence of the courageous five-week-long strike waged by workers against John Deere last year. "I have a bunch of friends at John Deere. I know all about their strike and the contract they ended up getting."

When asked what he thought about the USW saying this was the best deal they could get, John replied. "Absolutely NOT. They only care about lining their pockets."

"I ran the numbers of a 7 percent pay increase over 40 hours versus PFP," the performance-based scheme. "The PFP is higher. Inflation, cost of living is 8.5 to 9 percent. Tell me how a 7 percent increase with PFP BAKED-IN is better. They can't predict what happens the next three or four years—4.5 percent won't cut it. A \$2,000 signing bonus is unacceptable. A \$2,000 essential worker bonus in eight months is also unacceptable.

"It's a bad deal," John continued. "They are taking our performance pay and 'baking' into the raises when those raises barely meet inflation to begin with. There have been no other details released but the 'highlights' and it's

already a ‘No!’ from me.”

Another Quad Cities Arconic worker, Steve, whose name has also been changed, said, “As a mechanic trainee, maintenance was supposed to see a raise to bring us up to par with other shops in the area and there is still no mention of that.

“And while USW 105 did allow commenting on their Facebook post, we noticed that USW 309 out of Tennessee had locked their post for ‘No’ comments,” effectively censoring workers from voicing their opposition to the deal, Steve observed.

Steve complained that the pay raises would be less than what they previously received with performance pay, as well as falling behind inflation. “So we are ‘baking’ in PFP for 6.5 percent over four years which doesn’t even average out what we have seen the last few years. Sure there’s been zeros but there have also been double-digit numbers.

“Those numbers would be acceptable if they weren’t talking about pulling PFP and wanted to fix it, but they don’t cover inflation and the loss of PFP.

“It’s this explanation I’m trying to get past people. Those numbers don’t cover both. It seems that numbers and PFP are the biggest issues.

“We were told they were so far apart, yet all of a sudden Saturday they have an agreement,” he added of the USW’s backdoor talks with the company. “There was no extension this time. They don’t want us on strike. But my thought is there is more on the table.”

Indeed, the company is awash with cash. CEO Tim Myers boasted in the company’s first-quarter earnings call that Arconic “grew adjusted EBITDA [Earnings Before Interest, Taxes, Depreciation, and Amortization] by 15 percent over last year and 17 percent sequentially, which is our best quarter as a company since separation. We are well on pace to deliver a second consecutive year of double-digit growth, and we are raising our full year adjusted EBITDA outlook.”

In 2021, Arconic had sales of over \$7.5 billion, up 32 percent over the previous year. The company also had EBITDA of \$712 million, a 15 percent increase over 2020. The company has engaged in stock buybacks to enrich its wealthiest shareholders by purchasing 4.9 million shares at the cost of over \$161 million.

Arconic workers are right to demand more. CEO Timothy Myers made over 172 times the median worker’s pay in 2021. Other top executives at Arconic also topped out over millions in pay packages annually. Executive compensation, meanwhile, is just the tip of the iceberg of the massive sums funneled to Arconic’s investors.

The determination of Arconic workers to secure higher pay and other improvements is running up against the treachery of the USW, which is actively sabotaging not just the

struggle of aluminum workers, but also that of over 30,000 oil workers across the country, who recently had a four-year contract with below-inflation raises imposed on them. At Chevron in Richmond, California, meanwhile, the USW is isolating a strike by several hundred oil refinery workers, who walked out on March 21 after voting down a union-endorsed contract proposal.

The struggle of Arconic workers is part of a growing wave of workers struggles across the United States and internationally. Workers at the CNH agricultural and construction equipment plants in Iowa and Wisconsin are also currently on strike to improve wages and benefits substantially.

Arconic workers have enormous power, providing a crucial link in the supply chain to the airline and automotive industries, including Ford’s most profitable truck, the F-150, assembled by highly exploited autoworkers who are gearing up for their own struggles.

To win their fight, Arconic workers must take the conduct of this struggle out of the hands of the USW and build independent rank-and-file committees, as has been done by workers at John Deere, CNH, BNSF railroads and elsewhere. Such committees would formulate concrete demands based on what workers actually need, such as an immediate 40 percent wage increase to make up for years of stagnating pay, a cost-of-living escalator clause to protect against inflation, and much more.

At the same time, rank-and-file committees at Arconic would provide the means to circumvent the USW’s information blackout and to share information and coordinate across the plants, and allow Arconic workers to link up with workers in the US and internationally seeking to fight back against the corporate attacks on working class living standards.



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