

Letter from International Vice President Carol Landry

For the last three years since the USW's stepped-up focus on the chemical sector began, the union has achieved numerous positive results for members who work in the industry.

Since the last time I wrote to you, a lot has happened in the industry. Companies are buying and selling each other and spinning off parts, or selling themselves to venture capital firms. And all of these activities have an impact on USW members who work for the affected companies.

Dupont

Last year DuPont announced it was going to spin off its Performance Chemicals division, which employs about two-thirds of our membership at the company.

The USW immediately went to work to research the issue, to reach out to the DuPont Council, to ensure the labor agreements at the site would continue in force, and to make sure DuPont respects the rights of our members throughout the process. Because of this we are confident the spinoff, scheduled for the middle of this year, will have very little impact on those USW members affected.

Solvay

Late in 2014 Solvay announced it was selling off its Eco Services division to a venture capital firm. The transaction was structured as an asset sale, which means the new employer has no obligation to go with the previous labor agreements.

Because of the USW's quick action on the matter we and the locals were able to secure union recognition and satisfactory labor agreements with the new employer.

Honeywell

Also last year, Honeywell once again locked out our 260 members at its uranium processing plant in Metropolis, Ill., in order to enforce company demands

including an unlimited right to contract out our members' work.

Because of a vigorous USW strategic campaign and with strong support from other locals at the company through the Honeywell Council, the company agreed to an acceptable settlement in March 2015, and our members there will be going back to work soon.

All these are examples of how our members in the sector, when we are able to work together, are strong and effective in preserving their rights, wages and working conditions.

District 10 Meeting

In addition to these successes at the council level, the union took a big step forward in its work with chemical locals when District 10 hosted a district-wide meeting of chemical locals in January 2015. The conference was such a success that now District 4 has agreed to join with District 10 in holding a follow-up meeting in June 2015 for all chemical locals in both districts.

Conferences like this at the district level help us build solidarity among locals that are not yet part of bargaining councils, and allow members from the many different segments of the industry to start thinking together about common strategies for bargaining with their employers, dealing with the constant restructuring in the industry, and organizing new members in what is after all the largest industrial sector in which the USW has a substantial membership.

I look forward to working with you this year and in the years to follow to build and strengthen the USW chemical sector.

Check out USW Chemical Workers facebook page for chemical news.

Solvay council, Global Safety Committee Star at USW Health & Safety Conference

The IndustriAll/Solvay Global Safety Panel attended the USW's March 2015 Health, Safety & Environmental Conference in Pittsburgh.

This panel was established in 2010 as part of the original Rhodia Global Framework Agreement, in order to monitor the company's health and safety policies and practices, as well as to continue ongoing dialogue between the company and its workers and make recommendations on improvements. It was continued under the Solvay Global Framework Agreement, signed in 2013 after Solvay bought Rhodia. The panel is made up of management personnel from Solvay, representatives of IndustriAll, and members of unions who represent workers at Solvay sites. The USW has a seat as well.

At the health & safety conference, the Global Safety Panel participated in a number of activities, including a panel discussion on safety and security at chemical plants. During the discussion USW International Vice President Carol Landry talked about industry trends we are seeing at the facilities we represent, gave an overview on the sector and addressed how we are responding to the health & safety and other challenges facing us in the chemical industry.

Members also heard a report from the USW legislative department on a wide variety of governmental actions pertaining to health & safety issues in the chemical industry, including efforts to reform the Toxic Substances Control Act, updates to the OSHA process safety management standard as it pertains to the industry, and President Obama's order on chemical safety and security.

Mark Griffon, a member of the US Chemical Safety Board (CSB), gave a presentation on how the CSB investigates chemical accidents, and how it uses these investigations as a tool to help make chemical workplaces safer for union member, other workers, and the public.

A top Solvay HR manager, Jean-Christophe Sciberras, gave a presentation comparing chemical safety and security in Europe as compared to practices in the United States. He also highlighted the role unions in Europe play in health & safety efforts there.

We also invited the Solvay Global Panel to attend the USW Solvay Council caucus. We had very productive discussions concerning health, safety and environmental issues at our plants in the US. Our members had the opportunity to share concerns with the global panel and received a commitment from Solvay management that all their concerns would be looked into.



The Solvay Global Panel visited two USW sites to do their health and safety audit: University Park, Ill. (Local 2011) and Blue Island, Ill. (Local 7-209-09). The Global Panel will produce a report on its findings at both of these sites, which we then will be able to share with our members.

Other News from the Health & Safety Conference

We held a USW Chemical Sector Caucus at the conference to discuss multiple issues specific to this sector. Members attended from a number of locals working at chemical sites. These included members from Honeywell, BASF, Dow, Solvay, and the Department of Energy Hanford site.

Members signed up for our USW Chemical Sector newsletter. We discussed in depth the need to organize in this sector. The chemical industry is the largest industrial sector in which the USW has a substantial membership, but union density in the sector is quite low. This creates substantial challenges at the bargaining table, but it also represents a tremendous opportunity for the USW to bring in many thousands of new members.

In addition we asked USW staff representatives to talk about their role and work with the sector and with the bargaining councils in the industry.

We have five active chemical industry bargaining councils at Solvay, BASF, Dow, Honeywell and Du Pont, and the councils have allowed us to make major gains at these companies in spite of low union density. We plan to encourage other USW chemical groups to form councils to increase their own power at the table and on the shop floor.

Dow North American Labor Council Meeting Focuses on Massive Change in Company's Direction

The Dow North American Labor Council (DNALC) held its annual conference in October of 2014 in Bristol, PA. It was a full four days as the agenda included special international guests Mark Lyon and Ian Proudlove from UNITE the Union (UK) and Thomas Mellin of the IGBCE and Chairperson of the Dow European Works Council.

Other guests included Robert Hansen, chairman, CEO and president, Dow Corning; Ken Kaufman, senior vice president, Manufacturing, Engineering and Global Operations, Dow Corning and Shari Kennett, Michigan Operations-Midland Site EH&S Responsible Care leader, Dow Chemical Company.

There was lengthy discussion on the present and future state of Dow Chemical and the global chemical industry, which was lead by Ed Siegel, CFA Principal & CFO, and Toby Kriedler, Principal of CALIBRE Group, LLC.

Also on the agenda were the issues of safety, training and updates from each local/site represented, which included Dow Chemical sites—Midland, MI; Freeport, Texas City and Deer Park, TX; Bristol, PA; Knoxville, TN and also Dow Corning—Midland, MI and Elizabethtown, KY.

The 2015 DNALC conference is scheduled for October 12 – 15 in Bristol, PA, hosted by USW Local 88.

Soon after the 2014 DNALC conference, Corning announced it is looking to sell off its shares of Dow Corning, which is a 50/50 joint venture between Corning and Dow Chemical. As of this writing, no news has been announced of interested parties to buy Corning's stake other than speculation that Dow Chemical may purchase Corning's shares.

The Dow Corning-Midland site (USW Local 12934) is currently in contract negotiations, and the contract expired in March.

A number of issues and events have occurred in Dow Chemical. The company continues to divest businesses, and has been actively looking to sell off its chlorine assets which would affect a great number of union members in the U.S. and Europe.

Also, Dow continues to invest heavily in the Middle East with the Sadara project, the largest petrochemical complex in the world, slated to start up later in 2015. Investment also continues on the Gulf Coast with major start-ups in the next year or two. Despite the major drop in oil prices and the potential to affect the shale oil boom, Dow is moving ahead with the Gulf Coast investment and continues to see potential growth there.

Other outside concerns such as activist investors,

share value, mergers, acquisitions, divestments, energy fluctuation and competition determine the direction in which Dow takes, and the union has to react in a manner that best represents the interests of its members. With several contracts expiring in 2015, it remains to be seen how these factors may play a role in the outcome of these negotiations.

However, while Dow Chemical is a global company, in the U.S. the firm's philosophy is that labor relations is a local issue, not a corporate one. Each represented site has a separate collective bargaining agreement. Nonetheless, these national and global issues and events will have an impact on our negotiations.

Our experience is proving that the DNALC network model is absolutely essential if we are going to be successful with this company. It is now more important than ever to work on strengthening our network and relationships to other USW chemical company networks.

Locals/sites continue to work together, share information and communicate throughout the year on a number of topics ranging from grievances, safety and training to payroll issues.

Dow to Spin off Chlorine, Related Sectors to Olin Corp

On March 27, 2015, Dow announced it would spin off its chlorine and several related assets to rival chemical maker Olin Corp. Dow shareholders will own a majority stake in Olin.

Though no USW units will be impacted, a large section of Dow's massive chemical complex in Freeport, Texas, will be part of the spinoff. The Freeport unit is represented by International Union of Operating Engineers Local 564.

The DNALC is working with the Dow European Works Council—part of Dow's biggest European plant in Stade, Germany and other sites will be part of the transaction—along with unions in Brazil to coordinate a global union response to this move and other ongoing issues at Dow.

The Dow North American Labor Council is composed of locals at 10 manufacturing sites of Dow and Dow Corning that are from various unions including the USW; the Operating Engineers (IUOE); the Pipefitters (UA); the Machinists (IAM); and the UFCW Chemical Workers (ICWUC).

The council works on a global basis, staying in touch with unions representing Dow sites in Brazil, Argentina, the United Kingdom, Germany and Japan, as well as with the global union, Industri-ALL.

Strong Membership Solidarity Brings Lockout Settlement in Metropolis

It took seven months, but in March 2015 the lockout of 260 members of USW local 7-669 in Metropolis, Ill., came to an end with the parties reaching a settlement acceptable to the members. The settlement is a result of the strong solidarity exhibited by Local 7-669 members, Steelworkers across the Honeywell Council and supporters throughout the labor movement.

In recent weeks USW Local 8565 at the newly acquired Honeywell/Harbison-Walker facility in Wyndham, Ohio, and members of USW Local 9292 at the Honeywell Blount Island Facility near Jacksonville, Florida, hosted road warriors from Metropolis as they hit the road to tell their story. Members of the Honeywell Union Council at both sites committed their support to the members of Local 7-669 as the battle continued.

The local also hit the road to visit the offices of members of Honeywell's board of directors. The board of director visits were a follow-up to a letter sent to each director by USW District 7 Director

Mike Millsap and USW International Vice President Carol Landry in late fall.

Road warriors from Metropolis traveled to the offices of four of the board members, along with a delegation of local Steelworker activists to hand deliver a follow up letter, along with nearly 10,000 copies of petitions signed by supporters around the country.

Harbison Walker Locals Join Honeywell Council, Win Contracts

Members of USW Local 8565 and Local 553 at the Harbison Walker facilities in Ravenna, Ohio, and Fairfield, Ala., both joined the Honeywell Union Council in the summer of 2014 when their facilities were purchased by Honeywell.

Workers at both units headed to the bargaining table in early fall 2014 and were able to bargain successful contracts with Honeywell that included pay increases and the maintenance of quality healthcare and retirement benefits.

Chemical Facility Protection Bill Passed at the end of the 113th Congress

The Chemical Facility Anti-Terrorism (CFATS) Program was started by Congress in 2007 to prevent chemical facilities from becoming weapons of mass destruction. The program gave the Department of Homeland Security (DHS) the authority to regulate chemical facilities to prevent terrorist attacks on them. CFATS requires chemical facilities that use or store large quantities of dangerous chemicals to develop site security plans to address security risks. DHS must then approve the site security plans.

Over the last seven years, DHS management of the program has been problematic. Until 2013, DHS had not approved any site security plans. The program has had significant shortcomings and has been more focused on employers than on workers. However, DHS and industry both wanted formal authorization of the program to guarantee funding from Congress and sta-

bility.

The USW has pushed for worker protections in CFATS, particularly around background checks, which are a required element of every site security plan. Through lobbying of Democrats and Republicans, the USW and its allies were able to secure important worker protections in CFATS including:

- Collective bargaining protection for background checks;
- Whistleblower protection; and
- Worker involvement in developing site security plans.

The bill passed Congress in December 2014. CFATS is authorized for four years. Although we had some victories in the bill, we have a lot of work to do to protect workers' rights in the implementation of the law at every covered facility.



2014 Federal Action Related to the Chemical Industry

TOPIC	ISSUE SUMMARY	USW ACTION
Executive Order on Preventing Chemical Disasters	In August 2013, following the explosion in West, TX, President Obama signed an executive order to prevent chemical facility disasters. Two primary activities were to (1) improve coordination among federal and state agencies and emergency responders and (2) modernize regulations for chemical facilities.	USW submitted comments in 2013 on the process and has been engaged in monitoring and working with OSHA, EPA, and DHS as they implement the executive order.
OSHA's Process Safety Management Standard	As part of the Executive Order, OSHA is beginning to modernize the PSM standard. This process takes many years. OSHA put out a request for information to the public in 2014. It will begin a required small business review of proposed updates to PSM in mid-2015.	USW submitted comments to OSHA about PSM that called for strengthened worker participation requirements, a definition of recognized and generally accepted good engineering practices (RAGAGEP), regularly required process hazard analyses, and many other improvements.
EPA's Risk Management Plan	The Environmental Protection Agency's Risk Management Program (RMP) requires facilities with large quantities of hazardous chemicals on-site to report their holdings of those hazardous chemicals and to develop a worst-case scenario plan and work with first responders to prevent and respond to an accidental release.	EPA put out a request for information about how they could modernize the rule. USW submitted comments calling for assessments of safer chemical processes and procedures to prevent and mitigate disasters.
Chemical Facility Anti-Terrorism (CFATS) Program	The CFATS program is a part of the Department of Homeland Security (DHS) and affects most industrial facilities that use or store large quantities of chemicals. DHS requires employers to develop site security plans to prevent a terrorist attack at their facility. Site security plans must include background checks of workers. Workers have mostly been left out of the process around developing and implementing site security plans.	As part of the President's executive order, DHS put out a request for information on modernizing CFATS. USW submitted comments focused on ensuring worker rights during background checks, worker involvement in developing plans and working with DHS inspectors, and improving DHS outreach to workers.
Chemical Facility Anti-Terrorism (CFATS) Program Authorization		The CFATS program had never been authorized by Congress. DHS and industry sought authorization for long-term assurances. USW worked with Congress to ensure that the authorization bill that passed in Dec. 2014 included worker involvement requirements, whistleblower protections, and collective bargaining for background checks.
Toxic Substances Control Act (TSCA) Reform	TSCA is the only major environmental law from the 1970s that has not been updated. It gives the EPA authority to regulate the safety of chemicals to protect public health. The law is so weak that EPA was not even able to regulate asbestos, a known carcinogen.	USW worked with Congressional offices and testified before Congress about the need to reform TSCA in a way that both protects worker health by preventing diseases from chemical exposure and protects jobs in the US chemical industry. A bill did not pass in 2014. Republican Senator Vitter and Democrat Senator Udall are working on a bipartisan approach for 2015.
Trans-Atlantic Trade Negotiations (TTIP)	The United States is currently negotiating a trade agreement with the European Union. Estimates show that the chemical industry will be a major beneficiary of the rumored regulatory cooperation efforts under the agreement.	USW is monitoring the negotiations and is lobbying in opposition to fast track legislation for trade agreements. Fast track prevents public debate about the trade deal and requires an up or down vote on a trade deal by Congress.
Chemical Safety Board Nominees	The U.S. Chemical Safety Board (CSB) is a federal agency that does root cause investigations of industrial chemical accidents and provides recommendations to prevent similar accidents. The CSB has 5 seats, three of which were vacant. Rick Engler and Manny Ehrlich were nominated in 2013 by President Obama to fill two of the vacant seats.	USW lobbied the Senate, asking them to confirm Engler and Ehrlich as members of the CSB. They were both confirmed by the Senate in late December. Both new Board members began their terms early in 2015.

Much Work Remains to Make Chemical Industry Safer

The rate of fatalities in the chemical industry has remained fairly static over the past several years as seen in the latest Bureau of Labor Statistics (BLS) chart below for the chemical sector.

Work-related Fatalities, Injuries, and Illnesses

This section presents data for the industry on the number of workplace fatalities and the rates of workplace injuries and illnesses per 100 full-time workers in chemical manufacturing. A reported injury or illness is considered to be work-related if an event or exposure in the work environment either caused or contributed to the resulting condition or significantly aggravated a pre-existing condition.

Data series	2010	2011	2012	2013
Fatalities				
Number of fatalities	24	25	24	(P) 18
Rate of injury and illness cases per 100 full-time workers				
Total recordable cases	2.4	2.4	2.3	2.0
Cases involving days away from work, job restriction, or transfer	1.5	1.4	1.4	1.1
Cases involving days away from work	0.7	0.7	0.7	0.5
Cases involving days of job transfer or restriction	0.8	0.7	0.7	0.6
Footnotes				
(P) Preliminary				
Blank cells indicate no data reported or data that do not meet publication criteria				

(Source: Injuries, Illnesses, and Fatalities)

One item we can take away from this chart and the information it provides: We have a lot of room for improvement in the health and safety arena with our employers.

Another issue that seems to be consistent in the chemical sector is the continued and increased use by companies of behavioral safety programs, followed by discipline.

The chemical manufacturers profess a concern that the data from their accident pyramid does not match what is happening, that it is not balanced. There is a relatively small number of near miss reports compared to the number of injuries and fatalities.

The accident pyramid is narrower on the bottom than is to be expected for the number of fatalities at the top.

The companies are wondering how this can possibly be.

This may be accounted for by the fact that many companies discipline their employees for being injured on the job, up to and including being fired. If you fear retaliation for reporting an injury at work, you tend to not report injuries. If you are fearful of reporting an injury due to the consequences of discipline, you certainly are not going to report a near miss.

Companies are hindering the ability of employees to actively participate in the safety process of their facilities as required under the Process Safety Management (PSM) standard. Management is not engaging employees under the employee participation section as the standard intended. Because the companies fail to listen to suggestions from employees, they are not able to take advantage of the unique knowledge we have to offer from our experience as the people who operate and maintain the plants and processes.

Every unit should request copies of the company's written plans for complying with the PSM standard and push the company to follow the plan, and if need be to amend it to make it responsive to the needs of workers.

My name is Kim Nibarger and I am a health and safety specialist based in Pittsburgh. I have been assigned to work with the chemical sector. My background is in the oil industry and I have spent some time around chemical processing facilities as well. If you need me, my email is knibarger@usw.org, 412-562-2587 is my office number, and my cell is 412-418-6240. I know and have worked with many of you over the years and I look forward to continuing friendships and making new ones as we work together to make this industry safer.

BASF Council Activity Brings Gains for USW Members

BASF, the largest chemical company in the world, continues with its growth plans in the United States. Norway's Yara International and BASF have agreed to build a world-scale ammonia plant at BASF's site in Freeport, Texas. The ammonia plant will be owned 68 percent by Yara and 32 percent by BASF. Total capital investment for the plant is estimated at USD 600 million.

Our BASF locals supported each other in last years' bargaining and gained improvements in wages, benefits and contract language for our members. This year is no different, with contracts expiring in Vidalia, La., in April, and in Jackson, Miss., at the end of June. The BASF Council is ready and eager to support these two locals in the coming months.

This year the company tried to institute a new program called "Recognizing You" without bargaining with the union. Board charges were filed, leading to

successful settlements. In at least two locations, Monaca and Jackson, BASF made all the employees whole in regards to former programs.

During the USW Convention in 2014, a dialogue was initiated with the German chemical, mining and energy union IGBCE's President Michael Vassiliadis and Michael Mersmann, who handles the union's international work.

In the German and European systems, unions participate on company boards. President Vassiliadis serves as an employee representative on the BASF Board of Supervisors, while Director Mersmann participates on the European Works' Council. The council looks forward to deepening this important international relationship.

The BASF council decided to honor on Veterans Day last year those who served and those still serving by distributing a leaflet with a moving image of a serviceman's homecoming.

First-Ever District 10 Chemical Sector Conference Held

Led by International Vice President at Large Carol Landry and District Director Robert McAuliffe, District 10 held a first-ever, district-wide chemical sector conference in January 2015.

This first meeting provided an opportunity for locals across Pennsylvania to share common interests and concerns as well as valuable information that is unique to the chemical sector, and set in place an initial plan for the future.

Conference participants heard an overview of the chemical sector, and discussions were held about collective bargaining, organizing, building power, and health and safety concerns particular to the sector.

Overall, participants found the conference quite useful, want to share information learned and want the District 10 chemical sector conference to continue. Many felt the meeting was too short, and wanted more time to share local experiences and delve deeper into the specifics of the sector.

June Conference Scheduled

The strong commitment and enthusiasm in the room led to a unanimous agreement to hold a second conference later this year.

Because of this enthusiasm and because reports of the conference's success reached District 4 leadership, Districts 10 and 4 have agreed to put on the follow-up meeting together.

The District 4/District 10 Chemical Sector Conference will take place June 23 – 25 in Atlantic

City. Chemical locals in either District 10 or District 4 should mark their calendars and make every effort to participate in what is certain to be a useful and rewarding meeting. More details will follow shortly.

USW Members Remain Concerned About DuPont Spinoff

As discussed in the last report, DuPont had informed USW that three of the four DuPont facilities where we represent workers would be part of the newly minted spin-off company, Chemours. Niagara Falls, NY and Edge Moor, DE would be completely moved to the new firm, whereas the Deepwater, NJ facility will have a substantial portion of the workforce moved to Chemours.

The new company is scheduled to come into existence on July 1. Throughout the entire process DuPont has been tight-lipped and secretive about how the spin-off will proceed. Only in recent weeks have DuPont and the affected local unions been engaged in negotiations on how to sever the DuPont contracts and create new deals for those transitioning to Chemours.

While the issues are complex and still undetermined, USW will focus on maintaining the years of seniority that our members served at DuPont and ensuring a fair contract and benefits package.

THANK YOU for YOUR SERVICE.

The BASF Union Council is proud to salute the men and women of our country's armed forces: all those who have served in the past, and all those who are serving today.

For your dedication and sacrifices, and for the sacrifices made by your families, we say thank you.



U.S.W. UNITED STEELWORKERS