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Volume 3/3

Summer 2008

USW@Work

A Publication of the United Steelworkers

A Powerful Voice for Workers



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“Only a fool would try to deprive working men and working women of their right to join the union of their choice.”

Dwight D. Eisenhower

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President George W. Bush and Arizona Sen. John McCain
AP Photo/Eric Draper

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Election '08

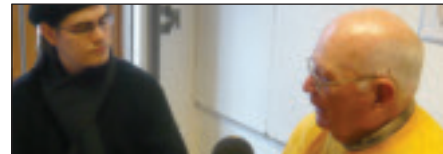
Can working Americans afford John McCain and four more years of the same Bush administration policies that have left the economy in shambles?



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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*.



Vote for Change

Vote for who you will, but I dare you to send me anything with John McCain speaking the word “union.” He thinks it is a dirty word.

If you want to cast your vote on the Republican so-called emotional issues do it, cut your own throat and repeat the last eight years.

I have tried to protect and secure our plants for the last seven years and it has been a blood bath on our side. We can ill afford to continue down the George Bush path for eight more years. John McCain will be worse than Bush and that will be hard to top.

God Bless America and our union—our only hope for the middle class.

*Jimmy Price, President, Local 351
Tuscaloosa, Ala.*

Stop Toxic Imports

Washington State Representative Mary Lou Dickerson (D-Seattle) was very happy to see the *USW@Work* feature entitled “Stop Toxic Imports.”

As an associate member of the USW, Rep. Dickerson takes the issue of toxic imports very much to heart. She has raised public awareness in Washington state about dangerous levels of lead, phthalates and other toxics in children’s products.

In fact, Rep. Dickerson, who chairs the House Human Services Committee, this year sponsored and led passage of the strictest protections against toxic children’s products anywhere in the nation. The Children’s Safe Products Act was signed into law by Gov. Chris Gregoire.

Although the new law applies to children’s products manufactured in any country, including our own, it was inspired by exactly the same concerns and stories mentioned in *USW@Work*.

*Robin Boyes, Staff
House of Representatives*

Losing our Industry

It is sad to see so many U.S. companies being sold to foreign investors. I work as a USW member at a pipe mill in Wilder, Ky. Our company, formerly known as Newport

Steel, has made pipe and steel for over 100 years.

Greedy management decided to shut down our steelmaking operations after selling our melt shop and strip mill to China. Then management complained of cheap imported steel.

In the last 18 months, our plant has been sold four times. First, to the Canadian company IPSCO. Then IPSCO was bought by SSAB, a Swedish company. Most recently we were sold twice in one day first to Evraz, then hours later to TMK—both Russian-owned companies.

Would anyone growing up during the Cold War believe they would some day work for the Russians?

Our Government leaders are allowing our jobs to go overseas while foreign interests are buying industries crucial to our country’s strength. We are headed down a path to disaster if the American voters don’t elect leaders who will protect our jobs, our industries and our financial stability.

*Ray Rogg, President, Local 1870
Wilder, Ky.*

The Strapped Middle Class

The latest issue of *USW@Work* regarding the “strapped middle class,” covered many of the issues that result in the disaster that now confronts our nation.

During the signing of NAFTA, George Bush 1, Jimmy Carter, Al Gore, Gerald Ford, Bob Dole and other bipartisan traitors stood over Bill Clinton’s shoulder, applauding the demise of our working class.

I do not believe that was just a mistake. Let me see. Tariffs on goods coming from countries that pay extremely low wages and have minimal regulations help our factories compete and maintain decent wages.

Remove the tariffs and American companies must compete against foreign firms that pay 40 cents an hour. Heck, I will just move the whole company to Chihuahua, Mexico. Then I can avoid regulations and exploit cheap labor. Who could not predict this outcome?

*Ruth Cowden
Local 9333, Ogilvie, Minn.*

Pentagon Jilts Boeing

Allow me to comment on the article in the Spring 2008 edition, “Pentagon Jilts Boeing for European Tanker.”

Having worked on the Boeing KC-135A, E, and R models on active duty and reserve from 1967 to 2005, I can tell you that Boeing made an excellent aircraft. It has served the Air Force well for many years. But she is getting old and needs replacement.

You could have knocked me over with a feather when I read that the Department of Defense awarded the contract to Northrop Grumman/European Aeronautic Defense and Space Company.

It is outrageous that my tax dollars are going to workers in a foreign country to build an aircraft for the United States Air Force. With the economy being what it is, how could the Defense Department turn down 44,000 American jobs?

And as for Senator McCain, shame on you sir. America and American jobs should come first and foremost, especially when it comes to giving our service men and women the best equipment possible.

*Michael R. Martin, MSgt. USAF, Ret
National Steel Retiree, Local 1299
Trenton, Mich.*

Fatalities are Unacceptable

Thank you for the informative articles in *USW@Work*. I particularly want to highlight the back page memorial in the last issue for workers who died on the job.

ArcelorMittal had four people die on their premises last year, which is certainly unacceptable. Shame on that company for allowing such horrendous statistics to surface.

In light of articles about the minimizing of workplace safety and Labor Secretary Chao’s ambivalence, that company should be roped off and investigated.

*Noel Weigel
Horseheads, N.Y.*

The political hucksters who market presidential candidates are shameless about the myths they create.

Ronald Reagan was pitched as a former union president who understood working Americans. Instead, he fired striking air traffic controllers and ignited a quarter century of corporate union busting.

George Bush, Sr. was sold as “kinder” and “gentler,” but kept up the attack on union workers.

His son was marketed as a regular guy. Instead he’s regularly stuck it to labor unions while doing Wall Street’s bidding.

Now John McCain is being promoted as a super straight shooter with a record of distinguished service — everything that George W. Bush hasn’t been.

There’s no question that John McCain suffered as a prisoner of war. But there are plenty questions about just how straight he’s being about his record as a candidate for president.

Maverick no more

Somewhere along the way in his pursuit of the Republican nomination, the wheels came off what McCain likes to call his “Straight Talk Express” as he tried to convince voters that he’s offering something more than four more years of Bush’s failed policies.

As his voting record reveals, McCain’s claim to be a maverick was never very credible. At best, in the early years of the Bush administration, he broke ranks with Bush’s policies only 11 percent of the time. According to a Congressional Quarterly Voting Study, that meager show of independence is long gone. Ever since McCain began seeking the Republican nomination his claim of being a maverick has taken a beating as he voted in lock step with Bush a whopping 95 percent of the time.

Apparently that’s what McCain has decided is necessary for him to win the support of Bush’s well-healed backers. The question is, are four more years of Bush’s policies something that working Americans can afford?

The economy is in shambles. Bush, who inherited budget surpluses, has turned them into the largest deficits in the country’s history. The dollar is tanking, and gas prices are climbing out of sight. The prices of working people’s homes, meanwhile, are being crushed by the sub-prime mortgage crisis created by financial speculators, the very same people who Bush considers his “base,” and refuses to regulate.

McCain’s Real MO

Good-paying manufacturing jobs, which built this country’s middle class, are disappearing, thanks to lousy trade deals, every one of which McCain has supported as fervently as Bush and his Wall Street backers, along with tax breaks for multinationals that export American jobs by shipping manufacturing to countries where workers are exploited with impunity.

So, while John McCain’s handlers market him as a straight talking maverick, he’s been perpetuating Bush’s anti-worker agenda. In fact, when closely examined, John McCain’s record looks like a carbon copy of Bush’s.

Although he’s now showing up at Michigan auto plants to be photographed alongside auto workers, he’s consistently voted against working people’s interests.

Worst of all, McCain voted for a bill that would allow employers to hire scabs during strikes, and he opposed collective bargaining rights for police, firefighters and airport screeners. He voted against the Employee Free Choice Act, which would allow workers to win union representation without being intimidated or fired by employers. Not surprising, as McCain refers to union leaders as “labor bosses” on his web site, and tars them as special interests in his speeches.

As for the unions that bargain to protect teachers’ pensions and health care benefits, McCain says, “It’s time to break the grip of the education monopoly that serves the union bosses at the expense of our children.”

Free trade cheerleader

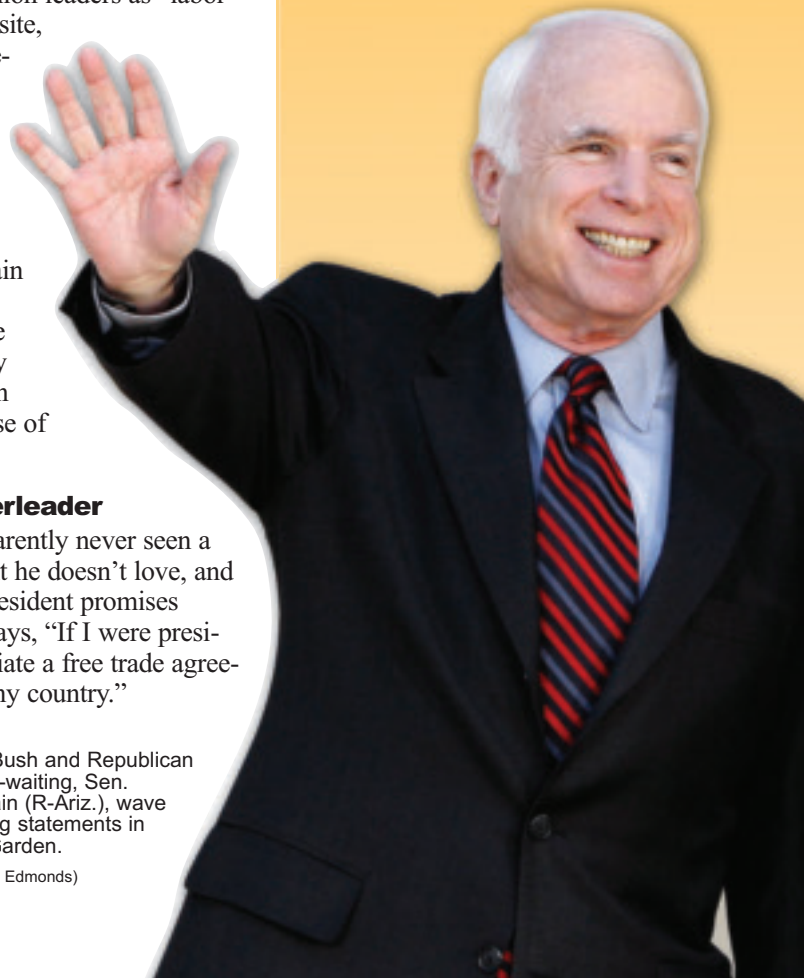
McCain has apparently never seen a free trade agreement he doesn’t love, and his campaign for president promises more of them. He says, “If I were president, I would negotiate a free trade agreement with almost any country.”

His solution for the millions of workers here who have lost their jobs as a result is retraining at community colleges, ignoring the pain and upheaval families face when a breadwinner loses a job and health insurance. Moreover, McCain’s record reveals a blind faith, much like Bush’s, in market forces, no matter how much damage working people are suffering after the loss of 3.5 million jobs.

“If I were president, I would negotiate a free trade agreement with almost any country.”

McCain
Mc

Marketing Myths



President Bush and Republican nominee-in-waiting, Sen. John McCain (R-Ariz.), wave after making statements in the Rose Garden.

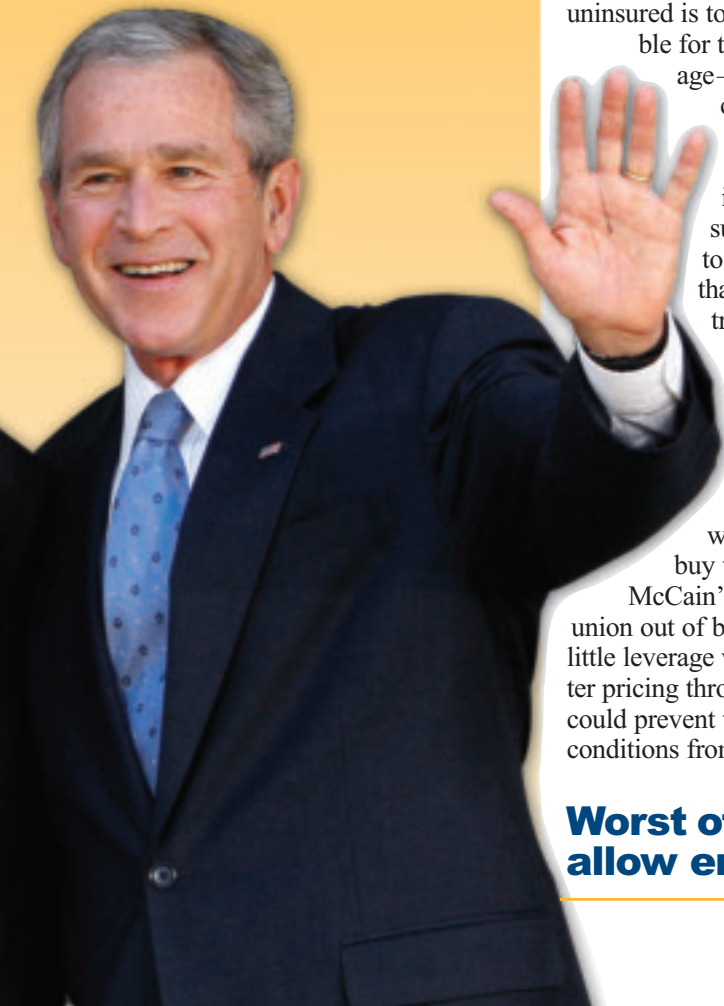
(AP Photo/Ron Edmonds)

In addition, McCain has expressed strong support for new free trade agreements with Colombia, where more trade unionists are tortured and murdered each year than in all other countries combined, and South Korea.

The South Korean agreement is likely to exacerbate and accelerate the loss of good jobs in the U.S. manufacturing sector, especially in cars, trucks, apparel and

ld negotiate a free trade country.” John McCain

or Same? vs. Hard Realities



electronics. We already have an almost \$14 billion trade deficit with South Korea, nearly \$12 billion of which is in autos and auto parts.

McCain's carefully honed decades-old image as a reformer has been tarnished by his campaign's ties to Washington lobbyists. Among those who have resigned or been fired from his campaign is former Texas Rep. Thomas G. Loeffler, a key McCain fundraiser who lobbied for a European aircraft manufacturer to win a lucrative Air Force contract for new refueling tankers. The deal endangers thousands of U.S. jobs.

The U.S. Department of Defense skipped over Boeing and its U.S. employees in awarding the contract to a consortium dominated by the European Aeronautics Defence and Space Co. (EADS), the parent of Airbus. McCain had prodded the Pentagon to develop procedures that included Airbus in the bidding despite the Buy American provisions of defense contracts.

Taxing health care benefits

McCain's "solution" to the health care crisis that is killing us in bargaining and leaving 47 million other Americans uninsured is to make everyone responsible for their own health coverage—then tax them for the cost of it. Instead of employers providing health insurance, McCain is championing a consumer-driven approach to health insurance coverage that employers have been trying to shove down our throats for years in bargaining. Under his "plan," companies will give what they now pay for health care to their workers. Then the workers will supposedly find and buy their own insurance.

McCain's approach will cut the union out of bargaining, undermine what little leverage we have to bargain for better pricing through group coverage, and could prevent those with pre-existing conditions from getting coverage.

Worst of all, McCain voted for a bill that would allow employers to hire scabs during strikes.

Adding insult to the injury of destroying our leverage in bargaining, we'll have to pay taxes on the additional "income." In a burst of circular logic, McCain says he will give tax credits to offset the additional income tax.

It's a scheme designed to win big campaign contributions from powerful corporate interests—and it's working. The only thing it won't do is fix the broken health care system.

Flip flopping on tax cuts

When Bush first pushed the massive tax cuts that have gone overwhelmingly to the wealthy, creating huge budget deficits, McCain opposed them. But in 2006, right before he launched his campaign for the nomination and sought donations from the wealthy beneficiaries of Bush's tax giveaway, McCain reversed course and voted to keep taxes "stable" on the rich, his political double talk for flip flopping. Meanwhile McCain repeatedly opposed increasing the minimum wage until it was attached to a bill that gave tax breaks to businesses.

If anything, McCain's opposition to benefits for working Americans is one of the more consistent aspects of his record. He voted against protections for workers' overtime pay. And he abstained from voting to protect steelworker jobs from illegal dumping in 1999, and against temporarily providing health insurance for employees and retirees of bankrupt steel companies.

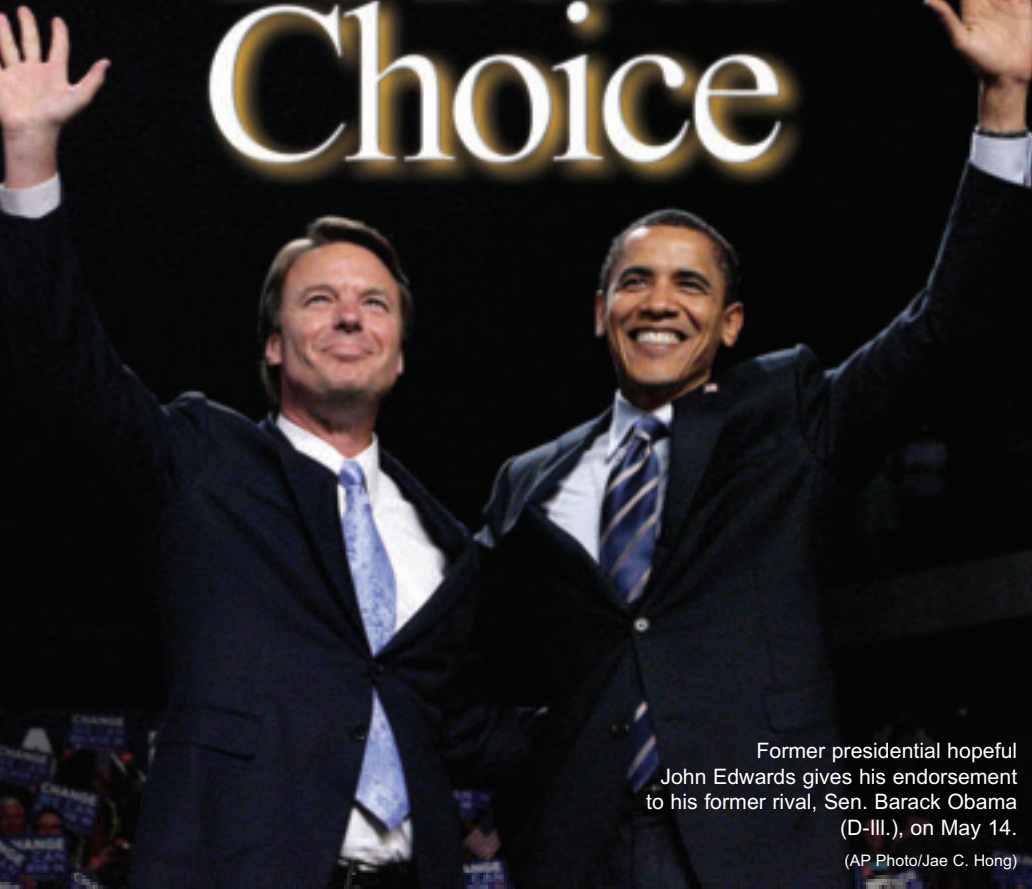
Straight talk goes AWOL

John McCain's talk about foreign policy hasn't been any straighter than Bush's.

He recently condemned critics of Bush's failed policies on Iraq because they had called for specific timetables to withdraw our troops. After being caught on a YouTube video saying that America would be in Iraq for the next 100 years, he doubled back on his own words by promising to get virtually all troops out by 2013—exactly what he'd condemned critics for doing. Not to mention the danger of committing America to five more years of war.

All in all, it adds up to a candidacy that's long on marketing myths and short on credible solutions for working Americans.

A Real Choice



Former presidential hopeful John Edwards gives his endorsement to his former rival, Sen. Barack Obama (D-Ill.), on May 14.

(AP Photo/Jae C. Hong)

Obama Offers New Deal for American Manufacturing

Democrat Supports Union Choice, Health Care Reform

During 7½ years of the George W. Bush presidency, one out of every five workers in manufacturing—3.5 million all together—lost their jobs and their ticket to the American dream.

In contrast, Democrat Sen. Barack Obama pledges to rebuild industry, and with it our struggling middle class, by pumping billions of dollars into clean energy technologies, innovation incentives and the nation's crumbling infrastructure.

Like John Edwards, our initial choice for president, Obama would make health care coverage more universal and strongly supports the Employee Free Choice Act (EFCA), which would free workers to choose a union without employer intimidation.

Obama believes, as do both John Edwards and Senator Hillary Clinton, that if you work hard, you should be able to count on a job that pays the bills, provides health care for when you get sick, a pension when you retire, a home for your family and an education for your children so they can fulfill their potential.

Commitment to working people

We gave a strong endorsement to Edwards when the primary contests began last year because of his deep commitment to working people and our shared beliefs. His support of EFCA and health care reform were widely shared by our members.

Before he left the race, Edwards was a passionate voice for a campaign that made this nation focus on what matters: lifting up this country and its citizens. Obama has picked up that banner.

When Edwards endorsed Obama for president as the primary contests were winding down in May, the USW once again found itself in agreement with him. The union's International Executive Board voted unanimously to endorse Obama to be the next president.

"Senator Obama's call for a significant change of direction amounts to far more than a compelling rallying cry," International President Leo W. Gerard said. "It is buttressed by his record of consistent support for workers, by his call for sweeping changes to our health care system, by his unflinching support for the Employee Free Choice Act, and by his insistence that America's trade policies must, first and foremost, serve the interests of America's working families."

Reforming trade policies

The specifics of the plan include substantial economic incentives and reforming America's trade policies to ensure our workers can compete on a level playing field and create good jobs at home and real markets for American products abroad.

Obama would move to protect the jobs we have now by ending the Bush-McCain policy of giving tax breaks to the companies that ship our jobs overseas

“I believe that Barack Obama is a shining young statesman who possesses the personal temperament and courage necessary to extricate our country from this costly misadventure in Iraq, and to lead our nation at this challenging time in history. Barack Obama is a noble-hearted patriot and humble Christian, and he has my full faith and support.”

U.S. Sen. Robert Byrd, D-W.Va.

and, instead, give those tax breaks to companies that keep good-paying jobs in the United States. Trade deals, he believes, must include enforceable provisions to protect unions' rights to organize and bargain collectively—a significant difference from current practice.

“The fight for American manufacturing is the fight for America's future, Obama says, “and I believe that's a fight this country will win.”

Central to Obama's manufacturing revival plan is a \$150 billion clean technologies venture capital fund to promote and develop clean energy technologies. He projects those technologies could create up to five million new jobs that pay well and can't be outsourced.

“The first part of this agenda is investing in clean energy—because that isn't just how we'll get gas prices under control, combat climate change, and free ourselves from the tyranny of oil,” Obama said. “It's also how we'll expand American manufacturing, create quality jobs, and grow our economy.”

Rebuilding America, revitalizing manufacturing

Obama's plans also include a \$60 billion fund to rebuild roads, bridges, transit systems and other infrastructure and a \$1 billion a year start-up fund system for small and mid-sized manufacturers to convert to clean technologies.

Aiming help at automobile-dependent states like Michigan and Ohio, among others, Obama would also promote advanced vehicle technology and provide incentives for domestic auto makers to retool their plants to produce these new fuel-efficient vehicles. This fund could, for example, help American companies build batteries for plug-in hybrid vehicles so we don't have to buy them from abroad.

He proposes an Advanced Manufacturing Fund that would identify and invest in the most compelling advanced manufacturing strategies in places that have been hard hit by the decline in manufacturing.

Rather than slashing funding for the

Manufacturing Extension Partnership as the Bush administration did, Obama said he would double it. The program helped create and protect over 50,000 jobs in 2006 alone, and has helped to increase the productivity of small and midsize manufacturers by up to 16 percent.

“That's the kind of smart investment that will help us rebuild American manufacturing and make America more competitive,” Obama said.

To ensure our competitiveness over the long term, Obama would invest in science and math education for our children from kindergarten through graduate school and find a solution to the health care crisis that has left 47 million Americans without health insurance and millions more struggling to pay rising costs.

In all, Obama plans to revitalize manufacturing and build job growth by advancing a clean energy economy while providing for universal health care. He offers a choice between real change and more of the same failed Bush policies that have done real harm to American workers.

“For the sake of our families, our economy, and our leadership in the world,” he said, “we have to renew the promise of American manufacturing.”

Barack Obama puts hand over heart during the national anthem at the start of a women's bicycle race in Bloomington, Ind.

(AP Photo/Alex Brandon)



Barack Obama's Plan

Here are some excerpts from Barack Obama's plan to change America. If elected, he would:

- Invest in U.S. manufacturing and ensure that America's highly-skilled manufacturing work force have the skills and tools they need.
- Create a new “Making Work Pay” tax credit of up to \$500 per person, or \$1,000 per working family.
- Stand firm against trade agreements with foreign nations that undermine our economic security.
- Fight for a trade policy that opens up foreign markets to support good American jobs and uses trade agreements to spread good labor and environmental standards around the world.
- Pressure the World Trade Organization to enforce trade agreements and stop countries from continuing unfair government subsidies to foreign exporters.
- Amend the North American Free Trade Agreement so it works for American workers.
- Extend Trade Adjustment Assistance to service industries, create flexible education accounts to help workers retrain and provide retraining assistance for workers vulnerable to dislocation.
- Double federal funding for basic research and make the research and development tax credit permanent to help create high-paying, secure jobs.
- Make long-term investments in education, training and work force development.
- Create new job training programs for clean technologies.
- Boost the renewable energy sector and create new jobs.
- Strengthen the ability of workers to organize unions, bargain collectively and strike if necessary.
- Fight attacks on workers' right to organize.
- Work to ban the permanent replacement of striking workers.
- Raise the minimum wage and index it to inflation.

Lawsuit SUCCE

USW Forces Continental Tire to Provide Retiree

Continental Tire North America (CTNA) has agreed to make payments totaling \$158 million to a retiree health insurance fund to settle a class-action lawsuit filed by the United Steelworkers and company retirees after benefits were unilaterally reduced.

The lawsuit alleged that CTNA violated federal law in April 2007, when it imposed a \$3,000 cap on its payments for retiree health care coverage, forcing many retirees to pay \$1,000 or more monthly for coverage.

“This was an unconscionable attempt by an employer to strip away benefits from retirees who had already paid for them with a lifetime of work,” said International President Leo W. Gerard. “We couldn’t let that happen, especially given the current shambles of our country’s health care system.”

Settlement helps families

The settlement will provide health insurance benefits to an estimated 3,731 Continental retirees and spouses in 2,190 households as well as about 100 active employees who will be eligible for coverage when they retire.

“It’s a victory our retirees deserve to win,” said Executive Vice President Ron Hoover, who leads the USW’s Rubber/Plastics Industry Conference. “The company would not have coughed up one penny if not for the union’s persistence.”

After stopping production at its unionized facilities in the United States, CTNA dramatically reduced payments for retiree health care to \$3,000 per year for coverage that can cost as much as \$15,000 a year.

The change forced many retirees to pay \$1,000 or more every month for

coverage, find other alternatives or go without. Since Continental retiree pensions are among the lowest in the U.S. tire industry, many former workers were forced to choose between poverty and health care.

“Some people just flat out don’t have insurance because they couldn’t afford what Continental was charging them,” said Mark Cieslikowski, president of Local 850 in Charlotte, N.C., where the company quit producing tires in mid-2006. “It’s been a bad situation.”

Federal law violated

The USW and a group of retirees sued the tire maker after it moved to cap health care payments to retirees. The lawsuit asserted that CTNA’s unilateral modification of retiree health care coverage violated federal law.

Last July, federal Judge Jack Zouhary of the U.S. District Court for the Northern District of Ohio, Western Division, agreed with the union and ruled that the company had no right to reduce or terminate benefits. He ordered Continental to fulfill its contract obligations to the retired workers and directed it to hold settlement talks with the union.

The eventual settlement reached between the union and the company has been presented to Judge Zouhary for his approval. He has scheduled a hearing for August 26.

“If final settlement is approved, everything can go forward,” said Wayne Chambers, a pension and benefits officer with the local union at the now closed Mayfield, Ky., plant.

Court approval crucial

The payments will start once court approval is granted. The company agreed to immediately pay \$40 million plus \$3 million



SSFUL

Health Care

compensation to retirees for the 2007 period when CTNA's \$3,000 cap was in effect.

An additional \$21 million will be paid in seven annual installments. Retiree Medical Benefit Liability payments with an approximate present value of \$94 million will be paid over 20 years. CTNA's corporate parent, Germany-based Continental A.G., is providing a corporate guaranty for \$65 million of the \$94 million.

VEBA trust committee

Chambers is one of two USW-appointed members of the VEBA trust committee, which will have the power to establish benefit levels. CTNA will have no representatives on the five-person committee. Three members are independent.

"Once approval is final, the committee can go forward with their work looking at coverage levels and premium levels," Chambers said. "Their ability to do these important things is limited until the plan is final."

If the settlement is approved by the court and becomes effective this year, retiree health benefits will be provided through a new retiree health care plan that will be funded by the VEBA beginning on Jan. 1, 2009. If the settlement instead becomes effective in 2009, the new plan will begin to provide benefits on Jan. 1, 2010.

CTNA is providing interim benefits for most affected households until the settlement is approved by the court.

This year, Continental's contributions toward retiree health care will be capped at \$18,000 for retirees who are not yet eligible for Medicare and \$4,200 for Medicare-eligible retirees.

"The suffering is not over, but there is relief coming," said Terry Beane, retired president of Local 665 in Mayfield. "It's been tough. It's good to know justice is prevailing."

Q and A on the Continental Settlement

Who is part of the settlement?

All current retirees, their spouses and dependents, and surviving spouses who were eligible to receive benefits under Continental Tire North America's original plan on or before April 11, 2008.

What does the settlement provide?

The settlement provides for the establishment and funding of a dedicated trust fund—known as a VEBA—to provide retiree health benefits for class members and a group of about 100 active employees who are eligible for coverage upon their retirement.

When does new coverage start?

If the settlement is approved by the court and becomes effective in 2008, then beginning on Jan. 1, 2009, retiree health benefits will be provided through a new health care plan to be funded by the VEBA. If the settlement becomes effective in 2009, the new plan would begin providing benefits on Jan. 1, 2010.

Are there interim benefits?

Until the new plan takes over, Continental Tire is providing most of those covered by the lawsuit with retiree health insurance. For 2008, Continental's contributions will be capped at \$18,000 for those not eligible for Medicare and \$4,200 for Medicare-eligible retirees—the dollar amounts that had been in the company's labor agreements with the USW before the dispute began.

How is the VEBA funded?

Once the settlement becomes effective and subject to certain offsets for the cost of interim benefits, Continental will make payments worth about \$158 million in today's dollars.

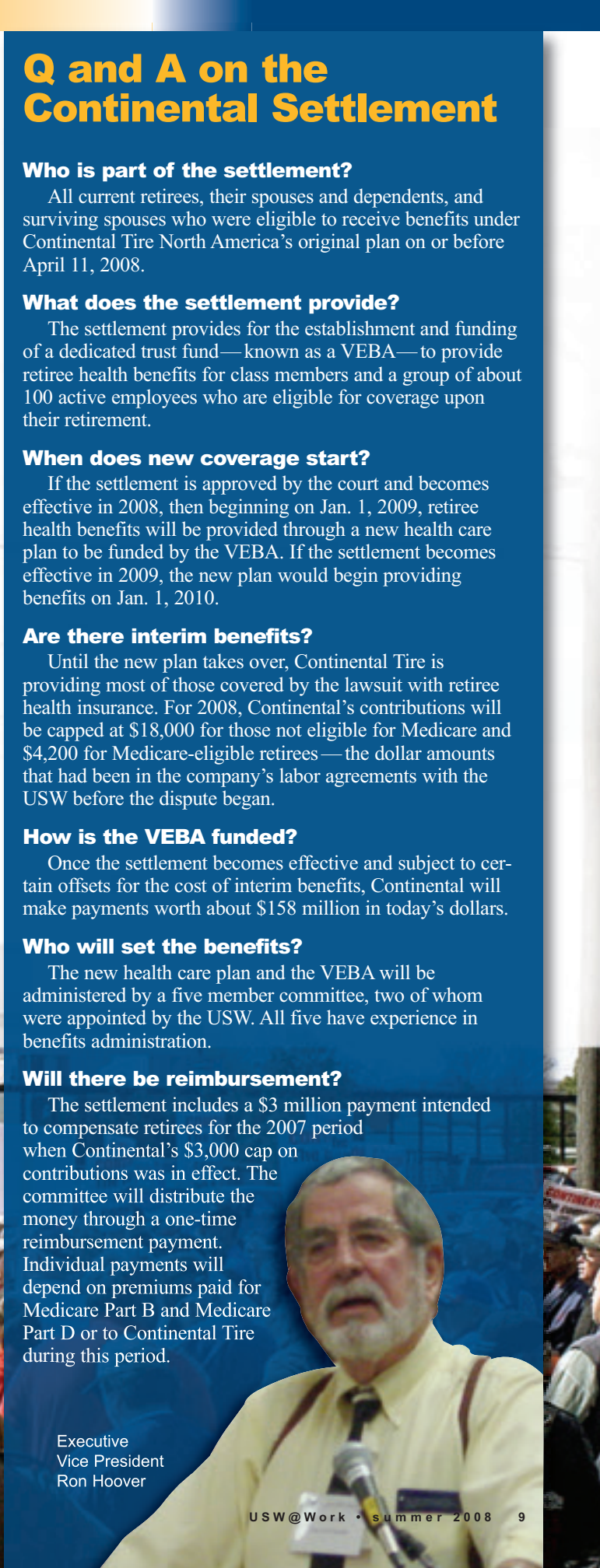
Who will set the benefits?

The new health care plan and the VEBA will be administered by a five member committee, two of whom were appointed by the USW. All five have experience in benefits administration.

Will there be reimbursement?

The settlement includes a \$3 million payment intended to compensate retirees for the 2007 period when Continental's \$3,000 cap on contributions was in effect. The committee will distribute the money through a one-time reimbursement payment. Individual payments will depend on premiums paid for Medicare Part B and Medicare Part D or to Continental Tire during this period.

Executive
Vice President
Ron Hoover



Winning Global Ca

Retirees Fought Continental Tire on

Larry Little did all he could to fight back when Continental Tire North America dramatically slashed what it pays for retiree health care in the United States.

A retired USW member from Charlotte, N.C., Little joined a union delegation that traveled to Europe last year to confront the German-based parent company and tell the retirees' story to anyone who would listen.

They attended Continental shareholder meetings, hand billed Continental work sites and tire stores, met with union shop stewards and gave media interviews whenever possible.

Restoration demanded

It was all part of a global campaign launched by the USW to demand restoration of adequate retiree health care and a fair severance package for laid-off workers.

"It was a full-court press," said John Sellers, former head of the union's Rubber/Plastics Industry Council and a retired USW vice president who accompanied the retirees to Europe.

In Hanover, Germany, Continental's headquarters city, retirees told a panel of prominent residents how the dramatic rise in costs forced many to pay as much as three-fourths of their pensions for health care coverage or to drop health care altogether.

"My biggest fear is not being able to pay for an operation if I have a heart attack and lose my health insurance," said Little, who was forced into the hospital for quadruple bypass surgery three months after his 2004 retirement.

A lean man who thought he was fit until his heart troubles, Little worked at the now-closed Charlotte plant for 30 years, lifting hundreds of tires every day.

"I will probably die from this heart condition," he testified, "but I would like to die fighting for something rather than from Continental's greed."

Ineffective marketing strategy

The campaign challenged Continental's world-wide strategy of shifting tire production to low-cost countries and criticized



mpaign

Home Turf

its ineffective marketing strategy in the United States.

There were also significant legal challenges to the company's actions, including a class action lawsuit on behalf of retirees. A settlement to that lawsuit is awaiting federal court approval. (See accompanying story.)

The campaign was successful in publicizing the plight of the U.S. retirees to workers and consumers in Germany and across Europe, and ultimately helped build pressure for a settlement. It built on relationships begun with European labor unions in the late 1990s when Continental workers in Charlotte struck the company over contract issues.

"The networks that we had built starting in the late 1990s were still in place and helped us to publicize the plight of the U.S. workers and retirees in Germany and across Europe," Sellers said.

Continental Tire retiree Larry Little (left) testifies in Germany about health care costs. Retiree B.A. Hodges (center) gives a public radio interview while retiree Gerald McClellan (right) distributes hand bills.



Continental Timeline

- ▶ **2003**—In the midst of a contract, Continental Tire North America (CTNA) demands \$35 million in labor cost reductions at the Mayfield, Ky., plant.
- ▶ **June 30, 2004**—CTNA announces it is ceasing tire production in Mayfield.
- ▶ **September 1, 2004**—Layoffs begin in Mayfield as tire production stops.
- ▶ **March 22, 2006**—CTNA disrupts negotiations in Charlotte, N.C., by announcing that it may alter retiree benefits.
- ▶ **April 30, 2006**—CTNA walks away from the bargaining table in Charlotte and implements its "last, best and final offer."
- ▶ **May 10, 2006**—CTNA announces it is ceasing production in Charlotte.
- ▶ **July 5, 2006**—NLRB issues complaint against CTNA.
- ▶ **July 7, 2006**—CTNA ends tire production at Charlotte.
- ▶ **August 2, 2006**—CTNA tells the USW that it will shut down the Mayfield facility in 2007.
- ▶ **December 12, 2006**—USW and CTNA retirees begin a class action lawsuit to enforce collective bargaining agreements under which retirees and spouses were to receive retiree medical benefits.
- ▶ **February, 2007**—Mayfield facility closes.
- ▶ **April 1, 2007**—CTNA imposes a \$3,000 cap on its payments for retiree health care coverage.
- ▶ **April 25, 2007**—USW confronts Continental AG management at shareholders meeting in Hanover, Germany.
- ▶ **July 31, 2007**—A federal judge agrees with the union and rules that the company had no right to reduce or terminate benefits. He ordered Continental to fulfill its contract obligations and directed it to hold settlement talks with the union.
- ▶ **November, 2007**—USW delegation travels to Germany to pressure the company over the retiree health care settlement.
- ▶ **April 11, 2008**—CTNA agrees to make payments totaling \$158 million to a retiree health insurance fund (VEBA).



Jamie Fatla



Jeff Hawthorne



Denise Ledger

Medical Benefits PROTECTED

Photos by Gerald Dickey

New Deal for Harley-Davidson Employees in Wisconsin

“We figured out a way to not take money out of our members’ pockets to pay for health care. That’s a big win for us.”

Mike Masik

USW-represented workers at Harley-Davidson Inc. factories in Wisconsin have overwhelmingly approved new contracts that raise wages and protect medical benefits.

The approvals came in ratification votes held in April for members of USW Local 2-209, which represents about 1,700 Harley employees in Milwaukee, and USW Local 460 in Tomahawk, Wis., which represents about 460 employees.

A separate agreement covering about 150 members of the International Association of Machinists and Aerospace Workers (IAM) Lodge 78 in the Milwaukee area was also ratified.

The USW agreements call for a 2 percent wage increase in each of the four years. They also include an innovative way to help employees cover health care insurance deductibles and other out-of-pocket expenses.

Wage hike in tough times

“We did get a wage increase in tough times,” Mike Masik, president of Local 2-209, said after the vote. “We figured out a way to not take money out of our members’ pockets to pay for health care as long as they stay in network. That’s a big win for us.”

Each employee will receive a \$2,000 annual credit in a health savings program called a Health Reimbursement Arrangement (HRA). The HRA credits, available to employees through a debit card, can be used for a wide range of medical care costs with the balance rolled over from year to year.

The account balance accrued during working years can be accessed after retirement or a job change. If the employee dies, a spouse or other eligible dependents can use the HRA balance toward reimbursable expenses until they are exhausted.

USW negotiator Steve Brady said the credit should be enough to cover the maximum amount of annual out-of-pocket expenses an employee could be required to pay within a network of health care providers.

“If you play your cards right, stay in the network, you can use a swipe card and never pay anything out of pocket,” Brady said.

The USW contracts include annual general wage increases for all employee classifications plus one-time boosts of a \$1 to \$1.50 an hour for certain electricians and machinist classifications.

Two-tier wages addressed

The contract approved by Local 2-209 in Milwaukee also allows newly-hired skilled workers who started work at a lower tier wage to progress to the top rate over four years.

“Casual employees used to cover seasonal work at a parts and accessories warehouse received a rate hike of \$6 an hour before the general wage increase,” Brady said.

In 2006, Local 2-209 agreed to lower wages for future Harley employees in exchange for production expansions that would create new jobs. The expansion has been moving forward.

Not all of the bargaining goals were met. Masik said there is some disappointment because the new agreement did not improve pensions and did not grant job security language for any new products.

The package was distributed to members several days in advance of the ratification vote. Action team members explained the contract to members at work.

“All in all it was a fair contract,” Masik said. “A young committee worked very hard and very long hours to get this through. They did a lot of communicating with the people on the floor. That worked very well.”



Shelba McKinney

Harley Announces Retrenchment

In another sign of a continued slowdown in the U.S. economy, Harley-Davidson Inc. has announced plans to slash production and lay off hundreds of workers.

The retrenchment plans were announced after USW members who work for Harley in Wisconsin approved new four-year contract agreements.

The job cuts, described by the company as permanent, are expected to include 360 non-production jobs and 370 production positions.

The majority of the assembly line cuts are expected to take place at Harley's plant in York, Pa., where the International Association of Machinists represents hourly workers. Since many of the company's salaried workers are in Wisconsin, that state will bear the brunt of the non-union job reductions.

Deepest cuts since the 1980s

The cuts, the deepest Harley has made since the 1980s, come amid sluggish sales for the U.S. company, the largest producer in the world of heavyweight motorcycles.

The company blamed economic difficulties in the United States, its biggest and most important market. U.S. consumers have been forced to hold back spending as a result of a housing slump and a related tightening of credit markets.

As a result of the slowdown, Harley plans to cut this year's motorcycle shipments by 23,000 to 27,000 machines. Counting those cuts, the company expects to ship between 303,500 and 307,400 motorcycles for the full year.



Basic Steel Negotiations Present Unique Opportunities

Talks Open with ArcelorMittal and U.S. Steel

International Vice President Tom Conway addresses the opening bargaining session with U.S. Steel.

For the first time in decades, our union is beginning negotiations with the top domestic integrated steel manufacturers ArcelorMittal and U.S. Steel while business is booming and profits soaring. After years of sacrifice and bargaining through bankruptcies and industry consolidation, our members are poised to take advantage of these market conditions.

During a series of membership meetings and plant tours conducted over the winter to prepare for these negotiations, our bargaining committees identified areas of concern that impact nearly all of our members and retirees and will form the foundation for our proposals as we move forward.

Economic security

International President Leo W. Gerard often reminds the companies of the successful fights for tariffs on imported steel and frequently tells our members, "If not for the USW, there would be no steel industry in the U.S. and Canada. The industry is not capable of defending itself without us."

After years of hard work and sacrifice, our members have earned a fair and equitable wage increase, improvements to health care, sickness and accident benefits, paid time off and protections against inflation.

Working conditions

A new basic steel pattern agreement emerged following 35 steel company

bankruptcies. It was instrumental in restructuring the industry. But what was, in many mines and mills, a good faith effort to streamline production was taken advantage of by plant bosses who misinterpreted the contract language. Seniority rights were violated and hordes of outside contractors came into our workplaces to do jobs that rightfully belonged to our members.

"We won't get a contract unless these issues are addressed to our satisfaction," said International Vice President Tom Conway, who leads the bargaining team with U.S. Steel.

Employment security

More than ever before, our members deserve to know that their jobs are safe. That means our union needs a more meaningful role in determining capital investment, technological improvements and market strategies.

"Real employment security comes by maintaining our competitiveness with modern new equipment and processes," said District 1 Director Dave McCall, the USW's lead negotiator with ArcelorMittal. "Our union must have a say in how we run the business to ensure we have protection for our long-term future."

Employment security also means safety on the job, freedom from health hazards, the right to work reasonable schedules with a prohibition against forced overtime and guarantees for our rights to have training.

Retirement security

No group in our union felt the burn of steel bankruptcies worse than retirees. Thousands of our retired brothers and sisters were stripped of their health care benefits by the federal bankruptcy courts, and many lost a significant portion of their pensions when the Pension Benefit Guaranty Corporation (PBGC), a government agency that insures defined benefit retirement plans, took over their bankrupt employer's pension plans.

In this round of negotiations, we must continue fighting for the security of our members' retirements. Our goals also include repairing broken pension service, maintaining retiree health care, increasing our pensions and providing enhancements for future retirees.

Local issues

The first few weeks of bargaining are being devoted to workplace issues. Far too many disputes have gone into the grievance procedure, clogging arbitration dockets, leaving workers waiting to have their cases heard.

Frustration is mounting in many plants, leading the USW to believe that management's design is to stifle workers' rights and run the workplace in a roughshod manner. USW's top negotiators have made it clear to corporate management that the situation is intolerable and will be corrected before a new contract is settled.

Memorial Day Massacre

Blood and Guts Spilled to Win First Steel Contracts

Union members and their friends this year rededicated a monument to Republic Steel workers who were killed in the 1937 Memorial Day Massacre by off-duty, uniformed Chicago police working as company security.

Massive organizing drives were taking place across industrial America in the late 1930s when the Steelworkers Organizing Committee (SWOC) was formed with assistance from the United Mine Workers and the fledgling Congress of Industrial Organizations following the 1935 passage of the National Labor Relations Act.

The first success in steel came in the spring of 1937 when U.S. Steel, then the largest company, signed a nationwide agreement with SWOC after great upheaval. When other steel companies refused to bargain with the union, workers went on strike May 26, 1937, in what has become known as the “Little Steel” strike.

The Little Steel Strike set aflame emotions in industrial towns across America that, in the end, provided the heat in which collective bargaining in the steel industry would finally be forged.

On May 30, 1937, four days after the strike began, the SWOC held a Memorial Day picnic in front of Republic Steel in South Chicago to support the strike. It was a hot, humid and sunny day.

After a round of speeches, some 300 strikers marched toward the steel mill. As they crossed the field, they were met by a line of Chicago police. Gunshots broke out. In a matter of minutes, ten of the strikers were killed, shot in the back or side, and many more were injured. More than 125 men and women sustained some sort of injury. The dead were all participants in or sympathizers with the Little Steel strike.

The event was captured on film in what became known as the Memorial Day Massacre. The Paramount newsreel, banned in the city of Chicago, was later used as evidence in the U.S. Senate’s investigation of the incident.

Although a local coroner’s jury held the police blameless, the Senate and other investigative groups held that the ten deaths were both caused by the police and were avoidable.

The Senate investigation of the massacre, led by Robert LaFollette Jr. of Wisconsin, found that the police had violated a federal law that guaranteed workers the right to strike and that Republic and other “Little Steel” companies were behind the violence, supplying weapons, ammunition and tear gas.

Similar violence against activists organizing industrial workers could not quell the union spirit that swept across North America. The union was recognized in 1941.

SWOC became one of the biggest affiliates of the CIO, and helped to bankroll organizing drives that brought millions of workers into the industrial union movement.

By the time the union was officially chartered as the United Steelworkers of America in 1942, its leader, Philip Murray, had become president of the CIO and a trusted advisor to the New Deal president, Franklin D. Roosevelt.



Pictured at the ceremony this year from left are Rev. Leonard Dubi, Pastor of St. Victor Parish; D-7 staff rep. Alfonso Martinez; former Republic Steel worker and artist Ed Blazak, who designed the monument; International President Leo W. Gerard; Ramon Becerra of the Chicago Federation of Labor; Maria (L.A.) Garcia of Local 1010 and Women of Steel; retired District 7 Co-director Bill Gibbons; District 7 Director Jim Robinson; retired Chicago-area USW District 31 Director and SOAR Chapter 31-9 President Ed Sadlowski; and Sub-District Director Jose Gudino.



Essential Strike and Defense Fund Supplement to be Proposed at Convention

Defending Ourselves

When USW members go on strike, they make the ultimate sacrifice—they give up their paychecks to stand up for better wages, better health care and other improved benefits for everyone.

Picket lines test our union's strength and resolve. These days, in the age of globalization and as employers try to push rising health care costs on us, strikes are getting harder and longer—an average of 26 weeks. That makes the USW Strike and Defense Fund as important as ever.

The fund, created at a special convention in 1968, provides locals with weekly cash to be used to help members in time of need. It provides emergency medical coverage for members and their families to avoid catastrophic losses during strikes.

The fund also sustains Building Power training and helps support effective public information and corporate campaigns against rogue employers.

For those members who can't legally strike, such as public sector employees, the fund helps provide legal help for interest arbitration, mediation and labor board hearings.

The fund also pays for legal representation in expensive lawsuits filed against local unions, including those lawsuits that attempt to restrain our right to picket.



“Having strong bargaining power sends a clear message to companies that we are a united union that will stick together and refuse to be defeated.”

Kim Smith

Training contract negotiators

“The Building Power program helps us train smart negotiators so we can get fair contracts for our members without walking out,” said Kim Smith, president of Local 9-00508, formerly PACE Local 3-508. “Having strong bargaining power sends a clear message to companies that we are a united union that will stick together and refuse to be defeated.”

Since its creation 40 years ago, the fund has paid \$1.1 billion to local unions to help members during strikes. Over the last decade, some 115,000 members at bargaining units large and small shared in more than \$300 million in benefits.

One of the highest profile and hardest-fought strikes during that time was the recent BC Coastal Forestry strike.

Joginder Sunner, an executive board member at Local 1-2171 in Burnaby, Canada, said the fund was instrumental in helping members eventually secure a fair contract.

“We struck for over 12 weeks and the fund was there for nearly 7,000 forest workers in Canada. Besides our weekly



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benefits, the fund helped us put pressure on the company by picketing hundreds of Home Depot stores across North America. These fights are only going to get tougher, and we need a stronger Strike and Defense Fund to be ready,” Sunner said.

Strengthening our hand

A stronger Strike and Defense Fund is precisely the point of an upcoming proposal to be voted on at the 2008 USW

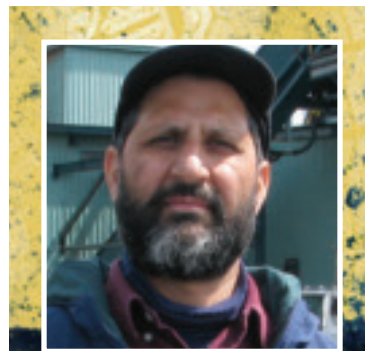
International Convention in Las Vegas this summer. If approved, a dues supplement would help grow the fund and strengthen our hand in bargaining by:

- Immediately increasing weekly strike payments to locals from the current maximum of \$115 per striker to \$150. With the modest dues increase of 3 cents an hour, in two years the benefit will rise to a maximum of \$200 per week.
- Providing improved emergency medical benefits for members and their families at a lower price — no deductibles and no pre-existing condition exclusions.
- Sustaining training, legal defense and other programs for all members, including public sector employees who cannot strike.
- Shoring up the Strike and Defense Fund so future generations have as much clout as we’ve had.

If the proposal is approved, 100 percent of the dues increase will go to the members’ Strike and Defense Fund. The money will not be used for anything else.

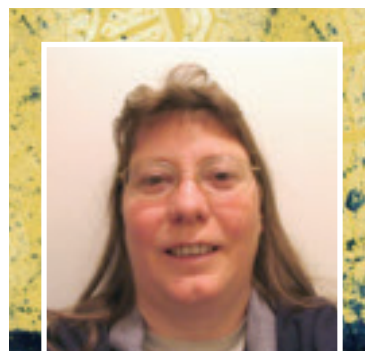
To Local 9041 member Annette Fakes of Sun Prairie, Wis., the Strike and Defense Fund proposal is a must-do. She says she and her family couldn’t have survived the Goodyear Tire & Rubber Co. strike of 2006 without the fund. Some 13,330 members in several states struck the company for 16 weeks.

“We had gone a long time without a pay check. The Strike and Defense Fund played an integral part in supporting our families during this ordeal,” Fakes said. “It put food on the table and gas in the tank so we could continue the fight.”



“These fights are only going to get tougher, and we need a stronger Strike and Defense Fund to be ready.”

Joginder Sunner



“It put food on the table and gas in the tank so we could continue the fight.”

Annette Fakes

Frequently Asked Questions on the next page.



| Amount Paid in Benefits in Selected Work Stoppages | | | |
|--|---------|---------|--------|
| COMPANY | LENGTH | MEMBERS | AMOUNT |
| Appalachian Regional | 1 mth | 2,500 | \$1M |
| Asarco | 5 mths | 1,500 | \$3M |
| Forestry Strike | 3 mths | 6,300 | \$8M |
| Giant Cement | 2 yrs + | 140 | \$1M |
| Goodyear | 3 mths | 13,300 | \$17M |
| Neenah Paper | 2 yrs + | 230 | \$3M |
| Nuclear Fuel | 1 yr + | 360 | \$2M |
| Ormet | 2 yrs | 1,000 | \$11M |

Frequently Asked Questions

Fund Supports Members in Time of Need

For what is the Strike and Defense Fund used?

The fund supports locals with weekly cash funds to be used to help members in their time of need and provide emergency medical coverage for you and your family to avoid catastrophic losses during strikes.

The fund also sustains “Building Power” training that helps us get contracts without strikes. The fund helps us run effective public information and corporate campaigns against rogue employers.

It also helps members who don’t legally have the ability to strike by providing funds for arbitration, paying for billboards, radio ads and other efforts to build community support for workers. It funds legal representation in expensive lawsuits against local unions, including lawsuits trying to restrain our right to picket. The fund also pays for attorneys who represent members in complaints against state labor boards, and it pays for fact finding and mediation.

What will members gain by increasing the level of the Strike and Defense Fund?

Strengthening the fund will help us build bargaining power for all members as we fight the attack from greedy corporations that are outsourcing our jobs, dumping rising health care costs on us and stealing our futures. If approved at the 2008 convention, weekly strike payments to locals would immediately increase from the current maximum of \$115 per striker to \$150. With the modest dues increase of 3 cents an hour, in two years we’ll be able to afford to pay a maximum of \$200 per week. A small portion of this can be used to provide improved emergency medical benefits for members and their families at a lower price.

Tell us more about emergency medical insurance?

Through our union’s Pension and Benefits Department, we have negotiated

a new strike health insurance plan that would protect our members and their families from financial catastrophe during a strike. The optional emergency medical plan would cost about \$24 a week, or \$30 a week, depending on the plan your local chooses. This would be subtracted from your local’s weekly Strike and Defense Fund allotment.

For this low cost, the union’s improved emergency health insurance plan is family coverage with several features hard to find anywhere else including no deductibles and no pre-existing condition exclusion.

I can’t strike, so why should I support the increase?

Again, the fund aids all members by helping us get contracts without strikes. The fund is one of the biggest symbols of our solidarity. Even if you can’t strike, the fund can help you run effective public information and corporate campaigns against employers. It provides funds for arbitration, legal representation, including attorneys who represent members in complaints against state labor boards. It also pays for fact finding and mediation.

Why has the level of the Strike and Defense Fund been stagnant?

The average length of strikes has grown to 26 weeks over the past 10 years. Over the last decade, \$300 million in strike benefits have been paid to 115,000 members at 531 bargaining units. \$53 million in benefits were paid to units with less than 200 members.

For what will the increase be used?

All the money—100 percent of the increase—will go to your Strike and Defense Fund.

What does “on the basis of need” mean when strike benefits are distributed? If my spouse is working, does that mean I don’t get anything?

Strike and Defense Fund allotments are distributed to each local beginning in the fourth week of a strike. It is up to a strike committee of responsible local members and the international staff representative to

decide how that allocation is distributed to individual members on the basis of the individual members’ needs.

If a member’s spouse is working, this individual’s need might not be as great as a member whose spouse does not or cannot work, but that doesn’t mean they would get nothing. That is the local’s decision.

My local just ratified a new three-year agreement. Why should we support a dues increase that won’t help us in the near future?

You may have a contract now, but who knows what will happen in the future? If an employer knows that we have a strong Strike and Defense Fund that we aren’t reluctant to use, they are much more reluctant to take us on.

For locals who can’t legally strike, a stronger fund gives us the ability to be much more aggressive in our public campaigns to help our members win good contracts. The solidarity that you show today for locals who are facing contract terminations in the near future will pay off in the longer term for your own local and members.

How does the dues increase affect former PACE locals?

Because of the terms of the 2005 merger agreement with PACE, former PACE locals would not be required to implement any dues increase passed at the 2008 convention until 2011.

Former PACE locals that implement the 3-cent increase, by a deadline to be determined, would receive the immediate increase in strike benefits. However, in fairness, former PACE locals which do not opt to voluntarily increase their dues by 3 cents an hour will not begin to share in the increased Strike and Defense Fund benefits until they come to the full USW dues level in 2011. The same will apply to any other merger agreements, if applicable.

Can you give specific examples of how the fund has helped my local or district?

There are many examples of the fund at work in distributed materials and on www.usw.org/strikeanddefense. But there are too many to cite here. Ask your staff representative or district director for district- and local-specific information.



Don't Call Me a PROTECTIONIST

By SHERROD BROWN

It's easy to play bumper-sticker politics with trade. But it gets us nowhere.



into this country. We take for granted our clean air, pure food and safe drinking water. But these blessings are not by chance. They result from laws and rules about wages, health and the environment. Trade agreements with no rules to protect our health, the environment and labor rights inevitably create a race to the bottom and weaken health and safety rules for our trading partners and for our own communities.

But cheerleaders for current U.S. trade policy, while mostly shrinking from a debate about the issues that matter to middle-class America, insist that those of us who want more trade — but trade under a very different set of rules — are protectionists.

I guess it depends on what you want to protect.

Eight times I have taken an oath of office to “support and defend” the United States. My colleagues and I commit ourselves to protecting our nation “from all enemies, foreign and domestic.” That includes protecting our neighborhoods from unsafe products. And, yes, that also means protecting our workers and businesses from unfair competition.

The Colombia Free Trade Agreement is being shopped around Congress by an overzealous White House. Let’s put aside, for now, the debate about rewarding a country that has done little to stem the tide of rampant labor abuses and human rights violations — including dozens of murders.

Let’s focus on the merits of the agreement. Supporters sell it as a free-trade agreement, a great opportunity for American companies because it eliminates tariffs on our products. If that were true, the agreement would be a few lines long.

Instead, we have a trade agreement that runs nearly 1,000 pages and is chock full of giveaways and protections for drug companies, oil companies, and financial services companies, and incentives to outsource jobs now held by Americans.

NAFTA. The Central American Free Trade Agreement. China. Now Colombia. We have a pattern in our trade policy that aims to protect special interests, but betray our workers, our environment, our communities.

Let’s stop accusing one another of being protectionists. And let us agree that U.S. trade policy — writing the rules of globalization to protect our national interests and our communities — is worthy of a vigorous national debate.

Mr. Brown, a Democratic senator from Ohio, is the author of “Myths of Free Trade” (New Press, 2004). This column, originally published by the Wall Street Journal, is reprinted with permission.

When Barack Obama and Hillary Clinton came out against the North American Free Trade Agreement (NAFTA) in the run up to Ohio’s presidential primary, they also spoke about U.S. trade policy generally. They mentioned problems with China’s currency, toxic toys and contaminated food, and communities wrecked by plant shutdowns and lost jobs.

But conservative economists and a lot of newspaper editors heard only “NAFTA” and saw only “protectionism.”

Our country deserves a real debate on trade, not a debate where labeling one side protectionist is game, set and match.

The supporters of our trade policy rarely mention our exploding trade deficits. In just 15 years, our annual trade deficit has mushroomed to over \$800 billion from \$38 billion in 1993. With Mexico, our trade surplus evolved into a \$90.7 billion trade deficit. With China, our trade deficit jumped to \$250 billion today, from about \$22 billion. President George W. Bush once estimated that a \$1 billion trade deficit represents 13,000 lost jobs. Do the math.

One country’s deficit is another country’s surplus. Our annual trade deficit helps fuel the growth of government-owned investment funds overseas. Free traders rarely mention these funds even as they proliferate.

Nonetheless, today, five governments control more than \$2 trillion that they use to buy stocks and other assets in America and other countries. So far, the funds controlled by the People’s Republic of China and the United Arab Emirates have been passive investors. So far.

Advocates of free trade rarely want to debate the fact that unregulated trade with China has recently allowed toys with lead paint, contaminated toothpaste and poisonous pet food

Alcoa Global Union Network

Workers in Eight Countries Pledge Support



Representatives from eight countries returned to Pittsburgh for a second annual meeting May 7 of the Alcoa Global Union Network as part of an ongoing commitment to achieve justice for workers at Alcoa worldwide.

Rob Johnston, International Metalworkers Federation (IMF), called Alcoa “a truly international company” that professes to implement the highest standards everywhere in the world. He said the assembled unions need to hold Alcoa to those standards wherever they operate.

“That,” he said, “is at the heart of what we are trying to achieve.”

District 7 Director Jim Robinson, the USW’s lead negotiator with Alcoa, told the delegates, “We began doing this a few years ago as a way of making sure Alcoa understands that as they are globalizing, we as representatives of Alcoa’s workers are also developing ties around the world.”

Alcoa employs 97,000 workers worldwide and the recent boom in commodity prices has helped to fuel a surge in consolidation in the industry.

Discussing a USW report on Alcoa, USW researcher Cary Burnell said, “The restructuring of the industry really is a major challenge for our unions and working people.”

“The world’s biggest mining giants—Anglo-Australian companies Rio Tinto and BHP Billiton and Brazilian concern Vale—have snapped up many smaller companies over the past two years,” he said. “The industry is now globalized and is moving east rather than west.”

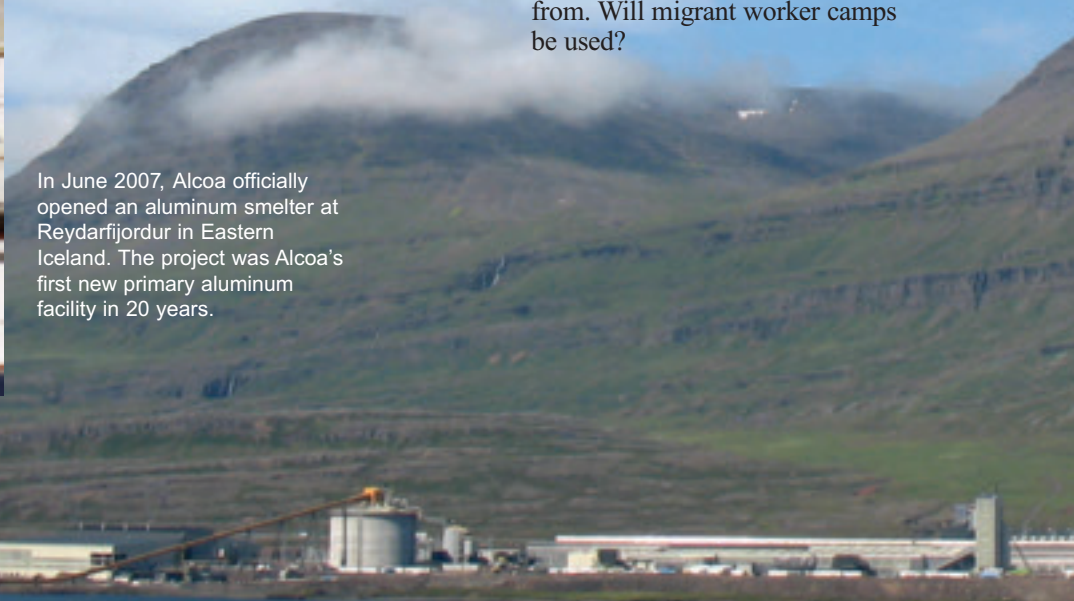
National reports

Director Robinson noted that from his visits to Alcoa plants in other countries it looked as though working conditions were similar—“The smelters are run pretty much the same. The issues are economic. Alcoa pays low wages in many countries.”

Individual representatives each discussed concerns of Alcoa workers in their home countries. Here are some of their concerns:

Greenland – An aluminum smelter powered by hydroelectric energy now on the drawing board has raised the issue of where will the workers come from. Will migrant worker camps be used?

In June 2007, Alcoa officially opened an aluminum smelter at Reydarfjordur in Eastern Iceland. The project was Alcoa’s first new primary aluminum facility in 20 years.



Iceland – With only 7,000 to 8,000 people living near Alcoa’s new primary aluminum facility and no infrastructure, the company is having problems manning it.

Russia – During the last seven years, the plants have undergone seven management leadership changes. Recent reorganization has improved production. Wages, which were very low, have gone up 30 percent but are still insufficient.

Mexico – Workers are earning \$45 to \$70 for a 48 hour week producing wiring harnesses and feel threatened by cheaper labor in Honduras, according to the Comité Fronterizo de Obreras, a grass roots organization that supports union democracy and workers rights in cities along the Mexico-U.S. border.

United Kingdom – Union representatives want more emphasis on a safe and healthy production process rather than a behavioral-based process. Since the explosion at BP’s Texas City refinery, there has been a lot of discussion on process safety rather than putting the blame for most accidents on workers’ behavior.

Germany – A demand for minimum standards worldwide; equal treatment for workers, corporate ethics compliance and compliance with ILO standards are expectations of German workers.

All pledge support

In addition to representatives from the USW, delegates attended from the United Kingdom (UNITE the Union), Australia (Australian Workers’ Union), Germany (Industriegewerkschaft Metall), Iceland (Starfsgreinafelag Austurlands and Rafidnadersamband Islands), Mexico (Comité Fronterizo de Obreras), Russia (Miners’ & Metallurgical Workers’ Union of Russia) and Switzerland (IMF).

Delegates were unanimous in pledging to support each other in any upcoming struggles and to help rank and file workers at all Alcoa locations improve their living standards.

As they do each year, on the day following the meeting, the participants attended the Alcoa stockholders meeting, where they made the interests of the thousands of Alcoa workers around the world visible to the board of directors, top management and major shareholders.



Bottom Right, front row, left to right, Charles Clarke, USW; Aurora Schroder, USW; Phil Hanks, UK; Julia Quinonez, Mexico; Asgeir Sigmarsson, Iceland; Bjorn Agust Sigurjonsson, Iceland, Dave Gibbs, UK. Back row, left to right, Violetta Ohmer, translator; Andrej Shvedov, Russia; Salvador Aguilar, USW; Alexander Kulagin, Russia; Stanley Browne, translator; Wolfgang Kicherer, Germany; Jim Robinson, USW; Rob Johnston, Switzerland, Sverrir Mar Albertsson, Iceland; Adam Lee, USW; and Ben Swan, Australia.

Participant Photos by Tom Fitzpatrick/VPI



CAPITOL LETTERS

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



Moving in the wrong direction

Like April showers, dreary statistics drenched Washington this spring. More than 1.4 million home foreclosures were forecast in 2008 as a result of the sub-prime mortgage crisis. Gasoline prices rose above \$4 a gallon in several states. More than 80 percent of Americans polled said the country was moving in the wrong direction.

Those fell atop statistics already accumulated: 36.5 million Americans living in poverty; 47 million without health insurance; \$341.4 billion a day spent on the Iraq War; and \$354 billion budget deficit for 2007.

In case Republicans in Congress didn't hear these cries of distress, voters sounded the kind of siren politicians generally hear loud and clear: repeated congressional unseatings. First, in March, a political novice who'd never run for office before beat a well-known Republican dairy owner in Illinois who was seeking to take over Denny Hastert's seat in the House after 11 terms. Then, on May 3, in Louisiana, a young Democratic state lawmaker announced he would challenge a Republican newspaper publisher for a House seat long held by a Republican. Again, the Democrat prevailed. Finally, in a third special election, this one on May 13, a Mississippi Democrat soundly defeated a Republican to take a House seat long held by Republicans, this one previously by Trent Lott.

GOP admits damage done

Congressman Tom Davis, a Republican from Virginia and former leader of his party's Congressional campaign committee, said after the third loss that the GOP had been damaged, and that its identification with Bush was a big part of the problem. He warned his fellow Republicans, "The political atmosphere facing House Republicans this November is the worst since Watergate and is far more toxic than it was in 2006."

His fellow Congressional Republicans seemed to have actually heard those words because that week some of them took action with Democrats to help the poor and middle class. Some of the action was purely symbolic. But at least they did something.

More public relations

Congress passed a veto-proof bill to stop pumping oil into the Strategic Petroleum Reserve. And in the face of a veto threat, it put together a bi-partisan coalition and passed by wide margins a \$307 billion farm bill that would continue subsidies for farmers and provide more money for food stamps and food banks.

What Congress failed to do, however, is pass veto-proof legislation that would be significantly more meaningful to large numbers of poor and middle class people facing crisis. That would be, for example, the State Children's Health Insurance Program, known as SCHIP, which provides health insurance to the children of the working poor and a comprehensive program to help homeowners facing foreclosure as a result of the sub-prime mortgage crisis.

Frankly, it was a nice gesture for Republicans to vote with Democrats on the Strategic Petroleum Reserve bill, but it wasn't worth much. When shipments were halted, the reserve already was 97 percent full. So within a short period of time, it would have been at capacity anyway. In addition, most experts continue to say the small amount spared from the reserve won't affect market prices anyway, so the entire effort was more for public relations than price reduction.

Children left behind

Twice now Bush has vetoed SCHIP. Congress wants to increase spending for the program to \$60 billion to be doled out over the next five years. Bush has refused to spend that much — \$12 billion a year on American children, whose parents work, but don't have health coverage for them.

Meanwhile, Bush has spent \$517 billion on Iraq.

Then there is the issue of countering the effects of the sub-prime mortgage crisis. Congressman Barney Frank, the Democrat who heads the House Financial Services Committee, devised a compromise to help homeowners facing foreclosure. The bill moved along in the House early in May, and he complied with demands for changes in it from the Bush administration. Ultimately it passed the House with support from more than three dozen Republicans.

Then, suddenly, Bush announced he would veto it, calling it a bailout for speculators — although it's not, since it's limited to the primary residence of people facing foreclosure.

It is surprising that the Congress that so boldly stopped pumping oil into the 97-percent-full Strategic Petroleum Reserve over Bush's threatened veto can't find the, shall we say valor, to stand up to a lame-duck, record-low-polling president to pass more measures to help America's working poor and middle class.



Don Cazayoux
(AP Photo/Tim Mueller)

VICTORIES

in Republican Strongholds

USW and Labor Allies Gain Key Election Victories

USW activism made the difference in election victories for pro-worker congressmen in Mississippi and Louisiana and for a Democratic nominee for governor of Indiana.

A traditional Republican stronghold in Mississippi fell to the Democrats when our endorsed candidate, Travis Childers, beat Greg Davis in a special election to fill the unexpired term of Republican Roger Wicker, who served in the House since 1994 and was appointed to the U.S. Senate to fill the seat vacated by Trent Lott.

Trade deals opposed

During the campaign, Childers labeled himself a conservative Democrat, and stressed the importance of voting against trade deals that destroy American jobs.

Volunteers canvassed voters' homes in the deeply Republican 1st Congressional District, distributed over 6,000 leaflets at work sites, and made thousands of telephone calls in support of Childers.

Vice President Dick Cheney campaigned for Davis the day before the May 14 special

election and Davis ran ads trying to tie Childers to Democratic presidential contender Barack Obama, House Speaker Nancy Pelosi and the national Democratic Party's policies.

The win allows Democrats to add to their 235-199 majority in Congress, if only for a few months until November's general election when Childers will again face Davis and two other candidates for a full term.

In Indiana, the USW and union allies including the Communications Workers of America supported Jill Long Thompson as the Democratic candidate for governor.

In Louisiana, the USW-endorsed Democrat, Don Cazayoux, won a special election for Congress in the state's 6th District because of union support.

Cazayoux's victory over Republican Woody Jenkins was the first time that a Democrat had been elected from the strongly Republican district, where George W. Bush received 59 percent of votes in the 2004 election.

Political alliance fruitful

The USW and the CWA worked closely together as part of the union's new political alliance. Members leafleted together outside workplaces and other facilities, organized phone banks and made sure union members got to the polls.

Prior to the election, the USW formed a political, electoral and legislative alliance with the CWA, the United Auto Workers and the International Federation of Professional and Technical Engineers. The unions pledged to share resources to elect candidates who support working families.

Grass-roots effort

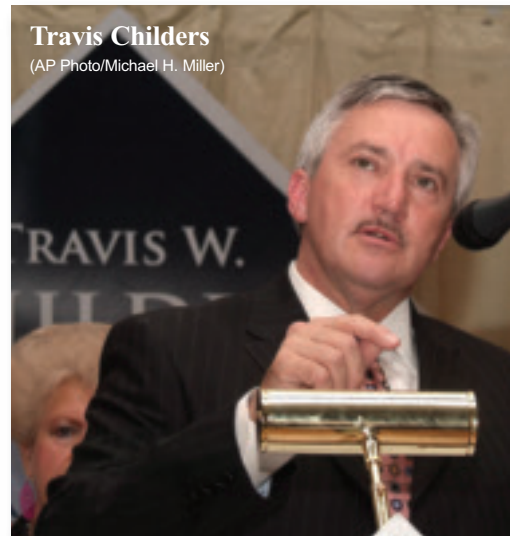
Cazayoux promised to support the Employee Free Choice Act and fight for health care coverage. He also committed to support fair trade deals that protect workers.

In Indiana, crucial labor support came after Long Thompson pledged to reject the privatization policies advanced by current Republican Gov. Mitch Daniels, whom she will now face in the fall general election.

For most of election day, Long Thompson was narrowly behind opponent Jim Schellinger, an Indianapolis architect, until votes were counted late from USW-heavy Lake County.

In the end, Long Thompson won 55 percent of Lake County's vote to Schellinger's 45 percent, a margin big enough to make the former congresswoman the nominee.

Long Thompson credited her success to a grass-roots effort, particularly the support of the USW and local Lake County Sheriff Roy Dominguez.



Travis Childers
(AP Photo/Michael H. Miller)



Jill Long Thompson
(AP Photo/Joe Raymond)

Raising The Bar

Paper Negotiations Bring New Found Power for Members

In a feat some thought would be difficult or impossible to attain, the USW has completed master agreements covering both mills and converter plants at International Paper (IP), the paper industry's largest player.

In addition, USW-represented workers now have an umbrella agreement for 4,000 members at Domtar, the largest integrated producer of uncoated freesheet paper in North America and a manufacturer of paper, pulp and other products.

USW members this April overwhelmingly approved a new four-year master economic and security agreement covering some 2,800 employees at 32 IP converter facilities that make paper into paperboard, cardboard and other products.

Last summer, a master economic and security agreement was reached between the USW and IP for 14 paper mills that employ an estimated 9,000 members.

"Never before have we had a single agreement covering so many issues at so many converter locations," said International President Leo W. Gerard. "This contract not only contains strong economic and job security provisions essential for our membership, but it also enables IP to compete globally."

These dramatic and strategic breakthroughs at both IP and Domtar were made possible by solidarity and membership action.

Prior to the expiration of their contracts, IP and Domtar members underwent Building Power training that teaches how to establish communication networks and generate member activism in contract campaigns.

"That activism and solidarity was critical to achieving the IP converter agreement along with the mill master," Gerard said.

Solidarity at IP will continue in preparation for when the IP master agreements reopen in 2011 and 2012.

The USW hosted a series of meetings with local union leadership across the country to develop a long-term plan to build solidarity and power across the entire IP system by mobilizing and engaging the membership.

"These master agreements establish an important precedent with a declared industry leader that is necessary in reaching similar agreements with other paper companies," said International Vice President Jon Geenen, who oversees paper industry bargaining.

IP workers see their master agreement as a step forward in the right direction. "It's a start, but we're not there yet. You have to start at the bottom and work your way up," said Local 9-1418 member Tommy Gardner.

On the offensive

After the announcement that Domtar was buying Weyerhaeuser's fine paper division to become the largest uncoated freesheet producer in North America, Domtar and affected Weyerhaeuser locals met with USW international leaders to discuss strategic options. Once the sale became final, the "new" Domtar locals developed a plan to enter high level discussions with Domtar management.

During meetings held the week of April 7, USW local and international union leaders and Domtar reached a tentative four-year umbrella agreement to provide, for the first time, the same economic and security benefits for all 10 Domtar facilities without having to negotiate such benefits location by location.

"This umbrella agreement was a result of unprecedented coordination and solidarity by our local unions," said Leeann Anderson, Domtar bargaining chair and assistant to the international president. "While our members' standard of living is improved, Domtar also has the labor peace it needs to compete in a global economy, providing both of us a valuable foundation for future work together to preserve and promote the North American paper sector."

Over 2,000 Domtar members voted by a four-to-one margin on May 7 to accept the umbrella agreement, which covers



Leeann Anderson



4,000 workers and makes breakthroughs in wages, benefits and job security.

Negotiating an umbrella agreement was a strategic move for the Domtar workers, said Local 51 member Kevin Wright.

“We’ve got a lot more power with all the mills together and with the economic times right now, overall, it’s not a bad contract,” he said. “I look at it long term; we’re getting our foot in the door.”

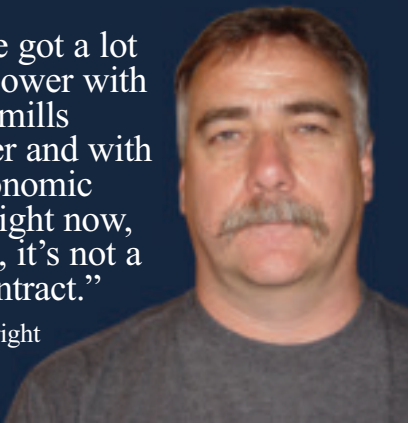
Autonomy remains

For both the IP and Domtar agreements, local issues and non-economic bargaining will still be handled at local union bargaining tables.

Management will not be able to impose its proposals on locals like in times past. If a local union does not agree with management’s changes, the

“We’ve got a lot more power with all the mills together and with the economic times right now, overall, it’s not a bad contract.”

Kevin Wright



original provisions of the local contract remain in effect and neither party will have the right to lock out, strike or implement terms.

“The umbrella agreement makes a more fair bargaining process between the worker and the company,” said Local 1329 member Billy Lewis.

“Management realizes they can’t do the things they want to do. They can’t force something on us without our approval,” added Gardner, of Local 9-1418.

IP and Domtar locals will still have their own contract expiration dates. Once expired, these local contracts will automatically renew once with no interruption for a four-year period.

With ratification of the IP and Domtar agreements, locals immediately have contract protection (successorship) and health care security inserted into their local contracts. Successorship protects workers’ jobs and their union contract should IP or Domtar sell any of their facilities—not an unlikely scenario in this time of great change within the paper industry.

Wage, benefit improvements

In a dramatic improvement over the previous industry wage pattern of 0%, 2%, 0%, 2%, IP converter workers will double their wage increase to 8% over the life of the local union renewal agreement. Domtar workers will receive wage increases totaling 8.5% over the four years.

It was not unusual in the past for paper companies to try and change a health care plan midway without the union’s approval. At the IP converters, the master agreement has one collectively bargained industry-standard health care plan that cannot be changed and there is access, at the member’s option, to the company’s other health care options.

Under the Domtar umbrella agreement, health care plans are immediately locked in place in each location and cannot be changed during the life of the current and renewal contract.

The union was able to limit employee contributions toward health insurance

premiums to 20 percent.

At the IP converters, the match increased for retiree health care savings plans, and the monthly service multiplier for the defined benefit pension plan will increase \$4 over the life of the master agreement. Domtar workers will receive their \$5 pension multiplier increase at the time their local union contract is renewed.

Maximum dollar contributions will be removed and replaced with a simple percentage of employee earnings for the Domtar 401(k) plan beginning Jan. 1, 2009.

Union strengthened

Other provisions in both IP master agreements are employment security language that requires reductions in force only through voluntary severance or attrition except in specific situations; a jointly developed safety training program to be piloted at two locations; confirmation and continuance of a joint USW-IP public policy committee with the opportunity to include other industry players to advance and preserve the paper industry in North America; and guarantee of neutrality procedures during organizing campaigns to strengthen our bargaining leverage.

Domtar employees will have the opportunity to contribute to a voluntary political action committee as soon as it is put in place administratively.

For member Kevin Wright, the change in negotiations with Domtar was important.

“The accomplishment was we got Domtar to negotiate on a national level with us,” he said. “Now, we can move forward and start including more items in a national contract.”



Paper Industry

National Bargaining Progress Exceeds Expectations

When national paper bargaining began in 2005, it was believed that it might take a generation for the union to control the tone and timing of negotiations in the paper industry.

Instead of a generation, it only took three years.

International President Leo W. Gerard discussed the “tremendous progress” made in the industry during his opening speech to the national paper bargaining conference, held this year in Pittsburgh on April 29 and 30.

“We have now changed the agenda,” Gerard said.

About 500 delegates representing 60 paper employers attended the conference and council meetings held before and after the two-day event. They heard presentations on the state of the paper industry both nationally and globally, the legislative issues facing paper workers, the state of bargaining in the industry and the international union’s activity to improve health and safety in the paper workplace. They also discussed the challenges facing coordinated bargaining and created an agenda for action.

Since the 2005 merger with PACE, more resources, new approaches and commitment have been dedicated to paper bargaining, Gerard said, adding: “We’re working hard to get better.” Paper is the largest sector in the union.



Progress since the merger

Our union has intervened in trade cases regarding lined paper, coated freesheet paper and illegal logging. Indonesian trade unionists spoke at the conference about how illegal logging in their country is hurting their members too.

“Since the merger, we have accomplished more legislatively for the paper workers than in the previous 20 years,” Gerard said.

International Vice President Jon Geenen, who is in charge of national paper bargaining, detailed the progress made since the merger.

“Prior to the merger, we were losing the right to bargain over health care in 50 percent of our agreements,” he said. “It was ridiculous to have six-year contracts when the companies changed the benefits. It was the work of the councils, staff and officers that turned this situation around.”

Contract length was reduced. The goal now is to have no contracts over three years long unless the union is able to advance its bargaining agenda by obtaining, for example, goals such as a contract and job protection clause (successorship).

Three years ago, only Georgia Pacific (GP) contracts had successorship clauses. In the last two and a half years, Geenen said we have gone from having 50 successorship clauses to 500.

Having successorship is necessary in this era of paper mergers and buyouts. With a successorship clause, workers’ jobs and union contract are protected when their company is sold.

There is now a framework or master agreement at International Paper (IP), Domtar, Georgia-Pacific (GP), Smurfit-Stone, Weyerhaeuser and Boise Cascade among others. The master agreements at IP are particularly important because the company has historically set standards for the rest of the paper companies to follow.

Geenen said there are now 225 contracts protected by a basic bargaining framework that ended concessionary

bargaining. Workers saw their wages and pensions increased and their benefits maintained.

Solidarity is important

Membership solidarity was key to reaching those agreements and in the rehiring of former Smurfit-Stone workers who were fired when their facility in Brewton, Ala., was sold to GP.

Solidarity was also important in reaching a contract with common expiration dates at the former Stora Enso Wisconsin facilities and getting contracts with Rock-Tenn that maintained defined benefits pensions and fought off the health care waiver and the company’s proposal for only a 401(k) for new hires.

Inactivity limits what locals can gain at the bargaining table, Geenen said. When members are involved in activities like community service work, an inter-faith alliance, a union softball team, politics, Rapid Response and Women of Steel, their locals get better contracts.

“All of us matter. By tapping into the collective knowledge and activism of our members we get exponential growth,” Geenen said.

National paper bargaining works because of solidarity and increased communication within and between locals of the same company and industry.

By getting their locals together during bargaining, the Bucksport, Maine, and Sartell, Minn., locals at Verso were able to negotiate similar contracts with the same expiration date.

Building Power training

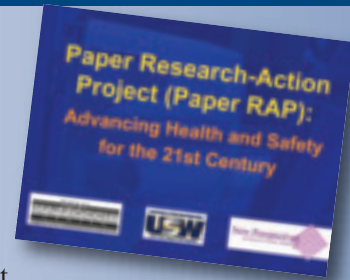
During 2005 bargaining, Local 359 members at the former Stora Enso Whiting mill in central Wisconsin decided to heed lessons learned from Building Power training. The local put out a newsletter after every bargaining session with the company to communicate what happened.

By educating and communicating regularly with the membership over the



International President
Leo W. Gerard

USW Inaugurates Paper Health and Safety Study



Since 2006, 14 paper workers have died on the job. Just this May, a contract worker died of injuries from flying debris when one of the recovery boilers at International Paper's (IP) mill in Redwood, Miss., exploded during a start-up. Seventeen others were injured.

Working in a paper mill or a converting plant that turns paper into products like boxes, tissue paper, towels and toilet paper can be dangerous. There are large amounts of chemicals that can react together and heavy machinery that can cause injuries.

In order for our union to assess members' training needs, respond better to health and safety problems in the paper industry and take a proactive role in prevention, we are conducting the Paper Research Action Project (Paper RAP). The study will be conducted in two phases. Over the next 12 months, we will study health and safety in the mills that will involve about 400 locals with 65,000 members. Following completion of the mill study, the focus will turn for 12 months to paper converting plants involving about 375 locals with 37,000 workers.

High response needed

Each local will be called on to participate in the study by completing a single survey. Participation will be coordinated with all sections, units or locals at each mill and plant, as well as with USW international representatives. A good response rate to the survey is necessary to develop sound data that will enable us to make strong statements about the conditions in the paper industry.

The study will focus on seven areas: what major issues or problems are causing injuries, fatalities and disease; potential for disasters and how they are prevented; types of training that are needed; how health and safety issues are handled (safety culture and climate); work organization (hours of work, workload, pace, etc.); how your health and safety committee functions; and the role of contractors in health and safety.

The 19-member Paper RAP study team includes members from mills and converters, USW international leaders, and staff from the USW, the Tony Mazzocchi Center for Safety, Health and Environment Education, the Labor Institute and New Perspectives Consulting Group, Inc. The USW members will be engaged in all phases of the research: study focus, survey development, analysis of results, development of conclusions and recommendations, report writing and action steps.

Study goals

After the results of the study are obtained, they will be used to mobilize paper industry locals around key health and safety issues.

The results will be used to benchmark health and safety in the industry, to create targets or goals for the locals and the USW Health, Safety and Environment Department and to advocate for improvements in government safety regulations and enforcement.

They will also be used in bargaining to win needed improvements in key areas of health and safety and to educate the membership through health and safety training conducted by locals in conjunction with the Tony Mazzocchi Center.

Mike Wright, director of Health, Safety and Environment for the USW, said the survey is designed to uncover the real causes of death and injury in the workplace.

"The first step toward solving any problem is to understand it, and nobody understands the workplace better than those who work there," Wright said.

"Too many corporate programs are based on the concept that workers are the problem that needs to be fixed. We see workers as the solution."

23 months it took to get a contract, the local was able to negotiate a common expiration date with sister locals.

Solidarity actions like petitions, stickers and T-shirt days proved to be instrumental in beating back Rock-Tenn's demand for 401(k) plans for new hires and non-vested workers.

Smurfit-Stone Council President David Moore said these pattern agreements tell the company the local is not alone while furthering the members' agenda. "It gives you security when you sit at the bargaining table and have major items already settled," he said.

Curtis Horton, a Local 9-719 worker from Rock-Tenn's Demopolis, Ala., plant, said he sees a great deal of communication from the top to the bottom and vice versa with the way paper bargaining is now conducted.

"Coordinated bargaining will make the company look at us more seriously than they did in the past," Horton said. "We want to try and make this process work."

Winston LeCroy, Horton's co-worker, said the Building Power communication system keeps rank-and-file members informed as well as the local officers.

Dan Calvert, a Local 7-154 member from Weyerhaeuser's Indianapolis corrugator plant, said his bargaining council has made great strides. He noted how valuable a successorship agreement is, especially with the proposed sale of Weyerhaeuser to IP.

"National paper bargaining will strengthen our facility and our whole union in general," he added. "It's the way of the future in bargaining."

Globalization Exp

Women of Steel, Sierra Club Witness NAFTA's Dark Side

Steelworker Sue Browne saw the dark side of NAFTA in Colonia Chilpancingo, a small Mexican border community where the river floods with toxic runoff from nearby maquiladora factories each time it rains.

Chemical waste from an industrial park is hard to ignore. The smell of sewage is overwhelming and the housing conditions for the residents are deplorable by anyone's measure.

"While I have seen very poor living conditions in my life, I have never seen anything like this," said Browne, a Michigan resident and the Rapid Response coordinator for District 2. "As I looked at the murky toxin-filled waterway running through the community, the impact of a failed global economy was crystal clear."

Browne was among 20 Steelworkers and members of the Sierra Club and other environmentalists who took an eye-opening joint tour of the border region in Tijuana last April.

Susan Ellsworth, a Sierra Club representative and tour coordinator, called the trip a "NAFTA Reality

Tour" and said it was meant to broaden the understanding of what the trade agreement means for workers and their families in Mexico.

Workers live in poverty

It was the first visit to the border region for Michele Laghetto, a staff representative from District 1, where she is also a Women of Steel and Civil Rights coordinator.

Laghetto described the maquiladora factories as new and sprawling assembly plants that appeared from the outside to be good places to work.

Yet, most employees live in poverty, earning the equivalent of about \$60 a week for making consumer and electronics goods that are sold around the world.

"The workers live in cardboard rooms on a dry barren hill of clay," she said, and are "surrounded by a nasty smelling gray

stream once a haven for fishing and swimming that is now the disposal system for shiny Tijuana factories producing goods once proudly made in the USA."

Facilitated by the human rights organization Global Exchange, the tour began with a lengthy border crossing into Mexico that permitted participants to glimpse the controversial border fence between the two countries.

New and abandoned factories

After a short tour of an electronics plant, the next stop was the abandoned site of Metales y Derivados—a former smelting operation that recovered lead, copper and phosphorous from used batteries and other scrap materials.

When it was discovered that the smelting violated environmental codes in 1994, the owner abandoned the plant and its toxic wastes. Just recently cleaned up, the site is believed to be responsible for lead poisoning and other illnesses.

The tour then traveled by bus down hill to Colonia Chilpancingo, a community of about 1,000 families that is bisected by the dirty river. There, they saw children with skin sores believed to come from environmental contamination.

Next, they headed to the hillside community of Maclovio Rojas,



osed

where more than 10,000 people live and work in near autonomy from the government of Tijuana. They attend self-run schools, a health center and church and are now engaged in a fight to secure water rights and access to additional land for farm crops to support their growing numbers.

"I had heard stories of deplorable working and living conditions in Mexico and other places around the globe, but nothing prepared me for what I saw," said Keli Vereb, financial secretary for Local 1408 and Women of Steel coordinator for District 10.

"The people we met were so open to us. They invited us into their communities and showed us the wonderful things they are trying to do to improve their lives and those around them," she said. "NAFTA is truly a disgrace. It has totally destroyed the lives of many warm, wonderful hard-working people. We have a moral obligation to make sure our government fixes this disaster."

The tour stopped for conversation and a warm meal of rice and beans at Casa Migrante, a shelter for migrant men in Tijuana. With the capacity to house 180 migrants, Casa Migrante provides deportees with food, shelter and employment services.

Environmental and social impact

Most Mexican workers deported from the United States do not try to return because it costs too much money to make the crossing, Browne said.

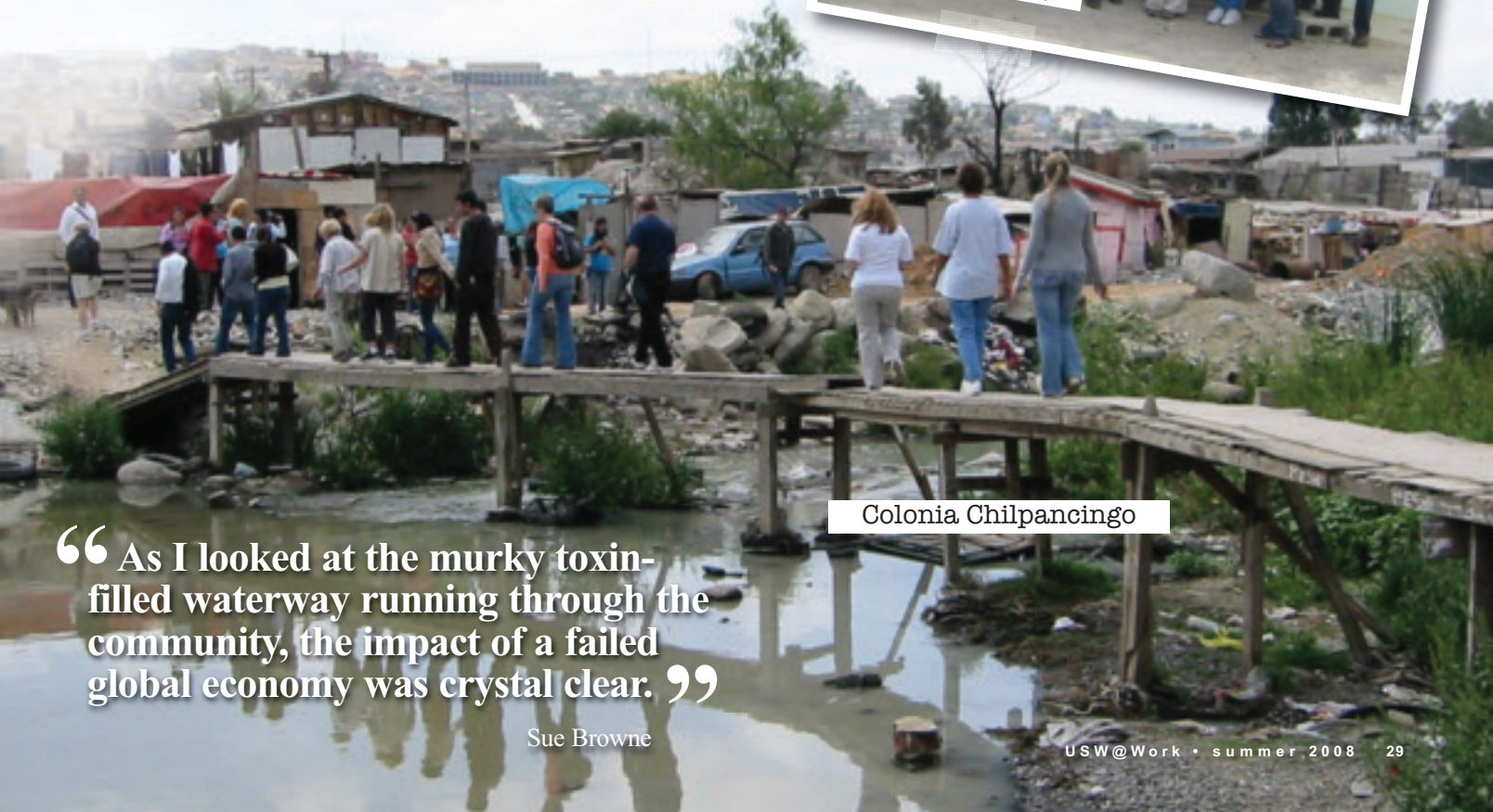
The safest way is to pay for a smuggler, or "coyote," to act as a guide for a fee of about \$3,000. Over 5,000 migrants have lost their lives trying to make it across the border into the United States since 1997.

"Many walk for three days through the mountains and desert only to become lost, dehydrated and sick, and in many cases perish in their attempt for a better life," Browne said.

Back in the United States, the group visited three different locations along the border fence in San Diego, accompanied by Christian Ramirez from the American Friends Service Committee. The group learned about the

environmental and social impacts of the fence, as well as the policing policies designed to prevent the entrance of workers from Mexico.

"This was an eye-opening experience that I will never forget," Browne said of the tour. "It was an undeniable display of a failed global economy causing devastation to the people and the surrounding environment."



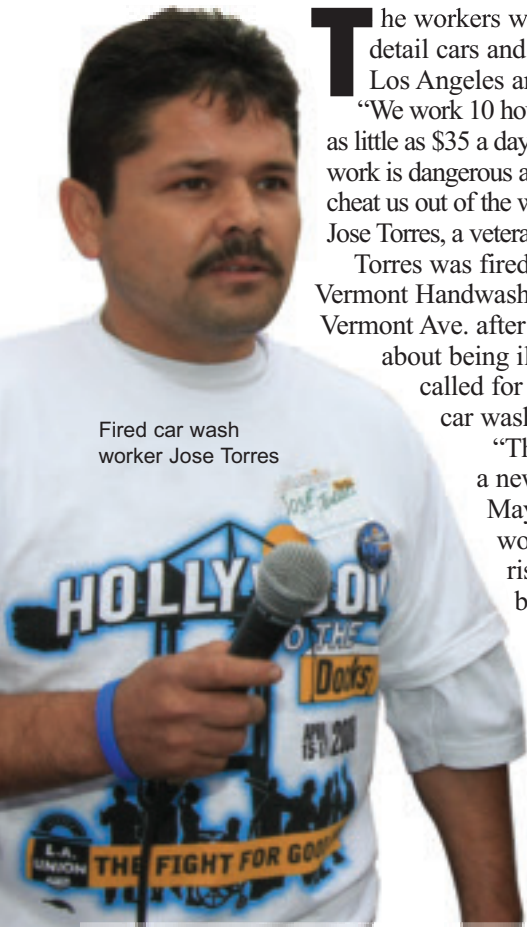
“As I looked at the murky toxin-filled waterway running through the community, the impact of a failed global economy was crystal clear.”

Sue Browne

USW, Community Coalition Team to

CLEAN UP DIRTY WINDU

L.A. Workers Form Car Wash Organizing Committee



Fired car wash worker Jose Torres

The workers who wash, wax and detail cars and trucks in motor-crazy Los Angeles are getting a dirty deal.

“We work 10 hours a day, sometimes for as little as \$35 a day, without breaks. The work is dangerous and the owners often cheat us out of the wages we earn,” said Jose Torres, a veteran car wash worker.

Torres was fired from his job at Vermont Handwash on L.A.’s North Vermont Ave. after he spoke out publicly about being illegally underpaid and called for a boycott of local car washes.

“This is a fight,” he told a news conference held in May outside his former workplace. “It was very risky speaking publicly, but here I am.”

Saturmino Hernandez, a car washer for five years, has been forced to work without gloves or a mask when he is shampooing cars or cleaning tires, even when using toxic chemicals.

“Sometimes, it is hard to breathe because of the chemicals; my eyes sting and my skin sometimes breaks out in a painful rash,” said Hernandez. “For all this, I’m paid about \$35 for a 10-hour day and when I get sick, I have no insurance to pay the bill.”

The USW is helping by trying to organize thousands of car wash workers in Los Angeles, in partnership with the AFL-CIO and the Community Labor Environmental Action Network, also known as C.L.E.A.N.

“You don’t have to leave our country to see firsthand the race to the bottom of wages now taking place,” said Local 675 Secretary-Treasurer David Campbell, who is involved in the campaign. “In L.A., car washers are subjected to sub-standard wages and working conditions, while the applicable labor laws are routinely violated.”

Organizing committee formed

Activist workers have formed the Car Wash Workers Organizing Committee (CWOC) of the United Steelworkers to raise their standard of living, secure basic workplace protections and address the often serious environmental and safety hazards that exist in the industry.

Los Angeles is car crazy. It’s the most car-populated metropolis in the world with one registered vehicle for every 1.8 residents and 27 intertwined freeways to drive them on.

Keeping those cars clean is big business. Los Angeles has more car washes than any other metropolitan area in the United States with about 430 establishments that employ an estimated 7,000 to 10,000 workers.

Car wash employees frequently work in appalling conditions for low or, in many instances, no wages except for customer tips.

Safe, Fair Workplace Among Bargaining Goals

The Car Wash Workers Organizing Committee (CWWOC) and its allies are committed to shining a light on the car wash industry and bringing together workers, owners, politicians, regulators, environmental advocates, and members of the community to change the industry.

The CWWOC will seek the following objectives through collective bargaining with employers once a majority of employees at any car wash choose to be represented and their employers recognize the union:

- ▶ No employee may be terminated or otherwise disciplined without just cause.
- ▶ Employees have the right to a safe workplace.
- ▶ Employees have the right to receive work assignments through a fair system based on seniority that governs seasonal

layoff and recall, days and hours of work, and weekend work.

- ▶ Employees will have the right to take a reasonable number of days off when they are sick.
- ▶ Employees have the right to raise grievances with their employer in a fair process ending in a decision by a neutral third party.
- ▶ All employers should be required immediately to improve all workers’ wages, hours, and benefits so that they comply fully with legal standards.

Mindful of the competitive nature of the car wash industry, the CWWOC will seek to bargain for wages, benefits, hours, and working conditions above these standards as more employees in the industry choose to be represented.



The minimum wage in California is \$8 an hour, but car wash owners often pay less, according to a recent investigation by the *Los Angeles Times*, which found that hand car washes often violate basic labor and immigration laws with little risk of penalty.

Too often, there is no or inadequate safety equipment and training on how to deal with hazards and chemical exposures. Clean drinking water, breaks and meals, minimum wages, over-time pay and health insurance are also problems.

“We will do whatever it takes to clean up the car wash industry.”

Jon Hiatt, general counsel for the AFL-CIO

“For years, car wash workers have been treated as the new modern slave labor, working for no wages, with no safety protections, no sick days and no health care,” said Mary Elena Durazo, executive secretary-treasurer of the Los Angeles County Federation of Labor.

“So, for these workers, this campaign is more than just about giving them an opportunity at a life out of poverty. It’s about giving them and their children the basic right to survive as human beings,” Durazo added.

Assembly line environment

The employer’s profit depends on the number of cars that can pass through in a given time period and on the ability to sell more expensive services such as detailing. An efficient full service conveyor driven car wash can service up to 1,000 cars per day.

A car wash literally resembles a traditional assembly line in which the pace is set by the employer. This means workers are under tremendous pressure to work fast and to work according to a standard of cleanliness acceptable to customers.

By the same token, the car wash industry is prone to down time — rainy days and slow periods when demand is slack. The workers are hired for as few or as many hours as the boss requires, ensuring they have no job security.

Many employers choose to hire Spanish-speaking immigrant workers from Latin America because they are the ultimate flexible, or casual,

work force — too frightened to complain about the illegal and exploitative working conditions.

If not properly managed, car washes can have an adverse effect on the environment, according to the California Environmental Protection Agency. The waste water can include oil and grease, detergents, phosphates, solvents and various other chemicals.

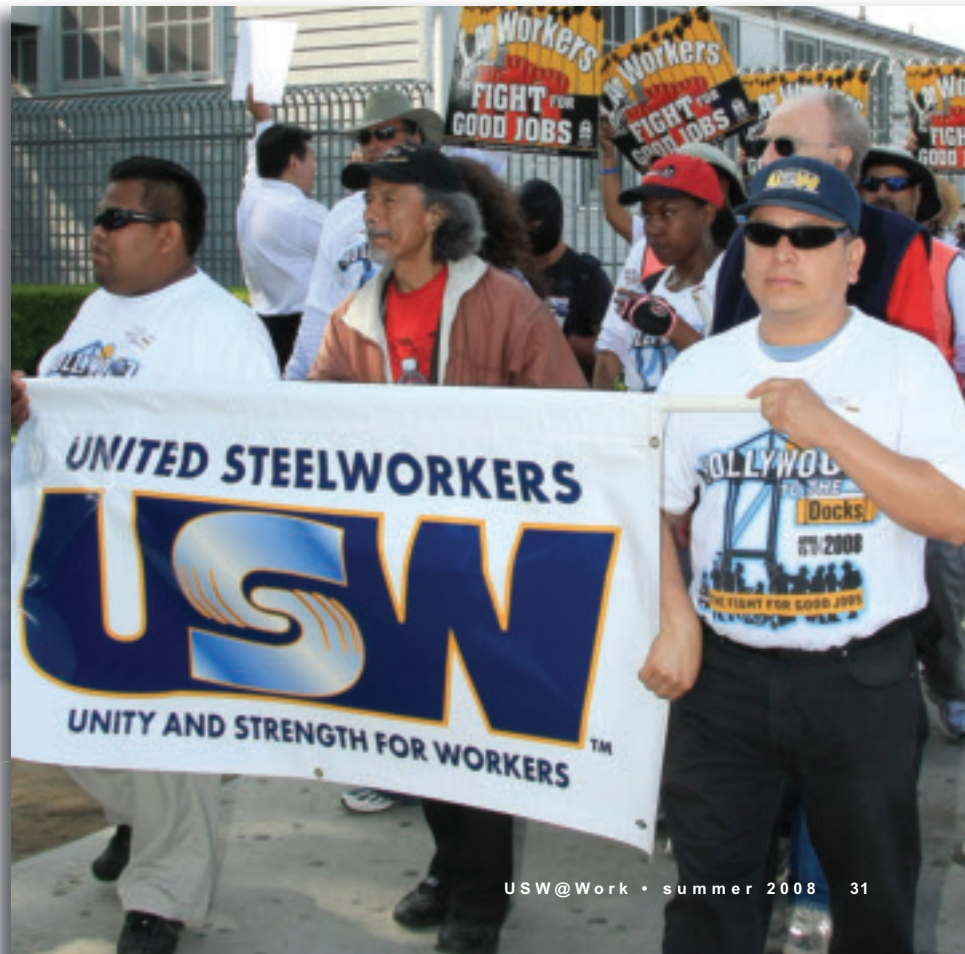
Right now in Los Angeles, some car wash owners are accumulating large profits by cheating workers out of wages and benefits and polluting the environment.

But with profit margins averaging 29 percent, organizers believe car wash owners can provide decent jobs, help make communities more environmentally friendly and be profitable.

“I’m organizing with my co-workers because I’m tired of the injustice, the disrespect. I’m tired of the working conditions,” said car wash worker Bosebely Reyna.

“We work really hard but it’s never enough for the boss. They yell at us to work faster and tell us we’re no good. They never thank us for doing a good job.”

USW Local 675 organizer Mario Giron (right) and car wash workers march with hundreds of other union workers from Hollywood in Los Angeles to the ship docks of San Pedro, California. The three-day march, billed as a “Fight for Good Jobs” by the Los Angeles labor federation, ended with a spirited rally attended by 6,000 union supporters.



Fallen Steelworker Re

Moments before a massive metal roll used to flatten stainless steel pinned and killed steelworker Michael Carney, he shouted a warning and pushed a co-worker out of harm's way.

Carney, who was 50 when he died at the Allegheny Ludlum Steel plant in Vandergrift, Pa. on Aug. 24, 2004, is being honored posthumously for his selfless act in saving fellow worker John Ressani.

The Pittsburgh-based Carnegie Hero Fund Commission announced April 10 that Carney is among 22 people nationwide who have been chosen by the fund to receive a medal for their heroism. He was nominated for the award by the USW.



Workers changing rolls

The accident happened as a three-man crew including Carney, another technician and Ressani, a trainee, were changing the two stacked rolls of a temper mill at the Vandergrift Works to accommodate changing product requirements.

The workers were rigging the top roll to an overhead crane for repositioning when the crane unexpectedly began to move, the commission said in a summary of the accident.

As the crane moved the 14-ton roll toward Ressani by its secured end, Carney shouted a warning to him and then approached and pushed him hard from the roll's path.

Carney then turned, but before he could reach safety, an unsecured end of the huge roll dropped, pinning him to the floor.

"I heard Mike holler, 'Look Out!' He must have seen the chains (connected to the roll) moving," Ressani said after the award was announced.

Ressani, who retired from the mill about a year ago, said he was pleased that Carney is being recognized for the bravery

Photo by Eric Felack/Valley News Dispatch

WELCOME TO
ALLEGHENY LUDLUM STEEL
VANDERGRIFT

**NOTHING YOU DO HERE IS WORTH
GETTING INJURED**

cognized as HERO

he had shown that morning four years ago.

“He was the kind of guy who would have felt responsible for me since he was training me,” said Ressani, of Vandergrift. “He was more worried about me than about himself.

“He could have just run the other way.”

Ressani believes he would have been crushed had Carney not acted so quickly. Instead, Ressani was pinned against a nearby control panel. Bruised and sore, he was treated at a hospital, and he recovered. Carney died at the scene.

“I thought that was it for me,” Ressani said.

Equipment examined

The overhead crane and related equipment including a remote control device were examined after the accident by a team of investigators including the USW, said USW Health, Safety and Environment staff member Steve Sallman.

A small internal screw in the box had worked its way free, adhering to the sticky backing of a Mylar/Velcro strip placed over the micro switches that operate the crane. The screw was located against an internal component of the switch that controls the eastward traverse of the crane.

The controls did not respond once the crane began to travel east, according to information compiled from employee interviews. An operator stopped the crane by deactivating the control box.

After the accident, the USW contacted local unions and companies and published a hazard alert warning of similar remote control

boxes. Loose screws were found in several and many were taken out of service. A lawsuit is pending against the manufacturer.



DEATH on the JOB

Safety Laws and Penalties Too Weak to Protect Workers

The nation's workplace safety laws and penalties are too weak to effectively protect workers, according to an annual report from the AFL-CIO: *Death on the Job: The Toll of Neglect*.

This year's report found there were 5,840 fatal workplace injuries in 2006, the most recent year for which data is available. There were significant increases in fatalities among Latino and foreign-born workers over the previous year.

On average, 16 workers were killed and another 11,200 workers were injured or made ill each day in 2006. These statistics do not include deaths from occupational diseases, which claim the lives of an estimated 50,000 to 60,000 more workers each year.

The report examined job safety enforcement in cases of worker deaths, finding that the average national total penalty in fatality investigations was just \$10,133.

“\$10,000 for a worker's life is an outrage!” said AFL-CIO President John Sweeney. “It's clear that the workplace safety net has more holes than fabric, and it is costing too many American workers their lives.”

Saying our nation's workplaces have gotten more dangerous under President Bush, Sweeney urged Congress and the next president to strengthen the act governing the Occupational Safety and Health Administration with tougher civil and criminal penalties. He also called for increasing OSHA's funding, addressing the risks Hispanic and immigrant workers face and fully implementing the provisions of the Mine Improvement and New Emergency Response Act of 2006, also known as the MINER Act.

The report was released to coincide with the 20th Workers Memorial Day, April 28, which annually commemorates workers who were killed or injured in the past year.

As part of the day of remembrance, community and union members from around the world participated in hundreds of events remembering local workers and drawing attention to the problem of unaddressed workplace hazards.

Bankruptcy Decisi

USW Warns of Grupo Mexico Regaining

USW members at the ASARCO mines and smelters in the United States know first hand what it's like to work for Grupo Mexico, a Mexico City-based conglomerate that owns industrial operations throughout the Western Hemisphere.

For the six years that Grupo Mexico controlled ASARCO beginning in 1999 through 2005, labor relations were marked by almost constant strife.

In the coming weeks, ASARCO will be working to exit the bankruptcy court protection that it sought in 2005. And Grupo Mexico, pushed aside during the bankruptcy process, is seeking to regain control of ASARCO by sponsoring its own plan to reorganize the business.

Terry Bonds, director of USW District 12, said, "The public needs to know that, based on Grupo Mexico's record, it's clear that their resumption of control of ASARCO would be detrimental to the interests of U.S. workers and communities and the nation's taxpayers."

When ASARCO was controlled by Grupo Mexico, the company unilaterally cut health care benefits for hundreds of retirees, imposing changes which caused substantial hardship for many hard-working people who had given the company long and loyal service.

ASARCO also halted disability benefits for over 100 current and former employees, threatening their eligibility for continued health care benefits.

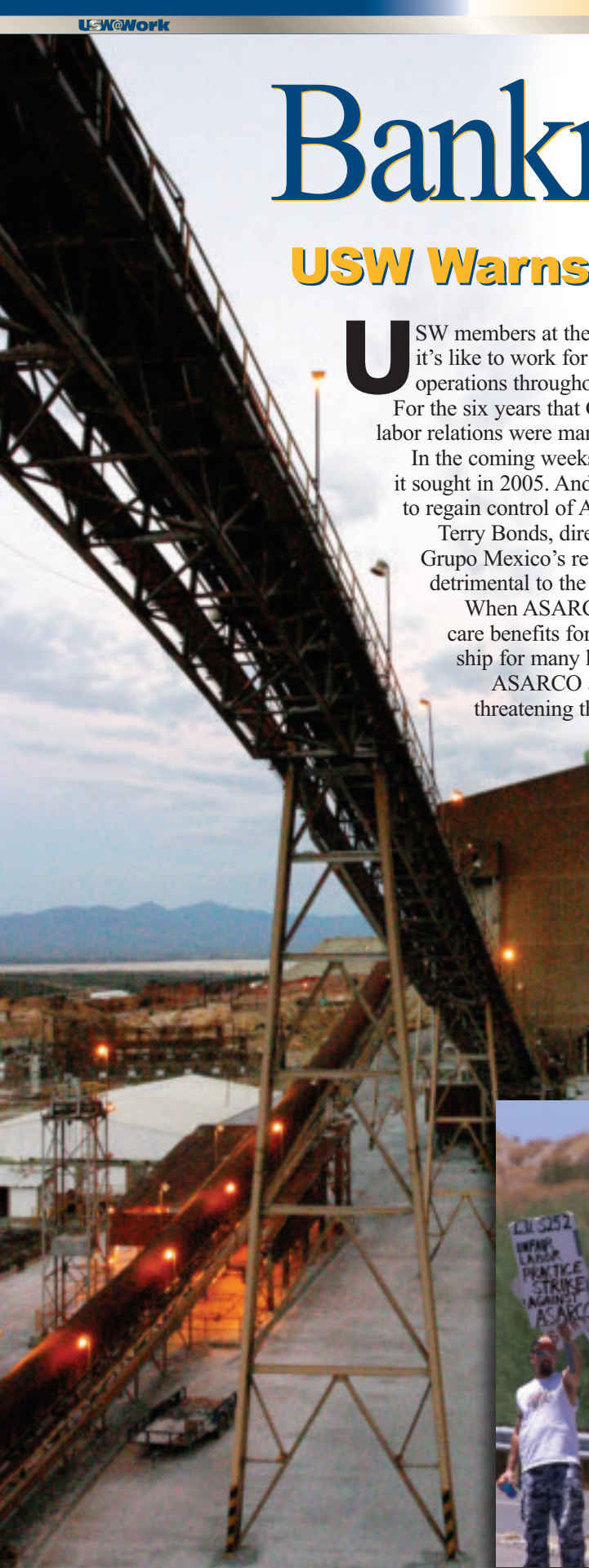
In addition, Grupo Mexico stripped ASARCO of its most valuable assets in order to favor other Grupo Mexico mines in other countries and starved ASARCO of the cash needed to maintain equipment, like haul trucks, that were essential to continued operations.

Unfair labor practice strike

Given this type of behavior, it was no surprise when the company in 2004 demanded harsh cuts to wages and benefits in contract negotiations, in spite of rising copper prices.

During negotiations, supervisors at ASARCO repeatedly threatened union-represented workers for exercising their legal rights and failed to provide the union with information necessary to bargain.

Close to 1,500 USW members began a strike in July 2005 at all of ASARCO's operations in Arizona and Texas, and the National Labor



on Looming

Control of ASARCO

Relations Board (NLRB) filed a formal administrative complaint against the company declaring that the strike was an unfair labor practice strike.

Grupo Mexico caused ASARCO to file a Chapter 11 bankruptcy petition in August 2005. Shortly after the bankruptcy filing, Grupo Mexico was pushed aside, and through the intervention of independent parties in the bankruptcy case, ASARCO and the USW settled the strike in November 2005. All members returned to work under a one-year extension of the prior agreements.

The company's relationship with its employees improved dramatically once Grupo Mexico was out of the picture.

In January 2007, ASARCO and the USW negotiated a new long-term labor agreement that provided ASARCO with productivity gains and greater operating flexibility and gave our members and retirees real economic improvements and enhanced job security. The agreement was groundbreaking in the copper industry.

Labor agreement supported

The labor agreement was supported by nearly all constituencies in the bankruptcy case, with Grupo Mexico being the sole objector. The bankruptcy court approved the agreement and USW members have been enjoying the benefits ever since.

Now that Grupo Mexico is seeking to regain control of ASARCO, the USW has released a report and created a web page to educate the public about Grupo Mexico and the potential impact on workers and their communities in the United States if Grupo Mexico succeeds.

Grupo Mexico's record speaks for itself and it's a record that workers employed by the company know all too well. Grupo Mexico led ASARCO to near ruin. After all our members have gained in the past three years, the USW fears that Grupo Mexico would do the same again if it were to regain control. It's time the rest of the world knows as well.

For more information visit: www.therecordspeaksforitself.com

Grupo Mexico No Better at Home

Grupo Mexico doesn't treat its employees at home any better than they do those in the United States. In fact, with far weaker legal protection, employees in Mexico fare even worse.

Grupo's deplorable treatment of workers in Mexico has been widely publicized, including the explosion at the Pasta de Conchos mine in the Coahuila state of Mexico, the use of the Mexican army to try to break a strike in Cananea, and the relentless efforts to break the independent union, the National Miners' and Metalworkers' Union of Mexico (SNTMMSRM).

Grupo Mexico's close relationship with the Mexican government gives it wide berth in enforcing its will at home. According to "An Injury to One," a report prepared by the International Metalworkers' Federation, "Grupo Mexico enjoys the full use of the national army and federal police to break strikes... and arrest union leaders fighting for safer working conditions in Grupo Mexico owned mines."



Building Jobs and Clean Air

New Coke-making Facility Under Construction

Jobs and cleaner air are the joint result of a landmark pollution control agreement for a \$570 million project to construct new coke and cogeneration plants for U.S. Steel Corp.'s Granite City Works in Illinois.

"It's all positive," said Russ Saltgaver, president of Local 1899, the largest of the USW locals at the Granite City Works.

The settlement tightens air pollution control permits and provides a \$5 million environmental fund for local projects to reduce air pollution and global warming greenhouse gases.

In addition to U.S. Steel and a subsidiary of Sunoco Inc., parties to the environmental settlement included the Sierra Club and the American Bottom Conservancy, a local grass-roots environmental organization.

The USW, which has partnered with the Sierra Club in a national Blue Green Alliance, worked with both environmental organizations on the local level to advance the project. Ground was broken on May 5.

"Everybody is happy," Saltgaver said. "We're able to put in new coke-making technology to make U.S. Steel efficient and not have to depend on China or some other foreign entity for their coke supply."

Alison Horton, Sierra Club representative to the Blue Green Alliance, said the agreement is good for the city, helps the environment and is good for workers.

"It's win win win," she said.

Metallurgical coke

Gateway Energy and Coke Co., a wholly-owned unit of Sunoco's SunCoke Energy Inc., will build a heat recovery coke manufacturing facility contiguous to Granite City and will supply U.S. Steel with metallurgical-grade coke and steam.

The new facility will include 120 ovens capable of producing approximately 650,000 tons of screened blast furnace coke annually that will be sold to U.S. Steel under a 15-year contract. Steam from the facility will be used in a new cogeneration plant to be built and operated by U.S. Steel.

Construction is expected to take about 18 months. Sunoco said it will result in hundreds of temporary construction jobs and about 70 permanent operating and maintenance jobs.

Once the SunCoke facility is constructed, Saltgaver said his local will work to organize the new employees. The union has a relationship with SunCoke at other facilities.

"We would be more than happy to go in there and get card check recognition, if not we'll organize an election under the

National Labor Relations Board," he said.

Saltgaver and the environmental groups called the agreement a "landmark" settlement and said it resulted in what appears to be the first permit in the country to regulate fine particulates, known as PM 2.5.

Granite City has historically recorded high readings of PM 2.5, a pollutant that can cause heart and lung disease and premature death. Those levels contribute to the entire St. Louis region failing to meet federal air quality standards for fine particulates.



"It's all positive."

Russ Saltgaver
Local 1899 president



Dignitaries break ground for the construction of a heat recovery coke plant and a cogeneration plant to serve the U.S. Steel Granite City Works. From left, Illinois State Rep. Jay Hoffman, Granite City Mayor Ed Hagnauer, U.S. Steel COO John Goodish, Illinois Gov. Rod Blagojevich, SunCoke COO Mike Thomson and Sharon Owen, general manager of the Granite City Works.

(AP/Bellefonte News-Democrat photo by Derik Holtmann)

Jobs and clean air

The Washington University Interdisciplinary Environmental Clinic assisted the effort by preparing comments on the permits and participating in the negotiations.

The clinic's director, Maxine Lipeles, said the agreement ends an 11-year period when federal and state agencies have virtually ignored fine particulate matter in issuing permits.

Sierra Club representative Bob Larson called the agreement "quite an achievement" and said the tighter permits and fund for pollution control projects should help clean the air.

"Granite City has long been known for its air pollution. We have many children here with asthma," added Mark Feldworth, a Granite City resident and member of American Bottom Conservancy's board.

"We certainly want to keep jobs here, but it is important that we also have cleaner air for our families. We are hoping this agreement will do both."