

A Slap in the Face

Pipe Made in India Infuriates Unemployed Steelworkers

Congress Asked to Tighten Trade Laws, Support U.S. Jobs

With the big mill in Granite City, Ill. idle for the first time in 130 years, it was startling for unemployed steelworkers to discover flat-bed train cars pulling into town loaded with miles of steel pipe made in India.

“Just it being in our country in these trying times is an insult to me, my membership, our community and America in general,” said outgoing USW Local 1899 President Russ Saltgaver, whose local represents some 2,000 workers laid off from U.S. Steel’s sprawling Granite City Works.

The pipe, each section stenciled with the phrase “Made in India,” will become part of a new pipeline under construction to carry tar sands crude oil from Canada to refineries in the U.S. Midwest.

The presence of imported pipe in the shadow of an

idled American mill has caused an outcry among workers and sparked calls for Congress to tighten trade rules and for more companies to Buy American and support U.S. jobs.

Trade laws fail workers

It’s another example of how inadequate or unenforced trade laws are failing American workers and have led to a dangerous decline in the capacity of manufacturing industries in the United States.

“I think it is an outrage and a manifestation of what’s been happening to manufacturing in America for a number of years now,” said USW Sub-District 2 Director Dave Dowling.

“As a matter of public policy, we’ve allowed our manufacturing base to slowly disappear. It’s a trend that must be stopped.”

The USW has stepped up the filing of trade actions against China and other countries that are

illegally subsidizing steel exports and dumping steel in this country at below fair market prices.

The union and its activist members are also pushing for domestic policies to restore America’s manufacturing capacity and the family-supporting jobs that manufacturing has historically provided.

Around the country, USW members are asking state and local governments to use federal stimulus money whenever possible to Buy American and support domestic jobs.

Politicians show support

In Granite City, politicians of both parties expressed their support. U.S. Rep. Jerry Costello (D-Ill.) called for fair trade policies that create good-paying jobs in the United States.

“At a time when thousands of local steelworkers are laid off, shipping steel from India for a project in our area is unacceptable and outrageous,” Costello said. “We can and should make that steel in the U.S.”

Now in its second year of construction, the Keystone Pipeline, a \$5.2 billion joint venture between ConocoPhillips and TransCanada, an energy producer and transmission company, will run 2,148 miles and move Canadian tar sands crude oil from Alberta to markets in the U.S. Midwest.

In Illinois, the oil will be processed at the Conoco Phillips refinery located about 12 miles away from the Granite City Works. The refinery has undergone a major upgrade to process the Canadian crude.

The irony of imported pipe stacked in the shadows of a once productive American plant that has been closed for lack of orders is hard to take for workers who have been laid off by the thousands.

“I’m sure everyone can understand the emotional impact for me, watching this within sight of our idled mill,” said Doug May, a USW member and crane operator who has worked at the Granite City plant for 35 years. “I felt like someone punched me in the gut.”

May and Dennis Barker, Local 1899’s Rapid Response and PAC chairman both got close enough to the train cars to

photograph “Made in India” and other markings linking the pipe to the Keystone project.

Retiree sounded alert

Jeff Rains, a Granite City retiree and activist with the Steelworker Organization of Active Retirees (SOAR), made the discovery while walking from his home to the union hall.

He was delayed at a rail crossing by a pipe-laden train as it was switching back and forth into the River’s Edge, a former Army depot that has been designated a U.S. foreign trade zone.

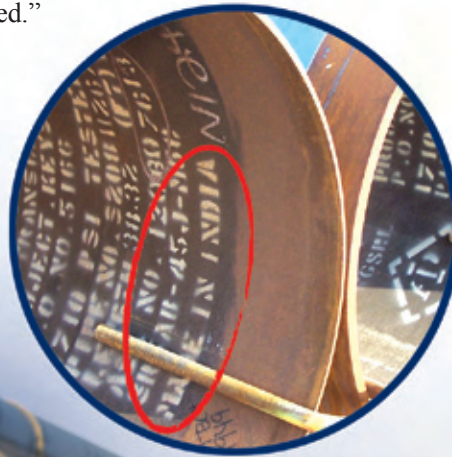
“It was a huge train and I got curious,” Rains said. “I started looking for a port of origin, but there was nothing. Then I walked up to the cars and saw the stencil ‘Made in India.’”

Rains, who worked for most of his adult life at the Granite City Works, said he was “very, very angry” over the foreign-sourced pipe and the loss of work it potentially represents.

“I worked over 30 years at that plant. My older brother had 40 years and my younger brother is a current employee, now laid off. So, it’s a vital part of my family,” he said.

The jobs issue has strong local support. Some 1,000 people attended an April rally staged by Local 1899 to draw

attention to the foreign-made product. In February, before Rains discovered the pipe, 5,000 people marched through Granite City to support a strong Buy American clause in the federal stimulus package.



“Just (this pipe) being in our country in these trying times is an insult to me, my membership, our community and America in general.”

Photo by Dilip Vishwanat



Photo by Gary Gaines

Shrinking manufacturing

The shrinking of American manufacturing capacity apparently played a role in the pipe procurement process. TransCanada claims the American and Canadian industries could not meet all of its requirements in 2006 when 560,000 tons of large-diameter pipe were ordered.

While some of the pipe came from Canadian and U.S. producers, the biggest order went to a giant Indian company, the Welspun Group, whose business interests range from home textiles to pipe manufacture and oil and gas exploration.

Jim Prescott, a pipeline spokesman, contends U.S. firms could not meet all project criteria including price, quantity, quality and delivery dates tied to construction schedules.

"When the bids went out, it was clear that steel manufacturers in the United States were maxed out," Prescott told inquiring reporters.

If trade laws had been fair over the years to U.S. producers, the domestic industry might have retained the production capacity needed to timely fill this type of large order.

"We've been losing manufacturing capacity at an alarming rate and we need to stop that. We need to restore manufacturing to the United States," Rains said.

Photo by Dennis Barker

USW Challenges Pipeline Permit Safety Reasons Cited

The USW is challenging the pending federal permit for a controversial \$5.4 billion pipeline to transport crude oil from Alberta, Canada, to Houston, Texas.

International Vice President Tom Conway on April 6 filed a formal complaint with the U.S. Department of Transportation urging that a special permit requested by TransCanada, the pipeline company, be denied.

Conway said the pipeline, under construction to carry crude oil from Alberta, Canada, to U.S. refiners, is using a 36-inch thin-wall pipe at higher maximum operation pressure than is safely permitted under existing regulations.

"Our members work hard to produce quality steel and large diameter crude oil transmission pipe right here in the U.S. that meets all safety requirements," Conway said.

USW-represented steel and pipe production workers "do not want to be

denied the opportunity to provide that quality pipe based on a waiver of a fundamental safety regulation promulgated under the normal rule-making procedures," he added.

Pipe imported from India made news April 7 when some 1,000 steelworkers on layoff from U.S. Steel's Granite City mill joined a demonstration over its use in a separate TransCanada pipeline with a terminus to the Conoco-Phillips refinery in Wood River, Ill.

When their mill is operating, Granite City steelworkers produce flat-roll products that can be used by domestic pipe makers.

In the DOT submission, the union wrote it was in agreement with the serious safety concerns filed earlier by the Sierra Club on the pipeline's permit application.

"Non-compliance would increase the risk of ruptures, leaks and spills and lessen pipeline safety by the use

of thinner pipe and greater operating pressure," the complaint said.

Rupture risk

Hazardous material pipelines historically have a much greater risk of rupturing because of overpressure that occurs in surge events.

The pipeline company proposes to move tar sands bitumen, which differs from typical crude oil in its chemistry and mineral components.

The company does not address what internal corrosion may occur from the higher mineral content existing in tar sand bitumen, the union noted.

"Allowing operation at a greater percentage of maximum operating pressure means allowing construction with thinner pipe, which will have less ability to withstand corrosion over time," Conway said.

Put People First

Global Union Calls on World Leaders to Protect Workers

Put people first in rebuilding the world's economies. That's the challenge the global union Workers Uniting presented to world leaders attending the G-20 financial summit in London.

Workers Uniting, the international union created last summer by the USW and Unite the Union, the biggest union in Britain and Ireland, called on G-20 leaders to protect working people as the current financial crisis jeopardizes millions of jobs and livelihoods.

Formally known as the Group of Twenty Finance Ministers and Central Bank Governors, the G-20 represents 19 of the world's largest national economies plus the European Union. Its members have about two-thirds of the world's population and 85 percent of its economic output.

"Workers across the world are calling for an end to the unregulated markets, and a new approach is needed," said Unite Joint General Secretary Tony Woodley. "We now have a unique opportunity to lift people out of poverty and create good quality jobs."

While in London for a meeting of the Workers Uniting Steering Committee, International President Leo W. Gerard and other USW leaders joined an estimated 35,000 protestors who marched through the city demanding action on jobs, poverty and climate change.

Support manufacturing

The new global union called for government support for the manufacturing sector, particularly auto companies and their suppliers. It also set out strategies to address the consequences of mismanagement in the financial sector.

"Governments around the world must step forward to provide meaningful economic stimulus to mitigate the impact of what is rapidly becoming a devastating worldwide recession," Gerard said.

"They must also begin to re-establish their role in regulating economic activity in a manner that ensures that the interests of working people are properly addressed," he added.

The crisis in financial markets, which began in the United States and the United Kingdom in 2007, has spread to much of the rest of the world.

Millions of jobs are expected to be lost as the recession, the worst in generations, drags on, jeopardizing the futures of working families everywhere. In fact, the International Monetary Fund expects economic growth in the developed world to decline this year for the first time ever since World War II.

In a position paper, Workers Uniting

blamed the current crisis on "30 years of ideologically driven unsustainable free market policies" that have eroded standards of living and workers' rights around the world.

"While globalization, free trade agreements, attacks on unions and workers have been pushed in the name of a flexible and competitive economy, these policies have resulted in growing inequality, poverty, insecurity and environmental problems," the report said.

Not enough done

National governments have not done enough to support workers through this period of recession, said Unite Joint General Secretary Derek Simpson.

"We need fundamental change to ensure we put people first. There can only be one solution to this downturn and that is through worker prosperity and the creation of supportive jobs," he said.

Workers Uniting is committed to an international campaign to rebuild our economies so they create decent jobs and public services, eradicate global poverty and inequity and build a green economy.

International President Leo W. Gerard, Unite's Derek Simpson and Tony Woodley, Secretary-Treasurer Stan Johnson, Vice President Fred Redmond, National Director for Canada Ken Neumann and Jerry Fernandez.