Mobilize Like Your Life Depended On It

More than 75 percent of the oil units ratified our NOBP policy. That makes it our union’s official bargaining proposal. The ratification also gives me the authority to call for a strike over national issues, if it becomes necessary to carry out the policy.

International Vice President Tom Conway and District 13 staff representative Jim Lefton will join me at the national bargaining table to negotiate the national pattern on wages, benefits, and working conditions with the lead company, Shell Oil. We cannot get a decent package if the membership is not firmly behind us.

Our power at the bargaining table depends on our unity. If you and your coworkers do not participate in your local’s mobilization activities, it sends the message that you are willing to accept whatever management will give.

We must mobilize if we are to fix the fatigue standard so that it actually works; take back from the contractors work that we used to do; win a decent wage increase; obtain a reduction in our contribution toward health care costs; make the costs of representation fairer; and, not regress on previous contract terms and conditions.

During the past several months oil units and locals around the country have been preparing mobilization plans, handing out leaflets on bargaining and engaging in strike preparation sessions. I am pleased that some 300 members participated in the USW Strategic Campaign Department’s mobilization and strike preparation sessions. That number alone shows that we are serious about improving our livelihood and working conditions.

Now it’s up to these participants to get the rest of the membership involved in upcoming solidarity mobilizations such as handbill and sticker distributions, car sign actions and plant gate rallies.

To energize our membership, use your Communication and Action Teams (CATs) to pass out the literature, stickers and placards that need to get out. The CATs also are ideal for one-on-one communication, always essential to building support for the union.

A perfect example of the power of one-on-one communication was Local 13-2001’s fight for a fair contract at ExxonMobil’s Baytown, Texas, complex in 2013. One way the local successfully fought back against the company’s concessionary demands and a decertification campaign was to organize a team of members to go into ExxonMobil’s refinery and petrochemical plant to talk with workers about negotiations, why their independent union affiliated with the USW, and how they obtained the benefits they had. The result was a more informed and united membership and the rejection of the attempt to decertify.

Communication is essential to building solidarity. To that end, we developed four ways you can keep abreast of National Oil Bargaining talks: the oil website, Facebook, Twitter and text messaging. Look at how to get connected within this newsletter. We also included in this newsletter an article about how the National Oil Bargaining process works.

One of the messages at Christmas is that we are all one. In this round of bargaining, let us join together and fight for a better future for our families and communities.

May peace be with you and your family this holiday season. Merry Christmas and Happy New Year!

Gary Beever
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Chair, National Oil Bargaining Program
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Will Keystone XL Become a Reality?

The Keystone XL project has drawn its share of controversy. On one side there are the proponents who say that thousands of jobs will be created by building the pipeline and that much needed crude oil will be transported to Gulf Coast refineries. On the other side are environmental activists and those concerned about the pipeline’s route through one of the country’s largest water aquifers.

Our union has never publicly supported or opposed the pipeline. It has only said that it would be a disservice to the U.S. manufacturing economy if one of the largest infrastructure projects in recent U.S. history does not use domestically-sourced material that is preferably union-made.

Apprently, the pipe has been purchased, but it has been sitting for four years and is being used for other purposes. Wellspun in Arkansas, a non-union outfit, rolled and coated two-thirds of the pipe. The company produced the other third in India and coated it in the U.S.

Changes in Oil Production

Life in the oil patch has changed drastically since pipeline giant TransCanada Corp. requested approval six years ago to build the 1,179-mile Keystone XL pipeline. Oil shale production has grown profitable and millions of gallons of light, sweet crude oil have been pumped out of the ground, making the US the number one oil producer in the world. This large increase in supply drastically lowered the cost of a barrel of light, sweet crude and put pressure on world crude oil prices, even though there is currently a U.S. ban on the export of American crude oil.

For refiners who use light, sweet crude this increased supply has been a bonanza. No longer do they have to rely solely on high-priced crude supplies from overseas. The problem now is transporting the crude oil from the oil shale fields to the refineries.

When the price of a barrel of crude oil was high, many Gulf Coast refiners spent millions of dollars retrofitting their refineries to handle heavy, sour crude. Now that U.S. light, sweet crude oil is in abundance, some refiners are retrofitting their facilities to handle this cheap oil. Adjustments to handle the lighter crude are sufficiently inexpensive, so it is possible these changes could be made under the radar. Reportedly, it is a lot cheaper to go from heavy, sour crude oil to light, sweet crude than vice-versa.

Canadian Crude Exported?

President Barack Obama has argued that the pipeline will be used for transporting Canadian crude oil to global customers and not to U.S. refiners. TransCanada Corp. has said that the Canadian oil will only be supplied to Gulf Coast refiners to wean them away from supplies of heavy, sour crude from Saudi Arabia and Venezuela.

Reuters explored this issue by interviewing oil experts who said the truth was somewhere in the middle of these opposing viewpoints.

With the changes in oil production sited above, the light and sweet American shale crude is already displacing heavy and sour crude, according to data, Reuters said.

One Boston analyst said that some of the Canadian crude will be exported and some will go to Gulf Coast refineries. Other experts said that big Canadian producers who may have assumed in the past that they would sell to U.S. refiners might end up looking abroad to get the best price, Reuters reported.

“Ultimately, it is committed Keystone XL customers such as Suncor Energy and Canadian Natural Resources who will decide how and where to sell their crude, not TransCanada itself,” the news wire service reported.

Another analyst interviewed, Michael Wojciechowski from Wood Mackenzie, said there was still much demand for heavy crudes along the Gulf Coast and that he could not see a crude oil marketing group using the pipeline to bypass this area—where there is the “world’s largest concentration of heavy coking capacity”—in favor of shipping it elsewhere “for an additional $4 to $5.”

However, Reuters reported that one TransCanada rival, Enbridge Inc., was the first to re-export Canadian crude via the Gulf Coast this year when it shipped the oil through the reversed Seaway pipeline from Oklahoma to Freeport, Texas. It sold two cargoes to European refiners, and these shipments could increase when Seaway’s capacity is doubled this month.

Nonetheless, with the Republicans controlling the House and the Senate in January 2015, they have made it clear that passage of Keystone XL is one of their top priorities.

Oil Workers
National Oil
Bargaining T-Shirts
Still Available

T-shirts are $20.00 each. To obtain one or more shirts, send an email with the size(s) needed, quantity and a shipping address to:
Julie Lidstone, USW Administrative Assistant, www.jlidstone@usw.org.
The National Oil Bargaining Program (NOBP) passed its first test of solidarity when the oil units approved the NOBP policy in mid-December. Now the countdown to the January 31, 2015 expiration date of the national pattern agreement begins with mobilization activities across the country.

The NOBP policy is the union’s bargaining proposal for national talks on wages, benefits, and working conditions. USW International Vice Presidents Gary Beevers and Tom Conway, with assistance from USW District 13 Staff Representative Jim Lefton, will present the policy to the lead oil company in mid-January when bargaining begins for a new national contract pattern.

The 300 delegates to the NOBP conference in Pittsburgh this past October developed the proposals in their company councils and forwarded them to the elected, five-member NOBP Policy Committee, which reviewed the proposals and developed the policy with Beevers and Conway.

The delegates voted on the final proposal and it went to the membership for ratification. By ratifying the policy, the membership also gives Beevers authority to call for a strike, if necessary, to effectuate the policy.

Besides a three-year term, the proposal also addressed wages, fatigue and staffing issues, contracting out, union membership, health care, and no retrogression in previous terms and conditions.

USW members who were not able to attend the informational sessions their unit provided on the proposal should contact their local union leaders for a copy.

Getting Our Fair Share

“There are a lot of us who think the oil companies make too much money.” said USW International President Leo W. Gerard to delegates at the NOBP conference. “I don’t mind them making money, just so our people can get a chunk of it. But we won’t get our fair share unless we mobilize.”

In the last NOBP round of negotiations, the USW convinced the industry to discuss with its locals the implementation of American Petroleum Institute Recommended Practice 755 on fatigue. The end result was a lack of consistency on fatigue standards, inferior versions and manipulation of the standard to deny workers earned overtime. Also, staffing levels remained too low to improve safety.

Conway provided the NOBP conference delegates with the context to the contracting out problem. He said that over the years as full-time USW-represented workers retired, the oil companies did not replace them. Instead, they used contractors to do the work. Some refineries have hundreds of contractors who do our work.

“The next round of oil bargaining is about keeping our jobs for the next generation,” Gerard said. “We need to fight to protect them. We need to fight to get the contractors out of our plants.”

Close the Ranks

The USW also wants workers at USW-represented plants to either join the union or pay their fair share. It costs a lot of money to negotiate contracts, wage unfair trade cases to protect our jobs, and handle grievance matters and arbitration issues in discipline and discharge cases.

Increasing Health Care Costs

“Too many of our members are paying more and more money out of their pocket for health care.” Beevers said to the NOBP conference delegates.

Oil workers are paying more for health insurance deductibles and their share of the premiums. This is eating away their wages and savings.

Mobilize for Power

“Brothers and sisters, this is going to be a tough round of bargaining. We have to fight.” Beevers said at the NOBP conference. “Without serious mobilization, those of us at the table won’t have the power behind us to demand a fair wage and decent benefits.”

Gerard urged the delegates to take the oil policy and educate, mobilize and engage the membership.

“If we don’t do that we will fail,” he said.

Oil locals and units around the country are gearing up their mobilization activities for national and local bargaining. They will be distributing literature to educate newer members on the bargaining process and what is at stake. Members will be wearing stickers and hanging placards in their car windshields to show their solidarity.

Locals are making plans for plant gate rallies and other mobilizations to demonstrate support for our positions at the bargaining table.

Oil workers know that failure is not an option. We are prepared to do whatever it takes to get a fair pattern agreement and equitable local agreements that help our families, communities and employers thrive in an ever-changing oil industry.
The National Oil Bargaining Program (NOBP) begins at the National Oil Bargaining conference that is held several months prior to the January 31 contract expiration date. The current national pattern on wages, benefits and working conditions such as health and safety expires Jan. 31, 2015.

At the conference delegates from local unions that participate in the NOBP meet in the union’s company councils to formulate proposals for the national pattern. These proposals are given to the elected, rank-and-file National Oil Bargaining Policy Committee and the international vice president of oil bargaining, Gary Beevers. The five committee members and Beevers review these proposals and from them compile a proposed National Oil Bargaining policy. This year International Vice President Tom Conway is assisting Beevers with national negotiations.

On the last day of the conference the local union delegates vote on the proposed policy and if they approve it, local unions in NOBP have 45 days to have meetings to explain the policy and take a vote. The policy has to be ratified by 75 percent of the voters.

Bargaining takes place on two levels simultaneously: national and local. At the national level, general items affecting all locals are discussed, such as wages, benefits and working conditions (health and safety, contracting out, etc.). Local union negotiations bargain over issues affecting their particular location, such as job bidding, local health and safety issues, short-term and long-term disability, hours of work, grievance and arbitration procedures, vacancy filling and funeral leave.

National bargaining begins in mid-January with the designated lead oil company. The union determines the lead company using a number of factors, including the company’s reputation within the industry. A lead company is chosen because the oil companies cannot bargain together because of anti-trust concerns. In this round of national bargaining, Shell Oil Company is the lead company.

Beevers, Conway and District 13 Staff Representative Jim Lefton will represent the union at the national table for this round of bargaining.

When bargaining concludes, the union negotiators submit the proposal to the elected, rank-and-file oil policy committee, which determines whether or not the proposal is satisfactory.

The policy committee members, Beevers and International President Leo W. Gerard each have a vote on the proposal. If the proposal is deemed satisfactory, Beevers tells the lead company that a tentative agreement has been reached. Then the company puts the tentative agreement on one of its local union bargaining tables.

Once the tentative agreement is on the company’s local union bargaining table, Beevers has to approve it for content to ensure that what was agreed upon at the national table is in the agreement. After Beevers approves the agreement it becomes the minimum pattern that the oil industry must meet in order to be in compliance with the NOBP.

This minimum pattern agreement on wages, benefits and working conditions is presented at each company’s local union bargaining tables. The local union agreements must contain this pattern in order for Beevers to approve them.

When every local contract contains the same pattern, the oil companies cannot divide and conquer the local unions. This pattern bargaining is beneficial for companies, too, because it places all of them on a level playing field in terms of labor costs and saves them money from bargaining wages, benefits and working conditions on a contract-by-contract basis.

Proposal Rejected

If the oil policy committee rejects the designated lead company’s final proposal, Beevers and the other union negotiators return to the national bargaining table in an attempt to work out the differences. If this is unsuccessful, Beevers is authorized by the membership’s earlier affirmative vote on the oil policy to call a strike if necessary to effectuate the program.

The next round of National Oil Bargaining is just around the corner. Get connected with USW Oil Workers online.

Facebook: USW Oil Workers
Twitter: @USWOilWorkers and #OilBargaining
Web: www.oilbargaining.org
Text: Sign up to get text message updates on your cell phone by texting ‘OIL’ to 47486.

By submitting your phone number you agree to receive mobile alerts from the United Steelworkers and you are responsible for any mobile message or data charges. You may receive up to 5 messages per month and daily messages in the month of January 2015. To opt out text STOP to 47486. For help text HELP to 47486.