

Steel Union To Take Strike Authorization Vote

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United Steelworkers (USW) Local 6787 President Paul Gipson expects to ask his membership on Wednesday for authorization to strike ArcelorMittal, after 13 weeks of fruitless negotiations.

A time for the vote has not been finalized yet, but Gipson told the Chesterton Tribune this morning that it will probably be at 4 p.m. at the Duneland Falls banquet center.

The union's contract with ArcelorMittal expires at midnight Sunday.

"The company's current position does not do justice to our needs and demands, and does not match the pattern set by the U.S. Steel agreement," reads a flyer circulated today by Local 6787 in the Burns Harbor facility. "We have responded that our proposals are fair and justified by our successful struggle to save our industry and return it to profitability."

"During this time of unprecedented profitability in the steel industry," the flyer continues, "we cannot believe that ArcelorMittal honestly thinks that ArcelorMittal steelworkers are willing to accept anything less than what we deserve. After years of sacrifice, hardship, and uncertainty, we continue to stand by our commitment to bring back a contract that provides the employment security, earnings security, and retirement security that we need and deserve."

On Aug. 12 U.S. Steel Corporation announced that it had negotiated a new four-year agreement with the USW covering its 16,000 members employed at the company's domestic flat-rolled, iron-ore mining, and tubular facilities. That contract remains to be ratified by the membership, but for Gipson U.S. Steel's responsiveness stands in stark contrast to what he considers ArcelorMittal's intransigence. "U.S. Steel came to an agreement without any problem," Gipson noted.

The flyer in circulation today lists five separate issues separating the USW from ArcelorMittal, but Gipson said that they all boil down to a single issue: the company's attempt to squeeze its locals into a less advantageous contract than the one reached between the union and U.S. Steel. "The biggest difference is between the U.S. Steel pattern and what ArcelorMittal is willing to do," he said. "Look, we're not going to let one company have a competitive edge over another on labor costs."

Four of the issues are straightforward enough, according to the flyer:

*Whereas the USW negotiated with U.S. Steel a 30-percent reduction in retiree health-care premiums, ArcelorMittal is demanding a 39-percent increase in those premiums.

*ArcelorMittal is demanding a new incentive program which would reduce incentives and force members to achieve higher levels of productivity simply to keep current pay levels, this despite a current incentive program which "has dramatically improved productivity in our plants."

*The USW and ArcelorMittal have been unable to reach an agreement on a "fair and equitable level of profit sharing."

*ArcelorMittal has refused to commit to a capital investment program demanded by the USW under which it would reinvest \$3 billion in improvements over the life of the new contract. Gipson said that the union wants a three-year contract, would settle for a four-year one, but will not enter into a five-year one.

On the fifth issue, however, Gipson is passionate: the VEBA Trust Fund, which presently totals \$545 million and was established by the current contract, inherited by ArcelorMittal from International Steel Group, to provide some measure of health-care benefits for retirees who lost theirs when Bethlehem Steel Corporation went bankrupt. But, Gipson said, ArcelorMittal has not agreed to continue an adequate level of funding for VEBA, nor has it agreed to establish a separate account in the VEBA—funded to the tune of \$25 million per quarter—to offset the increases in the cost of health care for current and future ArcelorMittal retirees.

“The VEBA Trust Fund is sacred,” Gipson said. “This is blood money. When Bethlehem went under, International Steel Group picked up its assets in a flea-market sale. Then Lakshmi Mittal got them in an even better deal. He got what he got off our sacrifice. I’m telling you, I’m pissed. It’s absolutely mind-boggling.”

Gipson does anticipate receiving strike authorization from his membership. “My members understand,” he said. “They don’t want to strike but they’re willing to. ArcelorMittal’s economics are so out of line.”

Gipson said that he returned from the negotiations in Pittsburgh on Monday. The presidents of the other locals are returning to their memberships today, and all of them will be asking for the same strike authorization.

“Whether we come from former ISG plants, Inland plants, Weirton, or anywhere else, it was through our hard work, unity, and solidarity that we secured our jobs, protected our retirees, and built a solid foundation to keep steel jobs in our communities,” the flyer reads. “Now it’s going to take the same commitment and solidarity to achieve the contract we deserve.”

Gipson conceded that a strike against the largest steelmaker in the world might appear to be a daunting challenge. But the global demand for steel continues to be voracious, he said. “It’s really a bullish market right now. China is buying all the steel it can get its hands on, and developing nations are starting to buy steel too. We’re going to win.”

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