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USW@Work

A Publication of the United Steelworkers

Volume 1/4

A Powerful Voice for Workers



Building an Industry Pattern

Greetings:

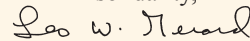
As International President of the United Steelworkers, I am asking your local union and membership to support the 2006 campaign for the United Way. Members of the American labor movement have always worked to help our brothers, sisters and neighbors in times of need.

The United Way is one of our longstanding partners in sharing this value, helping working families every day with access to vital resources and services.

Through this partnership we make a difference. We are not only helping those who are lacking basic necessities today, but working on long-term solutions that address the root causes of our nation's social service needs.

I urge you to support the 2006 United Way Campaign. In doing so, we can continue to build stronger communities and change lives.

Thank you for making your community a better place to live and work.

In solidarity,

 Leo W. Gerard

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// Labor Day symbolizes our determination to achieve an economic freedom for the average man which will give his political freedom reality. //

President Franklin D. Roosevelt,
 Fireside Chat Sept. 1936

ONTHECOVER

Cover Photo by Steve Linsenmayer. Finished Tires are stacked for shipping at the BFGoodrich plant in Fort Wayne, Ind.

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Tire Industry Contracts

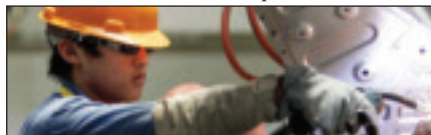
The USW and Michelin-owned BFGoodrich reach agreement on a three-year contract that the union expects will serve as a pattern in bargaining with Goodyear, Bridgestone-Firestone and other tire makers.



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Auto Trade Deficit Exploding

The U.S. trade deficit with China in automobiles and auto parts is exploding with potentially devastating effects on American jobs and living standards. More than 175,000 USW members make auto parts.



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Rapid Response

Hundreds of USW members and activists go to Washington to learn about pressing issues facing workers in this country and how to confront their legislators with help from members back home.



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New Day for Kaiser

After a tumultuous lockout and bankruptcy reorganization, Kaiser Aluminum has new management, a new relationship with the USW and new stock, much of it held in trust to benefit workers and retirees.



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USW@Work

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Speaking Out

USW active and retired members and their families are invited to "speak out" on these pages. Letters should be short and to the point. We reserve the right to edit for length. Mail to USW@Work, Five Gateway Center, Pittsburgh PA 15222 or e-mail to editor@usw.org.



Hung out to dry

My husband hired-in at Continental Tire's plant in Mayfield, Ky. in 1977. He is one of the victims of the company's retrenchment.

Only a handful of workers are left, producing rubber. That allows management to get by with calling it a layoff not a closure; therefore, he receives no shutdown benefits.

My husband went back to school. But after three semesters, the government decided his program was not a "job in need" so they refuse to pay for any more of it through federal TRA funding.

It's a joke if people out there think these guys received anything for all of the years they put in at Continental General Tire. My husband has been hung out to dry and there is not a thing we can do about it.

I believe what goes around comes around. Surely, those of higher rank who are robbing employees of what they spent their whole lives working for will find themselves in the same boat one day. The sooner the better!

*Rhonda Darnell
Mayfield, Ky.*

Tire machines go silent

There was a time when a person could go to work right out of high school for a manufacturer and earn a wage decent enough to support a family. This was the rule, rather than the exception.

Now, it is nearly impossible to find a manufacturing job with a fair wage and adequate health care benefits. This downward trend is rooting out the middle class in America.

With more than 28 years of service at the Continental Tire plant in Charlotte, "good-bye-ey-ey-ey" is the echo that I personally hear.

Tire machines and other machinery that once made a raucous noise in a vibrant facility are now silenced. The

echo of the silence is deafening. It's my personal view of Continental's decision to move work once performed by Americans to a foreign nation like Brazil.

Can anybody tell me if any runaway company has ever lowered prices on their products and passed that savings on to the American consumer when they cut their wage costs by going overseas?

If \$15 per hour versus \$1 per hour computes to a savings of \$14 per hour in wage costs, it would logically follow that the price of total production would fall. So who benefits and who suffers?

*Mark West, Local 850
Charlotte, N.C.*

ReUNION applauded

As a retired proud member of the United Steelworkers, I would like to take this opportunity to thank President Leo W. Gerard and our international union for promoting the birth of the ReUNION project.

I now proudly serve as a ReUNION coordinator in Maryland and I hear and see from many retirees who now realize that they are not "forgotten Americans."

Again, a great deal of thanks for the chance to promote this venture to the retirees of our great union.

*Don Kellner
Dundalk, Md.*

Editor's note: ReUNION, a joint project of the United Steelworkers and leading domestic steel companies, mobilizes around the issues of health care, retiree income security and trade. If interested, call toll free at (866) 365-2203 or write to ReUNION at 60 Boulevard of the Allies, BSIC, 7th Floor, Pittsburgh, Pa. 15222.

Unions improve lives

It has always been my belief that when American union membership was at its peak our standard of living was the highest in the world.

At one time I read our wages were the highest and health standards close to the highest, and we ranked at or near the top in many other categories. I do know everyone was much more relaxed then and optimistic about their future and the future of our country.

I am an associate member who joined at the age of 70. All my life I had been a white-collar worker who envied and respected unions for the good they created for their workers and their country.

The associate member program is wonderful, and I hope it continues to grow.

*Peter Daniels
Polson, Mont.*

What to buy?

I read with interest the article in Volume 1/3 of *USW@Work* entitled "Free Trade or Free to Enslave?"

Most of us are guilty of buying clothing at Kohl's, Target, L.L. Bean, K-Mart, JC Penney's, etc. Please tell me what brand of clothing supports American workers, or at least does not contribute to the degradation of people in Third World Countries.

Where should I be shopping and what brand of clothing should I look for?

*Shirley Adamczak
Duluth, Minn.*

Editor's note: It is, unfortunately, difficult to find union-made clothes that support U.S. workers. But it is not impossible. Check the web site of UNITE HERE!, a union representing needle trades' workers, for a directory of clothing brands under union contract. The directory is divided into categories including athletic uniforms, belts, denim jeans, hats and caps, etc.

The site is www.unitehere.org. Click on Buy Union.

Honoring Workers on Labor Day is Not Enough

By Leo W. Gerard

For most of us, Labor Day means end-of-summer picnics, parades, speeches, blow-out department store sales and a last dip in the swimming pool before the start of another school year.

It's also a natural time to take stock of the labor movement and a working person's lot in life. Labor Day, after all, is the one holiday that honors the everyday worker rather than public figures or events.

Where do we stand, then, in the pursuit of the American dream — the way of life that our parents and grandparents struggled over the years to build for us?

Are you satisfied?

Are you satisfied with the way America is working and content with how the future is unfolding? Or are you angry, steamed enough at the way things are going to start fighting back?

If so, we may be at a tipping point.

Washington isn't listening to working America. Big business and other powerful interests are abandoning American workers by using lousy trade deals to send millions of good jobs overseas.

We have become the world's biggest debtor, thanks to an annual trade deficit that is approaching \$800 billion. Our economy is being propped up by China and other foreign governments who are buying our debt, our dollars and our assets, putting our fate beyond our government's control.

Corporations, with the help of politicians and the bankruptcy courts, are abandoning traditional values, chopping health care benefits and breaking pension promises.

Change depends on us

All the while, our members — like the rest of the middle class — are being cooked in the soup of global trade, record trade deficits, and the soaring costs of fuel, drugs and health care.

Whether the pendulum swings back our way is an open question, the answer to which depends on us.

Politicians won't act unless they are pushed to act, and they won't feel pushed until we can muster a voter uprising, an uprising necessarily built on a much larger coalition than one made up of labor stalwarts alone.



Building alliances

That's why the USW has launched an associate member drive to recruit thousands of Americans who share our values but do not belong to a union in their workplace. And it's why the union has allied with the Sierra Club in a Blue Green Alliance for good jobs, a clean environment and a world safe from chemical hazards. It's also why we've led a dozen other unions into the Apollo Alliance for good union jobs in pursuit of energy independence.

Each of these initiatives seeks to galvanize a growing base of worker-friendly coalitions committed to changes that secure the future, not only for our members, but for their children, their

grandchildren and their communities.

This is challenging work in the face of a Republican-led, right-wing agenda bent on privatizing some of our most valued public assets and diminishing any meaningful government role in securing our well-being.

It is a challenge that demands sacrifices of time and energy. So, we must ask ourselves what we, our families and neighbors are willing to sacrifice to bring about the changes that we believe must be made to redirect our country.

Do we continue to sit on our hands — as many have — and remain complacent, comforting ourselves with our hard-won contract gains, rightfully appalled by a political system marinating in money?

Or do we shake ourselves free of cynicism and get involved with the union, the Rapid Response program, and the crucial election campaigns coming up this year and in 2008?

These are questions many of us are already trying to tackle. They're questions that cry out for consideration, if we hope to build the power necessary for changing the direction of this nation and restoring the progress toward economic and social security that are the foundation on which our union has been built.

Answering tough questions

How each of us answers these questions will determine whether changes are made in the direction the U.S. is heading, or whether jobs keep getting outsourced, health care costs will keep skyrocketing and our pensions will keep getting undermined.

As former president George Becker used to say, "Failure is not an option." As things have turned out, neither is sitting on our hands.

Activist Corps

USW creating year-round network of volunteers for political mobilization, organizing and strategic campaigns

Andy Volzkel became a USW activist after he lost one job to low-wage workers in Mexico and was concerned that the same thing could happen again with a second employer.

Still reeling from job loss at an electrical products company, Volzkel was stunned when a manager at the Harley-Davidson plant in Wisconsin, where he now works, told him that outsourcing work is always an option for the company.

USW has a concentration of members and a chance at influencing the electoral results: Minnesota, Ohio, Pennsylvania and Wisconsin.

Campaign captains are already in place in those states and busy recruiting volunteers who are being asked to sign an Activist Corps pledge card.

Once on board, the activists will be easy to spot. They will be issued dark blue union shirts with USW Activist emblazoned in large type on the back.

"It's very important that we get active

us but I think we're going in the right direction," said Activist Corps member Steve Meyer, of Local 224 in Wausau, Wis. "I'm very positive about where we are."

Letting the activists loose once the next election is over is something like turning off a metal-making furnace cold — rather than going to hot idle. It costs more to reactivate later.

The union is looking for new activists, people who are not already officers of the union, or who are not involved in their region's central labor council. Training will be provided.

Energizing and important

"When I try to get people involved I tell them they don't have to put in a lot of time," said Volzkel, who recruits fellow members of Local 2-209 at Harley-Davidson. "But the minute they start working the streets, they come back for more."

The work can be energizing.

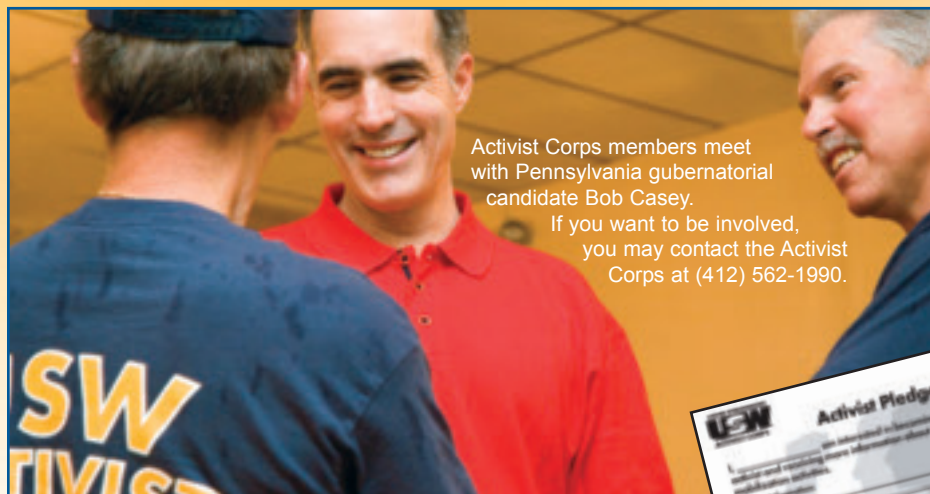
"It can be fun because we're from Harley-Davidson," Volzkel said. "People say 'wow, we're really glad to meet you.' It gets us on base."

Despite the economic conditions we see around us, it's not always easy to convince USW members to spend their free time volunteering as an activist. There are often competing demands of job, overtime and family.

"It's a commitment," said Jerry Laycak, a political action coordinator for USW Local 1557 in Clairton, Pa. "Every minute off work is precious."

Laycak and his assistant, Eric Reese, have responsibility for mobilizing members at more than 250 work sites in eight western Pennsylvania counties around Pittsburgh.

"It's important that people learn the truth," said Reese. "They think their opinion and vote do not matter. But it does. Every little bit helps. Their activism starts to snowball."



Activist Corps members meet with Pennsylvania gubernatorial candidate Bob Casey.

If you want to be involved, you may contact the Activist Corps at (412) 562-1990.

"That was the event that fueled me. I lost one job because of outsourcing and I saw so many other people lose jobs," Volzkel, 50, recalled. "I said, 'no more. I'm not going to take this any more.'"

Today, Volzkel is recruiting would-be union activists in his local for a new pilot program — the Activist Corps — that is being developed by the USW's political department in advance of the key election campaigns this year and in 2008.

Year-round activism

The plan is to grow member activism in the union by building a year-round network of volunteers who are willing to throw their energy into political mobilization, organizing, strategic campaigns and *Building Power* programs.

The pilot project is targeting four key election battleground states where the

and involved to save our jobs," said Mike Spoehr, a paper worker with Local 2-1822 at Pacon Corp. in Appleton, Wis. "If we don't, things aren't going to change."

Jeff Welhouse, the USW Activist Corps captain in Wisconsin, hopes to recruit 50 union activists like Volzkel, who is responsible for developing the network in 173 USW locals in the state. By mid-July, Welhouse had 38 people signed-up.

Leafleting, door knocking

By fall, Welhouse expects to have upwards of 800 volunteers overall in Wisconsin engaged in political activity including leafleting, door knocking, and telephone banks.

"We've got a big challenge in front of

Tire Pattern

BFGoodrich Deal Protects Retirees

A tire industry bargaining pattern worth fighting for was established with a three-year BFGoodrich agreement that protects retirees and secures jobs for active workers.

BFGoodrich was the designated target company in this year's round of tire and rubber industry negotiations that also include U.S. competitors Goodyear and Bridgestone/Firestone.

The deal with BFGoodrich, a unit of Michelin Group, covers 4,000 USW-represented workers at plants in Opelika and Tuscaloosa, Ala., and Fort Wayne, Ind.

Separate negotiations with Goodyear involve 14,000 workers at a dozen plants. Bridgestone/Firestone employs 6,000 USW members at eight plants, six of which are covered by a master agreement.

Pattern established

The BFGoodrich settlement, reached July 25 three days after the previous contract expired, was ratified in early August by local members. It was accepted as a pattern by a nine-member committee of representatives from all three major companies.

Just as it did in the 2003 negotiations, the union showed it can be an innovative partner with employers who engage in a fully informed and open dialogue

The pattern set at BFGoodrich:

- Retains defined benefit pensions for current and future members
- Retains health care coverage for current and future retirees
- Preserves Cost of Living Adjustment gained in 1976
- Protects the wages of current members, while putting in place wages for future members that are above average by current industry standards
- Protects our plants from closure

BFGoodrich employees in Tuscaloosa, Ala. check the picket board at the union hall for assignments just before a tentative agreement was reached.
Tuscaloosa News photo by Michael E. Palmer



Set

and Secures Jobs

and acknowledge their substantial continuing obligations to our members, retirees and communities.

The union's negotiators ultimately resisted enormous economic concessions demanded by BFGoodrich and protected 11,500 retirees and surviving spouses from massive health care cost shifting proposed by the company.

Other primary objectives were to save our jobs and ensure a future for plants endangered by foreign imports and a lack of capital investment — all goals established last October by the Rubber and Plastics Industry Conference (R/PIC).

Guaranteed plant investment

The agreement includes minimum employment levels and guaranteed investments in plants so our members can produce profitable larger-size tires that are in demand today.

"We believe we achieved our industry goals when it comes to protecting retiree health care benefits and securing additional job protection measures for our active members," said USW executive vice President Ron Hoover, who leads R/PIC.

"The purpose of pattern bargaining is to place all the companies on a level playing field when it comes to contractual terms," said Hoover. "Competitive advantages should be gained through efficiencies and good management practices. This compels employers to compete on the basis of product and service quality, efficiencies, innovation, up-to-date technology and management."

The agreement designates all USW-represented BFGoodrich plants in the United States as "protected facilities," which requires the company to enhance job security during the agreement.

This is a dramatic step toward securing a long term future in a global economy where tire makers can shift investment and production to China, Eastern Europe or anywhere else.

No plant closures

The guarantees include:

- no plant closures during the life of the agreement;
- a pledge that production will not drop below 90 percent of each plant's ticket or tonnage as measured on July 1; and
- Special separation benefits offered to a maximum 435 employees who choose to retire or leave the company.

Additionally, the company must make minimum capital expenditures of \$100 million to install equipment necessary to make higher-margin, larger-sized tires at all of our plants. (Smaller size tires are most vulnerable to imports.)

BFGoodrich's initial proposal was to

vigorously attack the wages of all production employees, with the exception of the technical maintenance crew.

The settlement instead protects present wages of all employees. A new five-level wage structure and pay progression will be implemented for all new employees hired into production and non-technical maintenance jobs.

Retiree trust funded

The Cost-of-Living Adjustment (COLA) formula won through a 141-day strike in 1976 was unchanged. However, the first dollar will be diverted to fund the BFG/USW Retiree Trust Fund. The rest will be incorporated into the wage structure up until October, 2008, with the last four quarters of COLA paid to employees as a lump sum.

The union was also able to negotiate a large company cash infusion of \$27 million to the retiree trust fund.

Negotiators fought off company proposals to eliminate guaranteed pension benefits and retiree health care for many of our existing employees as well as all new hires.

Initially, the company proposed a very modest pension increase for current employees with ten or more years of service and no increase for employees with 10 or fewer years of service.

The union insisted that all current employees continue to participate in the defined benefit pension plan. Ultimately, the USW proposal was successful.

Health care coverage for active workers was a tremendous challenge as well. The company's initial proposal would have shifted almost \$13 million in cost each year onto the backs of workers through drastic benefit cuts and employee-paid premiums.

While some changes in benefits were necessary, we were able to avoid the imposition of premiums and maintain coverage at the highest levels within the tire industry.

PLANT LOCATIONS

BFGoodrich/Michelin

Opelika, Ala. - Local 753
Tuscaloosa, Ala. - Local 351
Fort Wayne, Ind. - Local 715

BFS

Akron, Ohio - Local 7
Des Moines, Iowa - Local 310
Oklahoma City, Okla. - Local 998
LaVergne, Tenn. - Local 1055
Noblesville, Ind. - Local 138
Russellville, Ark. - Local 884
Bloomington, Ill. - Local 787
Warren County, Tenn. - Local 1155

Goodyear

Akron, Ohio - Local 2
Gadsden, Ala. - Local 12
Buffalo, N.Y. - Local 135
St. Marys, Ohio - Local 200
Lincoln, Neb. - Local 286
Topeka, Kan. - Local 307
Tyler, Texas - Local 746
Danville, Va. - Local 831
Marysville, Ohio - Local 843
Union City, Tenn. - Local 878
Sun Prairie, Wis. - Local 904
Fayetteville, N.C. - Local 959

NRLB Nails Continental

Tire maker unlawfully relocated production



The National Labor Relations Board has confirmed USW accusations that Continental Tire is a lawbreaker.

In a complaint filed against the tire maker in July, the NLRB alleged Conti illegally moved tire production from its USW-represented plant in Charlotte, N.C. to Mexico, Brazil and a non-union plant in Mount Vernon, Ill., where wages and benefits had been unilaterally cut by management.

The company illegally refused to provide necessary information requested by the USW during negotiations and failed to examine all avenues to reach a settlement before unilaterally implementing its "last best and final offer," the complaint alleged.

"It became increasingly obvious during negotiations that Conti didn't intend to bargain in earnest," USW executive vice president Ron Hoover said.

Continental failed and refused to bargain to impasse over production curtailments and layoffs, which are mandatory subjects of bargaining. It also prematurely declared impasse on April 30 when the union's previous contract expired, and unilaterally implemented its final offer on May 1, the labor board said.

Layoffs took place in March, May and on July 7, when tire production was halted. A small number of workers remain in rubber mixing, warehouse and maintenance operations, which allows the company to avoid paying pension and insurance obligations outlined in the previous contract's plant closure language.

Concessions never justified

From the onset of talks this spring, Continental made clear it would accept only an agreement which provided \$32 million

in annual concessions. Despite multiple requests for documentation, the company never did explain how it came up with the \$32 million target.

Without those savings, Continental initially threatened to cease tire production in September. But after it unilaterally implemented the savings it sought when the contract expired, Continental accelerated the Charlotte closing.

Union package rejected

During negotiations, the USW submitted proposals that would have yielded an estimated \$16 million through wage and health benefit concessions, increased production efficiencies and cost controls on spiraling health care and prescription drug costs.

Even though our union believed the parties were making progress in negotiations, the company short-circuited bargaining by wrongly claiming that talks had reached an impasse. The union maintained it still had ideas or proposals that might bridge the gap.

"Our members do not view this as a victory," said USW Local 850 President Mark Cieslikowski. "A victory would be achieving a contract with long-term job security. We see these charges as validation of our statements that the company presented us with an unjustified 'take it or leave it' proposal."

Hearing set

A hearing on the complaint is scheduled for Aug. 22 in Charlotte. Under NLRB procedures, the company has the right to request a trial of the evidence against it.

If an administrative law judge rules against Continental, the company could be forced to pay employees back-wages and

Continental To Shut Down Kentucky Operations

Continental Tire North America (CTNA) has decided to shut down its remaining operations at its plant in Mayfield, Ky. The decision was not totally unexpected.

"It was obvious to us long ago that Continental decided to abandon U.S. production," said USW executive vice president Ron Hoover. "Their business strategies and management teams never addressed the dynamics of this market and unlike other successful companies, they refused to develop a collaborative relationship with us."

The Mayfield plant once employed 2,400 workers when it was owned by GenCorp. Operations in General Tire's U.S. plants have gone steadily down hill since Continental AG of Germany acquired the facilities almost 20 years ago.

In December 2004, CTNA announced an indefinite suspension of tire production in Mayfield. The latest layoffs are expected to begin around Oct. 1, 2006, with remaining operations being discontinued around Feb. 1, 2007. The final 107 workers at Mayfield will be permanently laid off.

Photo by Steve Linsenmayer

benefits. Other potential remedies available include reinstating laid-off workers and a resumption of production operations.

Continental's decision to abandon Charlotte ended what was often a family tradition at the plant. Sons followed their fathers into the plant. Marriages and life-long friendships were made there.

As the case moves through the NLRB process, former tire-builders are making plans to switch careers.

"I'm not sure what I'm going to do," said Keith Passmore, who worked at Continental for more than 25 years. His father worked at the same plant for 32 years

American dream dashed

Teresa Helms signed up for Trade Adjustment Assistance, a federally funded retraining program for workers harmed by imports, and plans to attend a community college for training in mortuary science.

"At this time, we should be getting ready for retirement," she said. "Now I'm 48 and entering a field that's a lot younger. It's not impossible; it's not the American dream we had in mind."

The USW is planning a boycott and a consumer campaign to further diminish the company's already dwindling U.S. market share. Much of that fight may take place in California, where Continental plans a major advertising push. The USW will be there to let consumers and dealers know that Continental is responsible for lost jobs, broken families and ruined retirement plans.

The AFL-CIO executive council has agreed to President Gerard's request that the federation support a multi-faceted campaign to boycott Continental's products and expose its outrageous behavior to consumers, dealers, manufacturers, elected officials and investors.

Escaping Conti

USW Local in Bryan, Ohio Ratifies 4-year Pact with Titan Tire

The membership of USW Local 890 is making off-the-road tires in Bryan, Ohio, under a new four-year labor agreement with a new owner — Titan Tire.

Ratification of the agreement by over 80 percent of the local's membership permitted Titan to complete the purchase of the Bryan plant from Continental Tire North America. Titan took over on Aug. 1.

Before reaching a deal with Titan, the local union had been in negotiations with two other potential buyers of the plant — Rodos Giants LLC, the U.S. arm of the Rosler Group, and Pensler Capital Corp., the parent of Denman Tire Corp.

"We believe Bryan is a good fit for the Titan business model," said USW R/PIC executive vice president Ron Hoover. "We want to work with a company that understands the North American market and is committed to North American production."

Successor clause

The union was able to influence the outcome of the sale of the plant because a successor clause in its contract with Conti stated that a prospective buyer must negotiate a new contract with the union before a sale of the plant could close.

"We're very pleased with the results," said unit chair John Bowling. "This has been a long, grinding process and we're glad it's over."

The union could not reach an agreement with either Rodos, which at one time had signed a letter of intent on the sale with Continental, or with Pensler.

But the local was able to carve out an agreement with Titan in a relatively short period of time, thanks in part to the experience the union had when Titan last year purchased Goodyear's farm tire business in Freeport, Ill.

The agreement between Titan and Local 745L at Freeport included wage and benefit increases, maintenance of health care plans and language guaranteeing that products sold by Titan must be manufactured in Freeport or at a sister plant in Des Moines, Iowa.

The deal in Freeport served as a template for the more recent agreement with Titan in Bryan, where the USW represents 257 of 312 employees. Steve Vanderheyden, president of the Freeport local, worked closely with the Bryan negotiating team.

"The Freeport agreement made for smoother talks with Titan here in Bryan," Bowling said.

The Bryan agreement included improved contract language, general wage increases in each of the four years, improved health care insurance, more secure pensions and plant closure protection.

"It's a good agreement," Bowling said. "We're happy that Titan is committed to building tires in the U.S. and particularly right here in Bryan, Ohio."

China's Big Push

Low-wage autos headed for North America,
domestic steel and parts jobs at risk

A worker welds the interior of a car at the Greely auto factory in Ningbo, China. AP Photo/Eugene Hoshiko

The U.S. trade deficit with China in automobiles and auto parts is exploding with potentially devastating effects on American jobs and living standards.

The USW has more than 175,000 members who make products for the domestic auto industry, International President Leo W. Gerard recently told the U.S.-China Economic and Security Review Commission. In addition to steel and aluminum, they include workers who produce electronic and mechanical parts, rubber and tires, plastics, leather and glass.

Those jobs are threatened by the Chinese government's plan to become the world's largest automobile manufacturer and a producer of its own brands of vehicles and parts for international markets by 2010 — a few years away.

Excess capacity threatens jobs

It is clear that China will not be able to consume all of its own automotive production and that the United States will be a key target for Chinese-built vehicles and parts.

Gerard told the commission that China's production capacity is expected to rapidly grow from 8 million vehicles last year to 18 to 20 million vehicles.

Sales inside China, however, are projected to be only 9 to 10 million vehicles.

"Excess capacity could thus reach 100 percent in the next five years," Gerard said, "exactly the sort of excess capacity that led to dumping and the steel crisis at the turn of the century."

If 10 percent of domestic production is displaced by China, an estimated 1,750 USW-represented jobs could be lost, in addition to the negative impact on the United Auto Workers.

While a significant amount of steel is used in infrastructure, almost 80 percent of domestic production is consumed in products that can be made elsewhere.

Off-shore challenge

If steel's key customers including autos and white goods move offshore, Gerard said, it will be much more challenging to sell those customers domestically-produced steel products.

"As America's largest consumers of steel move their manufacturing elsewhere, the logic for a large domestic steel industry will exit the U.S. along with those customers," he said.

Gerard, who testified along with UAW President Ron Gettelfinger and

AFL-CIO Secretary-Treasurer Richard Trumka, called for a "coherent and integrated trade and industrial policy."

Such a policy, he said, would not seek to "protect one sector at the expense of another, but (would) rather lay out a framework of trade, tax, infrastructure, and R&D policies that will sustain a vibrant domestic manufacturing sector."

Decisive action needed

Gerard joined Gettelfinger and Trumka in calling on the Bush administration to act decisively and swiftly on China's currency manipulation and worker rights' violations, each of which



The Detroit News Photo/Clarence Tabb Jr.



Bush Backs Down

Union appeal for investigation into unfair Chinese labor practices rejected

contribute to the competitive difficulties facing the domestic industry.

The USW supports a UAW-endorsed "Marshall Plan" for the auto industry to give U.S. workers and producers an edge over Chinese and other foreign suppliers. The plan would stimulate U.S. investment and production of advanced technology vehicles and their components.

By supporting the development of an advanced infrastructure, Gerard said the plan would also improve fuel economy and the environment. It would strengthen the nation's economic and national security by reducing our dependence on foreign oil.



The Bush administration has callously rejected a request by the American labor movement to investigate unfair Chinese labor practices that have contributed to the loss of millions of U.S. manufacturing jobs.

The decision to ignore the Chinese government's systematic and brutal repression of workers' rights drew a sharp rebuke from AFL-CIO Secretary-Treasurer Richard Trumka, who called the rejection "a slap in the face to Chinese and American workers."

"It's a travesty that after five years of failed trade policy that have contributed to the loss of almost three million U.S. manufacturing jobs and a record trade deficit of \$726 billion, the administration continues to take no meaningful action to support America's workers or to stop the abuse of workers in China," Trumka added.

Mistreatment condoned

In failing to address the systematic abuse of China's workers by the Chinese government and multinational corporations, the administration has effectively turned its back on American workers while condoning the mistreatment of workers worldwide.

"What's wrong with this country?" asked USW Local 1016 member George

Bournes, a pipe mill worker who participated in the original announcement of the petition filing in Washington.

"The administration is more concerned about foreign countries than our own jobs and our own people. What's it going to take for President Bush to pull his head out of the sand?"

The decision, made public in a brief Federal Register notice published July 21, turned down a request for action made in a petition filed the previous month by the AFL-CIO and two members of Congress, U.S. Reps. Chris Smith (R-N.J.) and Ben Cardin (D-Md.)

The petition called on the Bush administration to take action under the Trade Act of 1974 to end the suppression of workers' rights in China and stop the flow of good U.S. jobs overseas.

Filed under a provision of U.S. trade law known as Section 301, the petition contended that China was using child and forced labor in addition to firing, beating and imprisoning workers who attempt to form unions.

Chinese wages suppressed

Such practices kept the wages of Chinese factory workers as low as 15 cents to 50 cents per hour, providing an incentive for American companies to close factories in the United States and move production to China.

Had the petition been upheld, it would have triggered a lengthy probe that could have resulted in U.S. trade sanctions against China.

In a statement announcing the rejection, the U.S. Trade Representative mentioned numerous meetings, letters and money spent to address labor rights' violations in China over the past two years.

But Trumka said there are very few concrete improvements that the administration can point to regarding Chinese workers, Chinese labor laws or even enforcement of those laws.

"The enormous and lopsided bilateral trade deficit continues to spiral upwards — as do the lost jobs associated with that imbalance," he said.

The rejected petition had the support of 29 members of Congress and 11 Senators. In June alone, nearly 70,000 letters from workers across the nation were sent to the president and Congress urging them to take action to halt the abuse against workers in China.

Rapid Response

Activists Converge on Washington to Confront and Educate Congress About Issues Facing Workers

All the chairs and standing room in U.S. Rep. Tim Ryan's Washington, D.C. office were occupied by Steelworkers when USW member Dan Seybert cleared his throat and let the Congressman know what was on his mind.

"I'm not asking to be a millionaire. What I ask for is to put gas in my car, to go to work every day, to earn a decent wage and health care coverage for my family," Seybert said as Ryan and dozens of his fellow USW members listened.

"But every day we lose jobs because of the (Bush) administration's trading policies," Seybert, of Niles, Ohio, added. "We better turn this around. We've got to play not to lose."

Seybert was one of more than 800 USW members and activists who attended this summer's National Rapid Response conference in Washington, D.C. They learned about pressing issues facing workers in this country and how to confront their legislators over those issues with help from members back home.

The conference was the fifth since Rapid Response began operations in the 1996 election cycle and was the first since the merger of the United Steelworkers

and PACE created the nation's largest industrial union with 850,000 members.

Rapid Response, an education, communication and mobilization program built on the energy and commitment of volunteer union members, has been so successful it is now being emulated by other AFL-CIO unions.

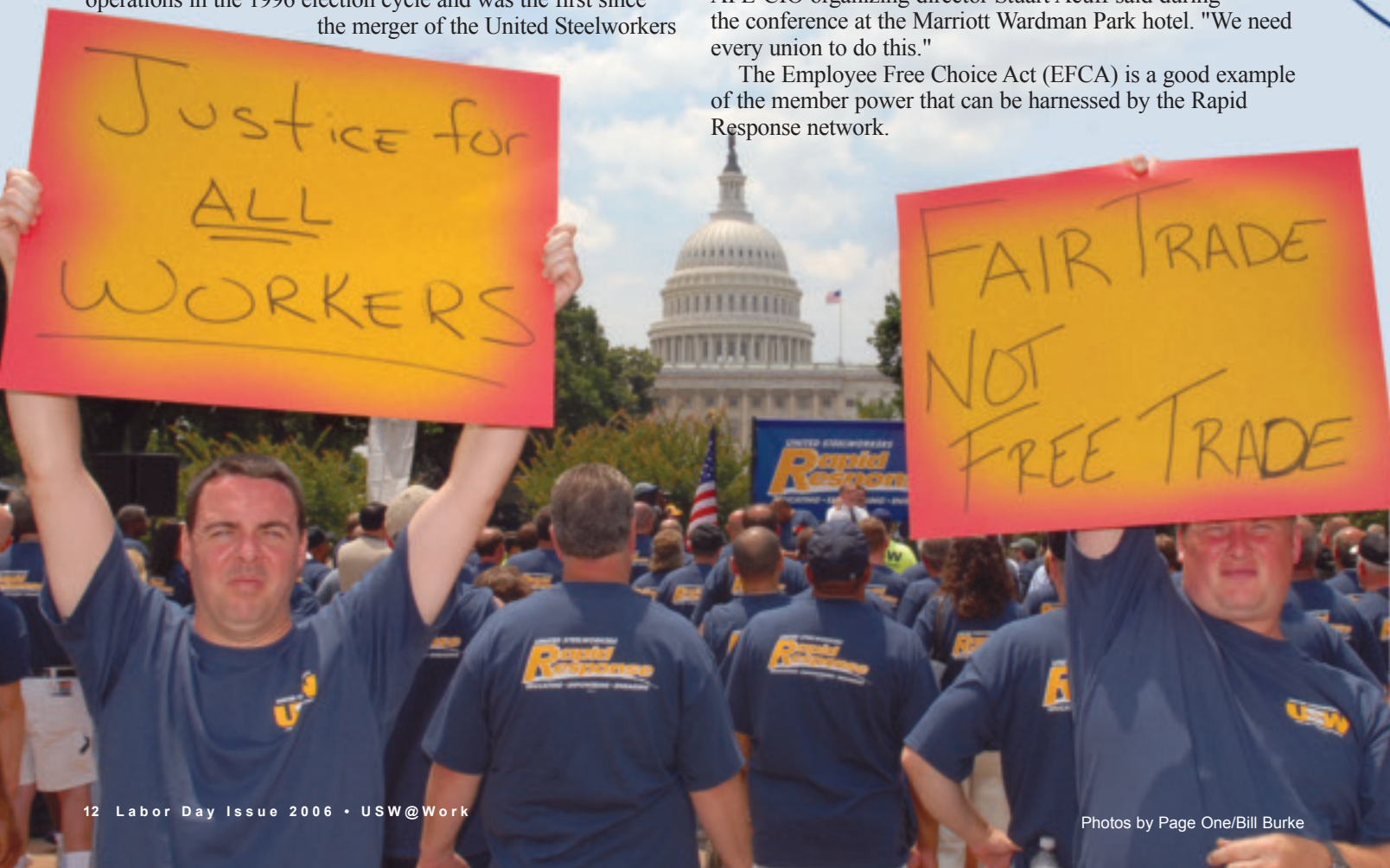
The AFL-CIO's executive council this spring made a commitment to try to recreate the way Rapid Response works at dozens of other unions that belong to the labor federation.

AFL-CIO copies program

"This is the hottest thing in the labor movement," AFL-CIO organizing director Stuart Acuff said during the conference at the Marriott Wardman Park hotel. "We need every union to do this."

The Employee Free Choice Act (EFCA) is a good example of the member power that can be harnessed by the Rapid Response network.

“We are united. It's going to make us stronger.”



Fights Back

After the EFCA was introduced in the 108th Congress, Rapid Response activists wrote letters and made phone calls encouraging members of Congress to show their support by co-sponsoring the bill. That activism resulted in an unprecedented number of co-sponsors on the Senate and House.

Labor's most effective structure

"It's the most effective mobilization structure in the labor movement," the AFL-CIO's Acuff said. "Not only are they working on local issues, they're working on major national issues, engaging policy makers directly and making things happen. You recreate that across the 53 affiliates of the AFL-CIO and you've got a real army that can change things."

Urged on by USW

President Leo W. Gerard,

Secretary-Treasurer Jim English,

who heads the Rapid Response effort, the union's retiring legislative

director Bill Klinefelter and others, the

activists descended on Congress armed with

data and worksheets on important legislative issues including failed U.S. trade policies, an out-of-control health care system and the right of workers to form and join unions.

But before they departed for Capitol Hill, delegates took a moment to celebrate a win. In June, labor and congressional pressure forced the Bush administration Energy Department to at least temporarily reverse its decision to abolish traditional defined benefit pensions for nuclear site cleanup workers represented by the USW.

"This victory is another example of the power of an educated and involved membership. These are real life issues," said Tim Waters, director of Rapid Response.

Bush attitude shows

Still, Klinefelter said, the ruling showed the Bush administration's negative attitude towards workers, their pay and pensions. "They weave and weave their threads" against workers, he warned, noting that a lasting solution to that political weaving is the election of a pro-worker president.

Pounding the pavement between legislative offices, USW activist David Prentice, of Akron,

Ohio, said the power of the Rapid Response program lies in educating and informing members about issues that affect them and their livelihood.

"We don't have the luxury of sitting on the sidelines and doing nothing," said Prentice, the political coordinator and workers' compensation representative for Local 2L.

High on the union's legislative agenda is a bill that would ban the export, import or sale of goods made by sweatshop labor, legislation that would reform the troubled health care system and the Employee Free Choice Act, which is designed to reform the one-sided election process overseen by the National Labor Relations Board.

Go out and vote

"It's important for people to be involved, to go out and vote, to talk to their member of Congress," said Thomas Harris, president of 450-member Local 7495 at Ball Corp., a can and aerospace products manufacturer in Elgin, Ill.

"If you don't vote, you're conceding your rights, conceding your opportunity to voice an opinion," Harris added. "We're losing too many jobs overseas. We have no national health care plan and we're supposed to be the number one developed nation in the world. It's absurd."

The conference opened with moving presentations on globalization from Charles Kernaghan, director of the National Labor Committee, and Lori Wallach, from Global Trade Watch.

Delegates were also presented with an overview of legislation to stop sweatshop goods from being imported into the United States, as well as presentations on the EFCA and the health care crisis.

The conference ended with a day of "nuts and bolts" workshops on how to build Rapid Response networks at the local level. Delegates left Washington brimming with energy and enthusiasm.

"I was very excited," said Beth Faretta, a Rapid Response volunteer with Local 2-268 in Port Edwards, Wis., where she works for a specialty paper manufacturer. "I know this sounds corny, but I was very proud to be a union member and a Steelworker this week."



Barbara L. Chavez,
USW Local 8599

“Workers don't realize how much their vote counts and that's where organized labor is going to have an impact.”

Mark Wurtzbacher,
USW Local 14200



Hustle with a Purpose

Rapid Response Teams Focus Activism on Worker Issues and Legislation

USW Local 1899 member Kathy Loepker encourages fellow union members at U.S. Steel's Granite City Works to sign the Employee Free Choice Act petition as part of Rapid Response efforts to restore the right to form a union in the United States. Photo by Dennis Barker

It takes hustle and an organized system for Mike McKenzie and his Rapid Response team to keep the Info Alerts and Action Calls flowing to members working at a 2,200-employee tire factory.

"It's kind of overwhelming at times because people are moving from department to department, shift to shift," said McKenzie, the Rapid Response coordinator for Local 878L, at the Goodyear Tire and Rubber plant in Union City, Tenn. "But we've made the system work and kept it working."

The Union City Rapid Response team is consistently one of the union's top producers in terms of the number of letters and telephone calls generated to influence legislators on issues of importance to workers.

When the information on a particular piece of legislation or a request for action comes from Rapid Response headquarters in Pittsburgh, Local 878L volunteers fan out through the plant.

"We use a network of people through the plant. It's a funnel or pyramid effect," McKenzie said. "It can be hectic. You have to stay on top of it."

When asked why he spends countless hours on Rapid Response and local political activism, McKenzie opens up a

pocket planner he carries with him and pulls out a photograph of a girls' basketball team that he coaches.

"I carry this picture with me when I'm out on the road, working 16 hour days and driving from here to there. It reminds me of why I do this," he said. "We don't want to leave this generation less well-off than we were."

McKenzie wants his children and the kids that he coaches to be able to have decent jobs when they grow up, close enough to home where they can enjoy and have the support of extended family.

"Don't tell me there is nothing we can do," McKenzie said. "Don't say our hands are tied because they're not. I'm going to argue, I'm going to talk and I'm going to raise hell all the way down the road until somebody listens."

Executive board delivers

Mike Snyder, president of USW Local 15173 in Decatur, Ind., has tapped his executive board to personally distribute Rapid Response information throughout a Bunge North America soybean processing facility that covers 123 acres.

"So many times, it seems, you have

local union leaders who are separated from the members. I use my whole executive committee," Snyder said. "It keeps them accountable to the people."

Tonya Devore uses a constantly changing database of flex-shift employees as the heart of the Rapid Response program at the Checker Motors Co., an automotive parts supplier in Kalamazoo, Mich.



“I carry this picture with me when I'm out on the road... It reminds me of why I do this.”

When Action Calls arrive, Devore attaches member names and their current locations in the factory to copies that are individually distributed by team leaders.

Because of flextime, the list changes constantly.

"I have all of our members in the database and when we get information or an Action Call, I go in and plug in where everybody is working, print it up, cut them out, staple and distribute. It works well."

There's a "no throw away" rule at Checker's lunch tables. Leave the information lie for the next guy who might have time to read during scheduled breaks, if a machine is down or during other idle moments on the job.

"My local is pretty active politically," said Devore. "They watch and they do listen."

Dow Chemical worker Michelle Thurston is seeking volunteers to help her rebuild a Rapid Response committee at amalgamated Local 12075, which has about 1,800 members in 13 different units.

New on the job, Thurston quickly discovered that individual contact with members is more effective than relying solely on faxes that often sit in a pile unread.

"It builds a stronger network," Thurston said. "When you build a stronger network, you have a stronger union. You can quickly get things done."

Grassroots work

Buril Smith uses e-mail to inform and motivate 400 members of USW Local 9231 at the Mittal Steel plant where he works in New Carlisle, Ind.

Smith can, for example, alert members when a Congressional vote is coming up on a particular day, and ask them to quickly telephone their elected representatives to try and influence the outcome.

"It's grassroots work," Smith said. "A lot of union members don't understand all they need to know and part of my job is making sure they are as informed as possible. And the more they get involved, the easier it is to get the word around."

The constant flow of Rapid Response information makes it unnecessary for local leadership to lecture members on how they should vote on election day, he said.

"You no longer have to lecture by party," added Paul Rausch of Local 9231. "You can talk about voting records against pieces of legislation that members are very familiar with. They reach their own conclusion rather quickly."

Kennedy, Conyers Wellstone Winners

Award honors late Minnesota Senator, Friend of Labor

Sen. Ted Kennedy (D-Mass.) and U.S. Rep. John Conyers (D-Mich.) are this year's winners of the union's prestigious Wellstone Awards.

The awards honor the late U.S. Sen. Paul Wellstone of Minnesota, a tireless supporter of the United Steelworkers and an advocate who advanced labor and human rights. Wellstone, his wife, daughter and three campaign aides were killed in a plane crash prior to the election in 2002.

International President Leo W. Gerard presented the award to Conyers during a summer rally in Washington D.C. sponsored



by the union's Rapid Response network. Gerard made a separate presentation to Kennedy, who was leading a floor debate that day on raising the federal minimum wage.

Tireless champion of workers

Both of this year's winners emulate Wellstone's commitment to labor. Wellstone was a tireless champion of raising the minimum wage and strengthening workplace safety laws. He was one of the strongest voices in the Senate arguing against trade agreements that traded away our jobs.

Elected in 1964, Conyers is the second most senior member of the House and one of its most outspoken liberal voices. He holds the Ranking Minority position on the House Judiciary Committee and is the founder of the influential Congressional Black Caucus.

Conyers has a reputation for being persistent. When Dr. Martin Luther King was assassinated in 1968, Conyers

began the fight in Congress to honor his memory and kept at it until Martin Luther King Day became a national holiday in 1983. He is currently promoting a single-payer health care program, which may take equal persistence.

"Wanting a better way for uninsured Americans, John has stayed true to the fight for single-payer health care — a health-care program that will cover all Americans. He has carried this fight when it seemed hopeless to many," Gerard said.

Right then, right now

"But Congressman Conyers, you were right then, you are right now," Gerard said, "and you'll be right the day the United States Congress passes single-payer health care."

Kennedy, who entered the Senate in 1962, was feted as the "number one champion of the American labor movement and the standard-bearer" for the progressive movement. He is the ranking minority member on the Senate Health, Education and Labor committee.

"Senator Kennedy has sailed a straight and true course, often against the wind," Gerard said. "The poor have no greater champion..."

After the first President George Bush vetoed the Family and Medical Leave Act, Senator Kennedy reintroduced it in the next Congress and it was the first bill signed by President Clinton.

"From the minimum wage to the right to organize, and from health care to pension rights," Gerard said, "Senator Kennedy can always be found leading the fight to defend and promote a standard of government that believes its role is to make the lives of people better."





CAPITOL LETTERS

The inside scoop on what's going down in D.C.

The centerpiece of the Democrats' pre-election economic message — that it's time for minimum wage workers to get a raise — has proved so effective that a large group of moderate Republicans refused to let the House adjourn at the end of July unless a vote was taken to raise the minimum wage. Republican leaders, however, offered a minimum wage increase that actually will decrease the earnings of many minimum wage workers while giving a massive tax break to the richest families.

New Heights of Chicanery

The federal minimum wage has remained at \$5.15 per hour since 1997. Yet over that same period of time, the salaries of members of Congress have increased eight times, with raises totaling \$31,600. In contrast, the minimum wage bill that passed the House and is now before the Senate, raises the minimum wage to a piddling \$7.25 per hour over the next three years and extends for two years a host of expiring tax cuts for individuals and businesses.

The biggest sweetener in this package for Republicans is a reduction in the estate tax that will gradually raise the size of the multi-million dollar estates that are excluded from the current estate tax. This millionaire tax cut is indexed for inflation so that heirs of the rich will never have to ask Congress to increase the size of their exemption. It will automatically grow.

Worse yet is a decrease in earnings for people who depend on tips for a living. Waiters, waitresses, bellhops, hotel housekeepers and parking lot attendants working in Alaska, California, Oregon, Minnesota, Montana, Nevada and Washington state will all get a pay cut since the Republican bill will pre-empt more generous state minimum wages for

tip-earners and mandate the lower federal wage rate of \$2.13 for tip-earners.

Pension Act to Senate

In other late-night legislating right before the House adjourned, Republican leaders abandoned five months of negotiations between House and Senate pension conferees and brought pension overhaul to the House floor as a new bill.

H.R. 4, the Pension Protection Act of 2006, passed the House by 279-131 and is almost identical to the pension bill House and Senate negotiators were planning to bring to the floor. But the House dropped tax break extensions that the Senate had demanded.

H.R. 4 is a very bad bill for the future of traditional single employer defined benefit plans. At a time when defined benefit pension plans are being frozen by healthy companies and terminated by companies in bankruptcy, the proposed bill does little to stop the erosion of retirement security. The benefit restriction provisions of the bill are particularly severe and virtually eliminate, for example, shutdown benefit protections.

Keeping Foxes Out

The USW and other unions won a significant victory when Senate Democrats blocked the nomination of Richard Stickler to direct the Mine Safety and Health Administration (MSHA). Stickler is a career mining company executive who, in his most recent stint as the Director of the Pennsylvania Bureau of Deep Mine Safety, repeatedly attempted to limit regulations and reduce health and safety protections for miners. But don't count your chickens too quickly. President Bush has put him to work at the Department of Labor serving as an adviser on mine safety issues.

The next Bush nominee to take center stage is Paul DeCamp, who has been nominated to oversee the Wage and Hour Division of the Department of Labor (DOL), the division responsible

for enforcing minimum wage, overtime, and equal pay laws. Mr. DeCamp's qualifications? He was formerly counsel for Wal-Mart and has a large body of published works criticizing the Family and Medical Leave Act and overtime rights.

Stranger than Fiction

Mind boggling is the best description of the Bush administration fight for foreign interests' rights to manage our nation's port operations. It was not until public outrage caused the House and Senate to prohibit the deal that the Bush administration scraped efforts to let a state-run company in the United Arab Emirates (UAE) run major U.S. ports.

Almost immediately after the Dubai Ports World deal fell through, the Bush administration began working on a similar, less publicized deal involving foreign control of U.S. airlines. The Bush administration has long sought to allow foreign companies to control U.S. airlines, saying domestic airlines need the foreign capital to survive.

The House and Senate have moved to stop the U.S. Department of Transportation from implementing this new rule, recognizing that the proposal jeopardizes our national security, is not good for the U.S. aviation industry and would threaten the jobs and rights of thousands of workers. Unbelievably, the administration may still allow this regulation to take effect during Congressional recess.

Voting Rights Extended

The only bipartisan bright spot is the 25-year extension of three key provisions of the Voting Rights Act (VRA), which were signed into law by President Bush on July 27. They require certain states and counties to get federal approval before changing election laws and procedures, guarantee that citizens who need language assistance are not denied access to voting; and give the U.S. Attorney General the power to send federal examiners and observers to monitor elections.

Restoring Ormet

Strike Ends, Electricity Deal Needed for Restart

USW-represented workers at the aluminum maker Ormet Corp. voted to accept a new contract and end a long strike, but their return to work depends on electric power costs.

At press time, Ormet was in negotiations with the Public Utility Commission (PUC) of Ohio and American Electric Power (AEP) for affordable electric rates needed to run Ormet's smelter in Hannibal, Ohio.

Without a favorable energy contract, the reorganized company is reluctant to spend the estimated \$120 million it will take to restart production.

"The overwhelming majority of our members recognize that this is a good deal. They want to get back to work, but we need a power deal now more than ever," said Mark Shaw, District 1 contract coordinator.

"It really comes down to whether AEP will supply Ormet with electricity at a reasonable cost," Shaw added. "Absent that deal, this plant, unfortunately, will never start back up."

Contracts voided

About 1,500 USW members in Hannibal struck in 2004 when a bankruptcy court judge allowed the company to void its labor contracts. The strike was 19 months old when tentative labor agreements were announced June 30.

In addition to the Hannibal smelter, the agreements also cover nearly 200 members of USW Local 14465 at a refinery in Burnside, La., who had been working under terms of an agreement that expired last September.

In July, members of Local 5724 in Hannibal voted 551 to 79 to accept their agreement. The Burnside agreement was approved by a vote of 103 to 12 with expiration in 2007.

The agreement terms include a signing bonus, wage increases, profit sharing and guaranteed funding for retiree benefits through a VEBA, or Voluntary Employee Beneficiary Association.

The union also negotiated hiring preference for several hundred workers in Local 5760 who were laid off when Wheeling, W.Va.-based Ormet sold its rolling mill in Hannibal to Aleris International Inc., which removed equipment from the facility.

USW District 1 Director David McCall praised the solidarity that was

that's finalized, there won't be a lot of action."

Ormet emerged from bankruptcy protection last year with a new management team and a new major shareholder, MatlinPatterson Asset Management, a New York based firm. The former chief executive officer, Mike Williams, left and was replaced by Ken Campbell.

McCall said the settlements would not have been possible without the support of MatlinPatterson.

CEO replaced

"After the replacement of the former CEO and good faith discussions between the Steelworkers and MatlinPatterson,

we agreed that the best possible solution would be to reach an acceptable labor agreement that puts our members back

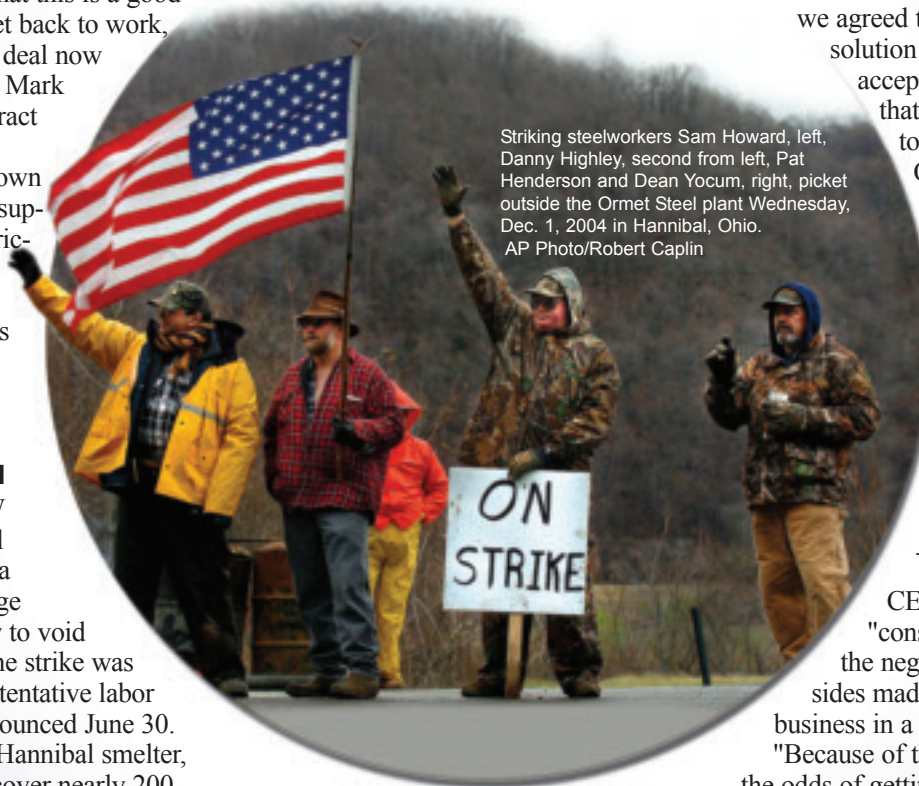
to work, while allowing Ormet to remain a viable player in the aluminum industry," McCall said.

"This agreement will achieve that goal," he added. "Our members and their families have fought long and hard to reach this point, and we will continue our fight to save as many of our jobs as possible."

Campbell, the Ormet CEO, praised the union's "constructive approach" to the negotiations and said both sides made a commitment to do

business in a different way.

"Because of their attitude, I believe the odds of getting the reduction plant up and operational look very good," Campbell said. "We have a long history of less-than-ideal relations between the labor force and management that we are determined to change. I think this change will be difficult but critical, and I am personally committed to make it happen."



Striking steelworkers Sam Howard, left, Danny Highley, second from left, Pat Henderson and Dean Yocum, right, picket outside the Ormet Steel plant Wednesday, Dec. 1, 2004 in Hannibal, Ohio. AP Photo/Robert Caplin

demonstrated by all three USW locals throughout the strike and the bankruptcy process. He said the USW is supporting Ormet's new management in its bid for a reduced-cost energy supply.

"We're finally optimistic," said Mark Goddard, a 30-year veteran employee of Ormet in Hannibal. "But it's still based on getting that power agreement. Until

Legacy of Struggle

Pivotal dispute at Kaiser defined fight against globalization and brought together labor and environmental movements

After a tumultuous lockout and bankruptcy reorganization, Kaiser Aluminum has new management, a new relationship with the United Steelworkers and new stock, much of it held in trust to benefit workers and retirees.

The newly reorganized company, pared down in bankruptcy to focus on fabricated aluminum products, emerged from court protection in July, ending a brutal saga that included a 22-month labor dispute and lockout that hurt 2,900 USW families. The lockout was the longest in the union's history.

A majority
57 percent of

the new stock in the reorganized company, approximately 11.4 million shares, has gone to a Voluntary Employee Beneficiary Association (VEBA) set up to defray the cost of medical benefits for USW retirees who lost coverage under the bankruptcy.

A smaller VEBA for salaried employees received approximately 2 million shares. Both of the VEBAs were established in 2004.

"I don't know if there is any other case where retirees have gotten so much equity out of a reorganized company," said Thomas Duzak, director of pensions and benefits for the USW.

Bankruptcy dilutes payout

The bankruptcy reorganization allowed Kaiser to shed operations and eliminate or reduce asbestos-related liabilities and pension and retiree health care obligations.

Approximately 250,000 shares were also set aside to compensate workers who had been illegally locked out of their jobs by Kaiser during the labor dispute. Their eventual payout, however, was greatly diluted in bankruptcy court.

There are other not so obvious legacies of the long fight between Kaiser and the USW, which began in 1998 and involved workers at five plants, one each in Tacoma, Wash., Gramercy, La., and Newark, Ohio; and two in the Spokane, Wash. area.

The pivotal labor dispute in

many ways defined the current fight against globalization and brought together labor and environmental movements that had once frequently clashed.

Charles Hurwitz, an infamous junk bond king, was ousted as the company's chairman, freeing Kaiser from a destructive leveraged buyout management style. International operations were sold. The union gained four out of ten seats on Kaiser's board.

"Good came out of it. We drove Hurwitz out of the company," said Dave Foster, a retired USW district director who chaired negotiations with Kaiser during the lockout. "Now the Kaiser board is clearly focused on surviving as a North American company."

Kaiser steelworkers were the "labor movement's shock troops" at World Trade Organization (WTO) protests in Seattle "that opened the eyes of the world to the linkage between trade and social issues," Foster recalled.

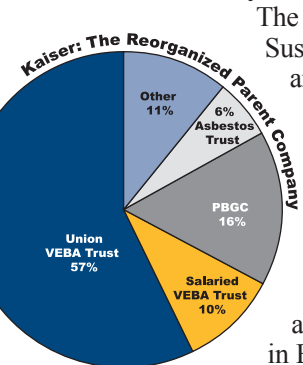
Common ground

There is also the lasting impact of an unusual working relationship forged between Steelworkers and environmentalists who were protesting the clear cutting of some of the nation's largest remaining stands of old growth redwoods by Hurwitz's holding company, Maxxam Inc.

Members of the United Steelworkers union, Local 338, shout at bus loads of temporary workers entering Kaiser Aluminum Corp.'s Trentwood plant in Spokane, Wash. on Oct. 1, 1998.
AP Photo/Jeff T. Green

The two unlikely partners first found common ground fighting Maxxam, which prior to the Kaiser fight had engineered a hostile takeover of the Pacific Lumber Co., the redwood owner.

Foster recalls leading a group of Steelworkers on a 45-minute climb through rugged Humboldt County terrain in California to reach the site of Julia (Butterfly) Hill's famous protest. Hill lived alone atop an endangered 1,000-year old redwood tree for 783 days.



The Alliance for Sustainable Jobs and the Environment was born that weekend at a daylong strategy session of environmental organizations and steelworkers in Eureka, Calif.

"The Kaiser steelworkers will long be remembered for their progressive and far-reaching alliance with environmentalists around the country," Foster said.

Successful boycott

The dispute at Kaiser started in 1998. On Jan. 13, 1999, 3½ months into a strike, the USW made an unconditional offer to have its members return to work under the terms of the old agreement. The next day, Kaiser declined the union's offer and imposed the lockout.

The union responded by escalating a corporate campaign that involved, among other things, demonstrations at shareholder meetings, a customer awareness campaign and a union-sponsored environmental and safety audit.

During the labor dispute, the USW called for the boycott of Kaiser products and successfully won commitments from Pepsi Bottling Group, Coca-Cola Enterprises, Anheuser-Busch, Dawes Better Built, Crown Cork & Seal and D-Z Metals to discontinue their purchase of Kaiser metal. At the port of Tacoma, USW pickets delayed the unloading of Kaiser's alumina shipments.

A tentative contract settlement was finally announced on June 30, 2000. On the same day, the NLRB's regional office

What is a VEBA?

Trust funds can help replace benefits lost in bankruptcies or litigation

Voluntary Employees' Beneficiary Associations, or VEBAs, are tax-exempt trust funds dedicated to financing worker and retiree health benefits.

A VEBA is basically a funding device that can be used to support traditional collectively bargained retiree programs or to fund limited replacement benefits in cases where bankruptcy or litigation have ended other plans.

The USW has reaffirmed its long-standing policy preference for traditional employer-provided health plans but has negotiated VEBAs in a variety of circumstances including litigation settlements, bankruptcy reorganizations and corporate liquidations.

Steel VEBAs were first

The earliest VEBAs, called "back-up" VEBAs, were first negotiated in the early 1990's to help fund retiree health plans in the basic steel industry.

Still other VEBAs were created following settlement of USW lawsuits against companies, including Colt Industries and Pirelli Tire, who attempted to unilaterally reduce or terminate retiree benefits.

More VEBAs were established during the recent steel crisis when many retiree benefit plans were terminated as a result of corporate failures or bankruptcy reorganizations.

In some cases VEBAs were created to

in Oakland, Calif., charged Kaiser with illegally locking out the union, unlawfully discriminating against employees to discourage membership in the union, and failing to bargain in good faith.

A return-to-work was announced on Sept. 18, 2000, after an arbitrator settled a handful of issues that the union and company were unable to resolve.

Back pay claim

The NLRB charges eventually led to a \$175 million claim in bankruptcy court for back pay. The resulting settlement was much lower since all of the unsecured claims were pro-rated by the court.

"To me, the story is we do fight to the finish," said USW general counsel Paul Whitehead. "They thought they had totally checkmated us with the bankruptcy filing. That was a significant blow to

resolve creditor claims filed by the USW on behalf of affected retirees. In other cases, trusts now sponsor replacement benefit plans for not only past retirees, but for future retirees as well.

The USW has also negotiated unprecedented commitments from purchasers of bankrupt companies to establish VEBA trusts to cover the selling company's past retirees.

Mittal the largest

The best and largest example of that is the VEBA established in 2002 with International Steel Group (ISG), which has since been acquired by Mittal Steel USA. That trust fund has received more than \$300 million in contributions which are used to offer prescription drug coverage to approximately 75,000 beneficiaries — who used to work for LTV Steel, Bethlehem Steel, Georgetown Steel and Acme Metals.

The Mittal VEBA recently announced that a portion of the trust assets will also be used this year to reimburse eligible beneficiaries and spouses for part of their 2006 Medicare Part B monthly premiums. Eligible members were notified by mail in late June and have until Aug. 31 to apply for the benefit. For information, call the Mittal ISG VEBA at (877) 474-8322.

"The creation of this new benefit," said USW President Leo W. Gerard, "is further proof that the union has never given up the fight for the rights of our retirees, despite the fact that they've been abandoned by their former employers and given cruel, short shrift by the bankruptcy courts."

our quest for full justice, but we kept slugging."

In reality, workers, their families and communities can never fully be repaid financially for the damage done by Kaiser, which hired temporary replacement workers during the long labor dispute and closed or sold plants.

Irv Schleufer, a welder at the Spokane Trentwood plant, spent two years during the lockout giving speeches and attending labor protests, including a WTO meeting in Seattle.

Even though years have passed, Schleufer can't shake the memories of scabs being brought into his plant by the busloads and co-workers struggling without a regular paycheck and health care coverage.

"I'm almost in tears thinking it is finally over," he said.

I WON'T
GIVE UP MY
VOICE
AT
WORK
AFL-CIO

“ These decisions will have a profound impact on the potential of workers to join a union and will affect workers in every industry. ”

SUPERVISOR In Name Only

Union Rights of Millions of Workers at Stake in Labor Board Cases

Workers turned out by the thousands in rallies across the country to demand that the National Labor Relations Board (NLRB) not roll back workplace rights by expanding the definition of supervisors.

Organized labor is bracing for a series of legal decisions from the NLRB known as the Kentucky River cases that could restrict union representation for a significant number of workers in a wide variety of industries and occupations.

“In reality, these decisions will have a profound impact on the potential of workers to join a union and will affect workers in every industry,” USW international vice president Fred Redmond told hundreds of labor sympathizers who packed the lobby of the USW headquarters building in Pittsburgh.

In addition to Pennsylvania, rallies were held in Arizona, California, Connecticut, the District of Columbia, Florida, Illinois, Iowa, Maine, Massachusetts, New Jersey, New Mexico, New York, Oregon, Tennessee, Washington and Wisconsin.

Public hearings denied

At all of the rallies speakers called for public hearings on the Kentucky River cases, which the board will use to help define when nurses and other workers qualify as supervisors. The Bush-appointed board has denied union requests for hearings.

“This is all about politics, all about the right-wing agenda,” said USW President Leo W. Gerard. “It is about this administration wanting to de-unionize America.”

The board will use the trio of Kentucky River cases, one of which involves the USW, to help define when nurses and other workers qualify as supervisors.

Supervisors do not have the protected rights under the National Labor Relations Act to form and join unions and employers often try to classify workers as supervisors in order to deny them the right to union representation.

Under the Taft-Hartley Act of 1947, employees are classified as supervisors if they use “independent judgment” and have the authority to “hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward or discipline other employees.”

New definition required

The NLRB is required to come up with a new definition of supervisors because of a 2001 Supreme Court decision that found the board’s analysis of the supervisory status of six RNs at a Kentucky nursing home was flawed.

Two of the cases before the board involve the supervisory

status of nurses at Oakwood Healthcare Inc. in Taylor, Mich. and Golden Crest Healthcare Center in Hibbing, Minn.

A third case involves production and maintenance employees, including leadmen and load supervisors, at Croft Metals Inc., based in McComb, Miss.

May affect millions

The potential impact of the NLRB goes far beyond health care. Hundreds of thousands of existing union members could be stripped of their contract protections. Many more could be denied the right to form unions or engage in collective bargaining, according to the Washington-based Economic Policy Institute (EPI).



Photo by Kenny Carlisle, USW

(Left to right) USW activists Kay McCormick and Carol Corse march to the Nashville NLRB office to voice their support for worker rights.

The EPI examined dozens of cases pending before the board and examined the supervisory duties of the U.S. work force overall in concluding that 1.4 million employees could be affected in just the pending cases. But as those decisions ripple across all occupations, EPI estimates as many as 8 million U.S. workers could lose their right to have a say in their working conditions.

A negative decision could affect building trades' workers, media employees, port workers and many other occupations where line workers are given some authority to give instructions to other workers, said AFL-CIO organizing director Stuart Acuff.

"Team leaders and gang leaders in ports, lead men in mines, lead men in docks at manufacturing facilities and warehouses, engineers, people who oversee apprentices in trades – almost every senior worker does this to some extent," Acuff added.

Business supports change

The U.S. Chamber of Commerce and the American Hospital Association have filed briefs with the NLRB that support a broadened definition of supervisor.

In its brief, the hospital association said classifying charge nurses as management is necessary to their duties and reflects an education and experience that equip him or her to assume a management function.

If the NLRB determines that charge nurses and other union members are supervisors, labor unions could encourage members to abandon supervisory responsibilities.



Photo by Erin Schubert

“If I had to choose between my union and my ability to be a leader, I’ll choose my union,” Gerard said. “We’ll turn every workplace into chaos.”



Photo by George Olivar

Nurses Rally for Workers' Rights and Improved Patient Care

Religious and labor leaders joined USW-represented registered nurses for a candlelight vigil June 26 at Robert Wood Johnson University Hospital in New Brunswick, N.J.

As part of contract bargaining, the nurses sought and won language to protect them from an expected move by the National Labor Relations Board (NLRB) to expand the legal definition of supervisors. Under federal labor law, supervisors are barred from forming joining unions.

A decision in favor of employers in three cases known collectively as “Kentucky River” could further erode workers’ freedom and affect hundreds of thousands of nurses, building trades workers and media employees.

At press time, negotiations were continuing for a new contract at Robert Wood Johnson, where 1,260 nurses belong to USW Local 4-200.

In addition to advancing wages and benefits, the nurses were seeking patient advocacy rights, protection against hospital violence and improved patient care.

Oil Patch Leaders Advance

Beevers and Breaux Assume New Roles



Gary Beevers



John M. (Mickey) Breaux

Former USW District 13 director Gary Beevers is a new international vice president in charge of the union's National Oil Bargaining program.

Beevers, 53, was chosen by the international executive board to succeed USW administrative vice president Jim Pannell, who retired on July 1.

John M. (Mickey) Breaux, 60, a former USW District 13 international representative, was named director of District 13, a 50,000-member region that covers Texas, Louisiana, Oklahoma and Arkansas.

"These are good appointments for the membership," said President Leo W. Gerard. "Both men have fought hard on behalf of working people, and are able and willing to take on any challenge thrust on them by renegade corporations."

Beevers brings extensive experience in negotiating with major oil companies to his new job in charge of the National Oil Bargaining (NOB) program.

"We intend to operate the NOB program the way it's been operating the last 30 years," Beevers said. "It's a successful program, and we don't plan to change how it operates."

In addition to his new position as District 13 director, Breaux was also named to chair the Boise-Cascade and Rock-Tenn councils. He started out with the Oil, Chemical & Atomic Workers (OCAW) union and came to the USW through the PACE merger last year.

"I hope to use the recent merger to

make our union even stronger," he said. "I want to use our new strength to build better working conditions."

A common heritage

Both Beevers and Breaux are from Port Arthur, Texas and are members of Local 13-423. Their fathers had both worked at Texaco, now Shell Motiva, and had belonged to 13-423's predecessor, OCAW Local 4-23.

Beevers' father helped him get his first job at Texaco in 1971.

"He taught me union principles," Beevers said. "You serve your union; you don't cross a picket line; you attend meetings; if you're not going to get active, you support your elected leaders. That's how I patterned my career."

For Beevers, there was a natural desire to become active in the union.

"I was always outspoken and I found an outlet to put that to good use. I saw how the union impacted families and how things got better every two or three years with the next contract. I want this to continue for the next generation of kids who want to work in a refinery."

Breaux attended union meetings with his father when he was growing up. "I thought it was great that people had a voice against the company and could get together."

He remembered when Texaco tried to fire his father and the union got his job back. "I've had a personal experience when the company decides it doesn't want you," he said.

Starting out as a steward, Beevers

served Local 13-423 as its recording secretary, health and safety committeeman, workers' committeeman and full-time chair of the workers' committee.

In 1987, OCAW President Joseph Misbrenner appointed him to be an international representative covering workers in the oil, chemical and paper industries as well the public sector. After the OCAW-UPIU merger to form PACE, Beevers was elected in 2003 to be vice president and regional director of PACE Region Six, which covered New Mexico, Louisiana, Mississippi and Texas. Following the PACE-USW merger, he became the District 13 director.

Active in locals

Breaux joined OCAW Local 4-23 in 1969 when he began work at Atlantic Richfield. As a rank-and-filer, he was a member of or chaired various union committees concerning subjects like negotiations, health and safety, workers' compensation, strike strategy and the United Way.

OCAW President Bob Wages appointed him to be an international representative in 1996. He headed the Crown Central Petroleum lockout negotiations for four years and for the last three years he was District 13's coordinator for Rapid Response.

Breaux was also active in the United Way, Texas AFL-CIO and the Democratic party.

Beevers' office is in Beaumont, Texas. Breaux will maintain the District 13 office in Baytown, Texas.

Growing Building a new

Not all of our union's struggles result in victories. But we learn from all of them — none more than from the fight with Phelps Dodge from 1983 to 1986.

The learning curve we climbed in challenging that company taught us success in combating the abusive tactics of renegade corporations. We had to develop strategies which reached beyond the solidarity of picket lines and drew on relationships with other unions and organizations.

Having that hard-won knowledge has served us well in forging victories at Ravenswood Aluminum in West Virginia, and in the campaign to secure a contract for our brothers and sisters at Bridgestone-Firestone, as well as in completing the merger with the United Rubber Workers in 1994.

After a rigorous struggle, we also were successful at CF&I in a seven-year strike and lockout where a corporate campaign involved other labor unions, the public, the company's customers, lenders, stockholders and elected representatives.

Working together

"We had strength in numbers," said Nick Mikatich, a former CF&I worker now on the union's staff. "Working together is beneficial. We all have access to different resources. We help them and they help us."

As a result of renewed worldwide activism, our union began to forge a growing number of alliances across the globe with unions representing workers in the same companies in which we represent members.

Today, the USW has alliances with six major unions in Australia, Brazil, Germany, Mexico and the United Kingdom, as well as our Blue Green Alliance with the Sierra Club. We are also working on developing two additional alliances with unions in South Africa.

Strategic approach

"Our alliances attempt to approach globalization in a very strategic manner rather than helter-skelter," said Gerald Fernandez, director

of the USW's strategic campaigns and international affairs departments."

The ideal partners have industrial sectors similar to those where our members work. The USW additionally sought allies showing militancy, sophistication in research and bargaining and an understanding of the global economy with no direct ties to their governments.

Common issues, agendas

"We've become an international union of influence by providing a bridge to workers in various countries in the different regions of the world," USW President Leo W. Gerard said.

"My hope is that this bridge will connect all of our unions so we can have common mediums, common employers, common issues and common bargaining agendas."

The USW's first international alliance, formed in 2004, was a partnership with Germany's IG Metall, the world's largest union with some 2.4 million members.

Both sophisticated and well-financed, IG Metall has significant influence throughout Europe, Scandinavia and Central/Eastern Europe. The alliance is important because many German transnational corporations, such as Continental AG, conduct business and manufacture in the U.S.

CNM-CUT, a Brazilian union in the primary metals industries, allied with the USW in April 2005. Brazil, the world's eighth-largest economy, is rich in iron ore deposits and is a major steel producer. Sophistication, economic strength and bountiful resources make Brazil and CNM-CUT a "natural bridge" to the rest of South America.

Across the border

Simply sharing a border would be reason enough for the USW to form an alliance with the National Union of Mining Steel and Allied Workers of the Republic of Mexico (SNTMM-SRM), known as Los Mineros.

Mexico cannot be ignored because of its large economy and its membership in the North American Free Trade Agreement (NAFTA).

Alliances

world of solidarity

Ultimately, our members in U.S. and Canada are immensely affected by what goes on in neighboring Mexico.

The alliance with Los Mineros proved valuable for us in 2004 when its members demonstrated in Mexico City in support of our striking members at ASARCO, a company owned by Grupo Mexico. More recently, our union reciprocated by conducting demonstrations when, at the urging of Grupo Mexico, Mexican president Vicente Fox illegally removed Napoleon Gomez Urrutia as president of Los Mineros following a strike triggered by a Grupo Mexico mine disaster that killed 65 miners.

European connection

An alliance with Amicus broadened the USW's European connection. With 1.2 million members, Amicus is Europe's second largest union and the largest manufacturing union in the United Kingdom. Known for being highly developed and militant, Amicus represents workers in a wide variety of industrial sectors and specialties including steel, glass and containers, among others.

With Amicus and IG Metall, the USW has strategic alliances in Europe that represent more than four million workers at major international corporations.

Our union has two alliances in Australia. The USW and the Construction Forestry Mining Energy Union (CFMEU) share common industrial sectors, a bond that was strengthened with a strategic alliance signed in February, 2005. Both unions saw cooperation as a way to combat globalization and improve communications among members.

Australian alliance

At the same time, the USW formed an alliance with the Australian Workers' Union (AWU), the dominant union in steel and aluminum. The alliance focuses on network formation, cross-national bargaining and organizing, workplace safety improvement and communication.

Because of the international ties Australia has with China, South America and Asia, the two partnerships provide the USW with a vehicle for advancing in that section of the world.

The USW's most recent alliance is with the Sierra Club to form the Blue/Green Alliance. Its primary focus is good jobs, a clean environment and a safer world. Sierra Club is the nation's largest grassroots environmental organization with 750,000 members.

The USW and the Sierra Club aim to address the great challenges of today's global economy by targeting issues with potential to unite the American people in pursuit of a more just and equitable global economy.

Earlier, in January 2004, the USW played a key role in bringing other unions into an environmental partnership called the Apollo Alliance. Uniting nearly 16 million union members and 11 million environmental organization members across the country, the Apollo Alliance is dedicated to developing policies that promote government investment in renewable energy at the federal and state levels that will create new, good-paying jobs and lead to energy independence for our nation.

So far, the alliance has been endorsed by 18 U.S. labor unions, the AFL-CIO, its industrial union council and building and construction trades department, as well as several state and local labor federations.

Right Stuff

The USW's key effort in organizing the Apollo Alliance was recognized in June when the first ever "Right Stuff Award," was given to President Gerard at the Campaign for America's "Take Back America" conference in Washington, D.C.

The award was presented by Academy Award-winning director, actor and environmental advocate Robert Redford, who described Gerard as a "unique labor leader among leaders in his understanding of the need for new energy strategies that recognized the inherent link between solutions to global climate change and the need for sustainable job growth."

Benefits Fight

Nuclear Fuel Services Workers' Strike to Preserve Pensions and Health Care Coverage

Emboldened by the race to the bottom that so-called free trade has created, many companies including Nuclear Fuel Services (NFS) are trying to transfer to employees the responsibility for funding pensions and health insurance.

Employers do this in the guise of "being competitive" so that they can, along with their competitors, take more of the wealth workers have created and give it to the owners and managers.

In mid-May, 358 members of USW Local 9677 in Erwin, Tenn., said "no thanks" and rejected a six-year contract offer from NFS that contained cutbacks in pension and health insurance. No one has crossed the picket line since the local struck the company on May 15.

Community support

"They understand the fight we've got, and I believe we have solidarity," said Local 9677 President Roger Birchfield. "We have great community support."

The community understands that the workers are not asking for anything extra and that the company is trying to take away what the workers already have, he said.

Although NFS talks about its need to remain competitive, it is the only company that makes nuclear fuels for the Navy. Birchfield feels the company's real intent is to break the union, which has been at NFS for 50 years.

NFS proposed that new hires receive only a 401(k) savings plan in place of a standard defined benefit (DB) pension. Current employees under age 55 would have their DB pensions frozen and would have to pay into a 401(k), with partial contributions from the company. Employees age 55 and over would receive, on average, an additional dollar per year increase in pension.

The company wants to remove the \$55 cap on health care premiums paid bi-weekly by the union workers and have them instead pay 20 percent of the premium cost, which would significantly increase their monthly payments. It also wants the USW members to pay higher co-payments and a \$1,250 deductible for the first time.

Additional changes proposed

Negotiation sessions held after the strike began have not resolved pension and health care issues. Instead, NFS has proposed an additional 31 changes to the contract and talked about hiring permanent replacements.

"This is basically driving us farther apart," Birchfield said.

He said the additional issues affect seniority and job security. NFS wants to increase subcontracting, limit employees' ability to change shifts and base layoffs and recall rights on perceived qualifications instead of seniority.

Investigation called

The USW is requesting the U.S. Nuclear Regulatory Commission investigate alleged safety and production problems at the Erwin facility. NFS apparently used a contractor whose employees were not trained to do the job. Two security officers reportedly were contaminated by nuclear materials while performing their duties, indicating that contractors and salaried workers were not taking the necessary safety precautions. Salaried employees doing jobs they normally don't perform are being exposed to nuclear materials and may have committed serious production errors.

Local 9677 President Roger Birchfield talks to fellow strikers at Nuclear Fuel Services in Erwin, Tenn. Photo by Jim Wozniak/Johnson City Press



Temporary Reprieve

Bush Administration Bent on Gutting Benefits for Nuclear Workers

After mounting pressure from Congress, the public and union members, Energy Secretary Samuel Bodman withdrew a Bush administration order to stop reimbursing Department of Energy (DOE) contractors for the costs of traditional defined benefit pension and comprehensive medical plans.

Despite the temporary victory for working families, USW-represented workers employed by DOE contractors are uncertain about the long-term future of their benefits.

"We think the DOE is attempting to abolish pension plans altogether," said James "Kip" Phillips, an international vice president and chair of the USW's atomic council.

In April, the DOE said it would only pay contractors for the costs of 401(k) style retirement plans and only reimburse for so-called "market-based" health plans that typically offer fewer benefits at higher costs to workers.

One-year study

After the outcry in June, Bodman suspended the decision for one year while the DOE further studies the issue and takes comment from stakeholders, including Congress and labor.

The temporary reprieve did little to soothe workers' concerns. Vanishing retirement security and rising health care costs are squeezing workers in all industries.

"I think they're going to study the policy for a year and then come at us from

another angle," said Brad Clawson, a Local 652 member who works at Idaho National Laboratory.

Even though the agency publicly said current and retired contractor employees would not be affected, contractors informed the USW that the DOE is providing pension funding for current and retired employees for only five years.

Any such moves could affect about 10,300 workers the USW represents at DOE contractor units in seven states. The workers handle uranium enrichment and hazardous waste disposal.

DOE resistant

Months prior to DOE's policy announcement, workers at the Portsmouth Gaseous Diffusion plant in Piketon, Ohio, were fighting to maintain defined benefit pensions and retirement health care. For years they switched between contractors at the plant without losing their seniority, pensions and benefits.

Reps. Ted Strickland (D-Ohio) and Ed Whitfield (R-Ky.) added language to the Energy Policy Act of 2005 so that this seamless transfer of benefits would continue for former USEC employees at Piketon and at a plant in Paducah, Ky.

Yet, the DOE argued over the intent of the legislation and wanted to consider workers, who had an average of 24 years of seniority, new hires when they work for new contractors.

Prodded by union members, U.S. Sen. Mike DeWine (R-Ohio) and U.S. Rep. Ted Strickland (D-Ohio) pressured the

agency. The political muscle worked and now Piketon workers need not worry about their pension and health care benefits.

Phillips said it will take congressional action to stop DOE from abolishing pension plans and implementing defined contribution plans in the rest of the industry.

Administration blinks

The administration has also backed off proposed changes to the Energy Employees Illness Compensation program.

The Office of Management and Budget (OMB) drew fire when a congressional subcommittee exposed an OMB memo that discussed ways to cut benefits to workers categorized as Special Exposure Cohort, or SEC.

However, in a letter to Sen. Barack Obama, (D-Ill.), Budget Director Rob Portman said the administration is now "not pursuing any changes to modify benefit costs" of the program.

Workers who fall into the SEC category worked in nuclear facilities as far back as World War II when the DOE did not properly monitor workers' exposure or keep records.

Since records are nonexistent, those who have developed certain occupational illnesses including radiation-induced cancers and silicosis must only prove they were exposed on the job for one year, and that they developed cancer after at least five years to qualify for a \$150,000 lump sum and medical benefits.



News Bytes



USW, UTU Sign Alliance

The 77,000-member United Transportation Union (UTU) has signed an international strategic alliance with the USW to address a range of common issues in the transportation sector in North America, including the industry's globalization. "This is neither a merger nor an affiliation arrangement," USW President Leo W. Gerard said. "Each of our unions retains its independence and autonomy, but we will work together more closely to share resources where there is mutual advantage, and to team-up on a number of public policy issues."

UTU President Paul Thompson said his union has worked to improve the conditions of rail and bus workers for more than 120 years.

The alliance provides for coordinating activities, sharing knowledge and resources, and activism in areas of organizing and legislative and political action.

Oman Trade Agreement Passes

Despite concerns over the lack of labor rights and potential national security issues, the House of Representatives passed the Oman Free Trade Agreement by a 221-205 vote.

Twenty-two Democrats — seven more than the 15 who voted for the Central American Trade Agreement — voted July 20 in favor of the Oman FTA, along with 199 Republicans.

Oman lacks labor protections, does not have independent unions or a tradition of freedom of association or representative democracy.

The State Department labeled Oman as a destination country for victims of human trafficking and forced labor, yet the Republican leadership refused to include an amendment that would have blocked goods made with forced labor.



USW Secretary-Treasurer Jim English presents members of Local 602, of Acme Brick in District 13, with a commemorative watch recognizing they are the largest individual Political Action Committee (PAC) contributors in the union at \$20 per week.

USW Joins School Book Paper Trade Case

USW-represented paper workers at one of the world's largest production facilities for lined school paper notebooks are fighting against unfairly dumped imports from China, Indonesia and India.

The union is supporting an anti-dumping trade case filed last October with the International Trade Commission (ITC) by the Association of American School Paper Suppliers.

At stake are the jobs of 350 MeadWestvaco workers in Alexandria, Pa., and 200 workers at nearby Roaring Spring Blank Book Co.

USW representatives, including District 8 Director Billy Thompson, Local 10-1442 President Mitch Heaton and

Holly Hart, assistant director for the USW's legislative department, attended an ITC hearing July 25.

"Families have depended on employment at MeadWestvaco for several generations," Heaton said.

"As a consequence of imports, employment in the U.S. school notebook industry has declined significantly ..., as did hours worked and total wages paid," Hart testified.

A final vote by six ITC commissioners to uphold preliminary tariff levels on paper imports is expected around Sept. 1.

Save the Date

The 2006 Steelworkers Joint Health and Safety Conference will be held Aug. 21-25 at the Westin Convention Center Hotel in Pittsburgh. Conference and registration details are available at www.usw.org.



USW representatives and paper workers at MeadWestvaco's Alexandria, Pa. plant gather outside the International Trade Commission hearing room in Washington, D.C.

Photo by Gerald Dickey



Can Conference

Local union bargaining committee members from Silgan, Rexam, Crown Cork & Seal and Ball met in Pittsburgh to review the can and container industry and discuss 2007 bargaining. Because of the erosion of membership in the industry, committees agreed to a new direction in dealing with the challenges that our members face. The approximately 75 delegates passed resolutions that address organizing, improving communications to members and contract ratification. Can industry membership is 2,530. The conference is chaired by USW International Vice President Fred Redmond.

Unfair Labor Practices At Book Covers Inc.

The USW has filed charges with the National Labor Relations Board alleging that managers at Book Covers Inc. bargained in bad faith and committed other unfair labor practices.

BCI, a subsidiary of the Newark Group Inc., has also failed to provide information that the USW requested in order to analyze the company's proposals on pensions and other bargaining issues.

The 93 members of USW Local 1216 struck BCI in Chicago June 4 over unfair labor practices. The facility produces backing for books and binder covers.

Robert J. Petris, Retired director, Dies at age 81

Robert J. Petris, a steel mill electrician who rose to become director of USW District 38 and later District 11, died July 2 at age 81. He retired in 1997.

Petris, of Kent, Wash., joined the USW as an electrician at Bethlehem Steel in Seattle after serving in the U.S. Navy during World War II and worked his way up to president of Local 1208.

In 1965, he was appointed to the USW's staff as an organizer assigned to District 38. In 1977, he was elected District 38 director, a position he held until 1995 when the union consolidated districts and he became director of the larger District 11.

Dutch Bank Urged to Help End Strike

The AFL-CIO, the USW and FNV Bondgenoten, the largest Dutch industrial union, are urging the ING Group, a Dutch banking conglomerate, use its influence to end the year-long strike at National Wire Fabric (NWF) in Star City, Ark.

ING is the largest shareholder of Gamma Holding, which bought NWF in 2001. The banking concern holds 26.19 percent of Gamma stock. ING also has a union connection. It manages over \$75 billion in pension funds that include public and Taft-Hartley funds where union members are trustees.

NWF permanently replaced USW strikers to break the union — a violation of the International Labor Organization's convention on "freedom of association" and Gamma's own published labor policies.

Arbitrator Orders Gerdau to Pay Profit-sharing

An arbitrator has ruled that Gerdau-Ameristeel Corp. must make \$2 million in back pay payments to 120 USW members who work at a plant in Calvert City, Ky.

The payment is part of a 2002 profit-sharing agreement between the USW and North Star Steel, which was acquired by Gerdau-Ameristeel in 2004.

Gerdau had claimed the profit-sharing program was discretionary and refused to pay it.

"Our members are ecstatic with this victory," said Brian Graves, president of Local 9447-5. "We worked hard to make these profits and Gerdau tried to deny our share."

USW contracts have expired at seven Gerdau locations in the United States, including three Sheffield Steel plants recently acquired by the company.





Worker Economics

CEO Pay Now 821 Times What Minimum Wage Pays

Last year, an average chief executive officer (CEO) was paid 821 times as much as a worker earning the federal minimum wage of \$5.15 an hour.

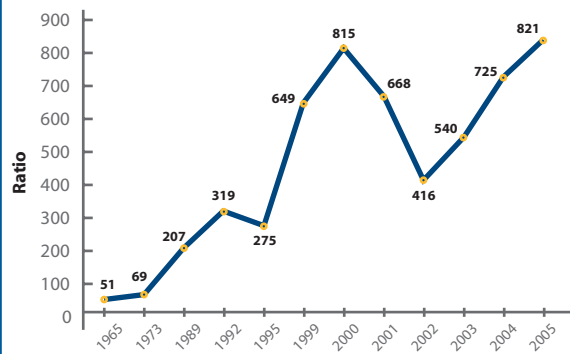
Put another way, the average CEO earns more before lunch time on the very first day of work in the year than a minimum wage worker earns for the entire year.

This extreme compensation ratio reflects both the extraordinary growth of CEO pay in recent years and the diminishing value of the federal minimum wage, which has not been raised since 1997.

The ratio of pay between CEOs and workers at the bottom rung of the nation's pay scale wasn't always so extreme. As recently as 1978, CEOs were paid only 78 times as much as minimum wage earners.

The chart below shows the ratio of the annual compensation of CEOs, including bonuses and incentives, to the annual compensation of a full-time, minimum wage earner.

Ratio of CEO to minimum wage, 1965-2005



Elderly Face Medicare Hike

The nation's elderly will face another double-digit rise in their Medicare premiums next year, resulting in monthly payments of nearly \$100.

The monthly premiums for supplementary medical insurance will rise by at least 11.2 percent from \$88.50 to at least \$98.40, according to Bush administration projections.

The premiums that beneficiaries pay help to fund physician services and outpatient care, also known as Medicare Part B.

It is expected that the large majority of the nation's 43 million beneficiaries will have to pay the increase. About 7 million of the poorest beneficiaries get their premiums paid for through government programs, and some retirees get help from their unions or former employers as well.

Job Search Taking Longer

It's taking longer for U.S. job seekers to find work as employers cut back because of concerns over the health of the economy.

The typical job search took 3.6 months in the second quarter, nearly a month longer than it took in the first three months of the year, according to an outplacement firm that tracks the trend, Challenger, Gray and Christmas. A year ago, the typical job hunt lasted 3.1 months.

The second quarter survey could signal a significant hiring slowdown, or increased layoffs, by the start of 2007.

Steel Imports Head For All Time Record

Steel imports rose by 33 percent in the first half of this year and are headed toward an all-time record by year's end if the pace of activity continues unchanged.

The rising trend remains especially pronounced for countries with a history of unfair trading, especially the Asian countries of India, Taiwan and China.

The American Iron and Steel Institute (AISI), which represents the domestic industry, called for continued close vigilance of imports and strong trade law enforcement.

"The first half import totals come against the backdrop of continued state support of steel capacity offshore, including the massive expansion of steel capacity that we see in China and the rest of Asia," said Louis L. Schorsch, president and CEO of Mittal Steel USA and AISI chairman.

Health Care: U.S. Spends Most, Covers Least

The United States spends more on health care per capita than any other advanced industrialized country, yet has the largest uninsured population.

That system failure was revealed in a review of labor markets and living standards in the United States and 19 other wealthy countries belonging to the Organization for Economic Cooperation and Development (OECD).

While the United States spends more on health care than other OECD countries, about 16 percent of the population, or 45.8 million people, did not have any form of health insurance coverage in 2004, according to the most recent data available.

Ireland, Austria and Finland spend about half of what the United States spends on health care, yet cover 99 to 100 percent of their respective populations.

Minimum Wage Hike Signed in USW Headquarters

Pennsylvania Gov. Ed Rendell came to the United Steelworkers' headquarters building in Pittsburgh to sign legislation increasing the state's minimum wage by \$2 an hour.

Rendell had announced his intention to fight for a higher minimum wage less than a year before at a rally outside the USW building following Pittsburgh's 2005 Labor Day parade.

"Too many Pennsylvanians have been working full time and still living below the poverty level at today's federal minimum wage," Rendell said at the signing ceremony, which was attended by USW International President Leo W. Gerard, other labor union officers and advocates for the working poor.

Under the new law, Pennsylvania's minimum wage for most workers will rise to \$6.25 an hour on Jan. 1, 2007, then to \$7.15 an hour on July 1, 2007. The increase will take effect more slowly for qualified employers with 10 or fewer full-time workers.

Pennsylvania was the 22nd state to approve an increase in its minimum wage since Congress last raised the federal minimum to \$5.15 an hour, 40 hours a week for 52 weeks a year, makes \$10,700.



Tax Breaks and Subsidies Make China World's Largest Steelmaker

China has become the world's largest steel producer as a direct result of tax breaks, cash grants, export incentives and other subsidies from the Chinese government.

The subsidies give China an advantage over other competitors, contribute to the massive U.S. trade deficit and cause production jobs to move overseas, according to a report by the American Iron and Steel Institute and three other U.S. industry groups.

In five years Chinese production has nearly tripled to 349 million metric tons — far beyond the size it would have reached under normal market conditions, according to the report, which is entitled "The China Syndrome."

"The Chinese steel industry in its present form is the direct product of massive subsidies and other support provided by the Chinese government," the report noted. "It represents the type of behavior the Chinese government has engaged in with respect to dozens of other industries."

In Death, Burro Worth More Than You

If you kill a wild horse or burro on federal land it can cost more in fines than what is normally imposed on an employer for a workplace fatality.

The Wild Free Roaming Horses and Burros Act levies a criminal fine up to \$100,000 and one year in prison for any person who causes the death or harassment of a wild horse or burro.

On the other hand, the Occupational Safety and Health Administration, the government agency in charge of protecting American workers from unsafe conditions on the job, can only fine employers a maximum of \$70,000 per willful violation. In certain egregious cases, however, the workplace safety agency can push for higher fines by issuing citations on an "instance-by-instance" basis.

But if you commit an indecent act on television, such as the Janet Jackson incident at the 2004 Super Bowl, the Federal Communications Commission can levy fines of up to \$325,000.



By The Numbers

Top 10 Largest CEO Pensions

	Annual Pension
1. Lee R. Raymond Exxon Mobil Corp.	\$8,187,200
2. Henry A. McKinnell Pfizer Inc.	\$6,518,549
3. Ed E. Whitacre Jr. AT&T Inc.	\$5,494,107
4. William W. McGuire UnitedHealth Group Inc.	\$5,092,000
5. Robert L. Nardelli Home Depot Inc.	\$4,612,500
6. Samuel J. Palmisano IBM Corp.	\$4,550,000
7. Reuben Mark Colgate-Palmolive Co.	\$3,700,000
8. Brian L. Roberts Comcast Corp.	\$3,600,000
9. Kenneth D. Lewis Bank of America Corp.	\$3,486,425
10. Richard K. Davidson Union Pacific Corp.	\$2,700,000

Source: AFL-CIO Executive Paywatch © 2005

Top 10 Highest Paid CEOs

	Total Annual Compensation
1. Terry S. Semel Yahoo	\$230 million
2. Barry Diller IAC/InterActive Corp	\$156 million
3. William W. McGuire UnitedHealth Group	\$124 million
4. Howard Solomon Forest Labs	\$92 million
5. George David United Technologies	\$88 million
6. Lew Frankfort Coach Inc.	\$86 million
7. Edwin M. Crawford Caremark Rx	\$77 million
8. Ray R. Irani Occidental Petroleum	\$64 million
9. Angelo R. Mozilo Countrywide Financial	\$56 million
10. Richard D. Fairbank Capital One Financial	\$56 million

*Results based on total compensation as salary and bonus in 2005. In addition, "other" compensation includes vested restricted stock grants and stock gains.

Source: Forbes.com-CEO Compensation Special Report by Scott DeCarlo

