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From the Vice President's Desk

Expect Tough Bargaining Ahead for 2015 National Oil Bargaining Pattern Agreement

This is going to be the most difficult round of National Oil Bargaining (NOB) that we have faced in years.

We're experiencing a perfect storm of events: crude oil prices keep falling and are expected to briefly rise and then fall again; gasoline prices are low; there is more competition for oil products, such as diesel, from new refineries coming online from Saudi Arabia, Russia and China; and there is the threat that Congress might lift the crude oil export ban and override President Obama's expected veto of the Keystone Pipeline.

Plus, the narrower WTI (West Texas Intermediate) and Brent crude oil spread means less competitive advantage for the US refiner.

The industry said that USW oil workers are the highest paid industrial workers in the U.S. and they would like to change that.

Of course, the industry fails to account for the large amount of overtime that generates a big chunk of workers' earnings or that many refineries operate short-staffed, necessitating the overtime. Plus, oil workers labor in a very dangerous environment, with much of it beyond their control, and are subjected to hazardous chemicals and other cancer-causing substances.

Oil Companies Aren't Broke

The major oil companies and independent refiners have done well these past three years. The integrated oil companies have started making less money since the price of oil began falling the past seven months, but they still are earning billions of dollars. Their refining operations have been earning them good profits and the same holds true for the independent refiners. Even with the lower cost of gasoline the refiners are earning profits because the cost of oil is low.

The point is that the majors and independent refiners are making profits. These profits are not as high as they would like, but they are profits nonetheless. Plus, the oil companies that do exploration and production work get subsidies from the federal government to encourage them to find more oil. Most companies in other industries would love to earn the profits the oil industry is making now and receive government assistance for research and development.

Workers Deserve Raises Too

According to the Economic Policy Institute, from 1978 to 2013, CEO pay at American firms rose a stunning 937 percent, compared with a mere 10.2 percent growth in

worker compensation over the same period, all adjusted for inflation.

Oil CEOs for BP, Chevron, ConocoPhillips, ExxonMobil, and Shell earned total compensation of \$95.8 million in 2012. That's great for them, but for them to say everybody who works for them is overpaid and does not deserve a raise is wrong. These CEOs may earn fewer millions in a less profitable year, but they still are earning millions. No one is begrudging them for that, but their employees also deserve to get raises for risking their lives every day in these facilities and for helping the oil companies make their profits.

It's ironic how the media make a big deal out of union workers wanting a decent raise and try to portray them as greedy, selfish and overpaid. Yet, when the CEOs and corporate executives receive big yearly increases in their compensation package, the media report it but do not repeatedly vilify them for it.

Solidarity is our Strength

This is not just a slogan on a sign. It's a truism. Solidarity is real power. When we all get together and act in concert we can really make progress on our goals. Solidarity gave us the eight-hour day. It led to

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passage of the National Labor Relations Act, Social Security, the Civil Rights Act of 1964, the Voting Rights Act (which the Republicans are trying to dismantle), the Occupational Safety and Health Administration in 1970, and many other positive achievements.

Solidarity gave us the National Oil Bargaining Program 50 years ago in 1965.

This is not the time to sit out this round of bargaining. Without every member's participation in mobilization activities and support, not much can be accomplished at the national and local bargaining tables. The power doesn't reside with your national and local bargainers. It resides with all of you. Negotiators at the bargaining table are only good as the solidarity that backs them up.

What We Need To Do

It's time now for you all to walk the walk and not just talk the talk. Every local will be receiving in the next few days "Fair Contract Now" stickers for everyone to wear every day. Put them on your hardhats and your coveralls. If your local needs more we can get more of them shipped out.

"What's at Stake" handbills also have been sent and these need to get out to every member. It's important that all the handbills get distributed. Again, if your local doesn't receive the handbill contact the Strategic Campaigns Department.

Every week there are conference calls with each NOBP region. Members of the Strategic Campaigns Department lead these calls to find out if the locals are receiving the mobilization materials, learn what is happening in national bargaining from the region's NOBP Policy Committee member, receive reports about what's happening in

local bargaining, and offer assistance. Every local needs to have a representative on these calls.

Locals have already begun informational pickets, which is fantastic! Check out the USW Oil Workers Facebook page for photos from these events.

National Day of Action

Put this on your calendar: Wednesday, January 28 National Day of Action. We need every local to do some kind of action this day, whether or not their local issues are settled, to show the oil industry that we are willing to do whatever it takes to win a fair contract. A letter that was sent along with the stickers has ideas for what each local can do and if you have questions or need more ideas, contact Patrick Young of the Strategic Campaigns Department at pyoung@usw.org. Be sure to take photos and/or videos of the events and send them to Patrick.

Every local union member needs to participate in these mobilization activities because management is watching to see how much support our union has in their facilities. They pass this intelligence along to upper management which uses this information to get an upper hand on the union in negotiations.

It's also extremely important that each local have their Communications and Action Teams (CAT), steward systems or other communication networks in place to talk one-on-one with the membership. Local 13-2001 successfully used one-on-one communication to beat back a decertification effort during their fight for a fair contract in 2013 and to obtain a good agreement.

Receiving Contract Updates

Contract updates will be given via text messages. Here are the instruc-

tions:

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.

Handling the Media

The media is always extremely interested in National Oil Bargaining talks, especially with all the talk about the cost of oil and gasoline prices. Lynne Hancock (formerly Lynne Baker) is handling the media like she has done for every round of bargaining. If your local gets media calls, refer them to Lynne. She can be contacted at (o) 615-831-6782, (cell) 615-828-6169 and (h) 615-832-7124, lhancock@usw.org. It would be helpful if each local had a media liaison that could help Lynne with media questions about local bargaining.

If your local hasn't received the talking points for the oil policy, please contact Lynne and she can email them to the local.

We are all in this together. Let's stay united because solidarity is our greatest strength. We are all one, brothers and sisters, so keep your talk positive on social media. Negative talk about the union and the negotiators hurts all of us and saps our strength.

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