

Chemical Sector Undergoing Massive Change

Dear Sisters and Brothers,

Since our last newsletter in April, much has happened in the North American and global chemical industry:

DuPont Spins off Performance Chemical Segment (see page 2)

DuPont completed its spinoff of its Performance Chemical segment into a new company called Chemours. Nearly half of our overall DuPont membership now works for the new company. Our collective agreements followed the transition, so wages and benefits were not impacted. However, there is concern that DuPont may have offloaded so many of its environmental and other liabilities onto Chemours that the spun-off entity will be a candidate for early bankruptcy.

Dow Sales Continue (see page 3)

Dow Chemical continues with its sale of its chlorine-related businesses to Olin Corp. It is a complicated process and Dow will end up as a majority owner of Olin. USW members will not be affected, but members of the Operating Engineers at Dow's giant Freeport, Texas, plant will be impacted.

Smaller Companies Restructure (see page 4)

Many smaller companies, such as Huntsman, Rockwood and FMC restructured, bought and sold, and spun off significant parts of their operations. Ashland, Inc., announced that it would spin off its Valvoline subsidiary. Solvay says it is buying Cytec. We can expect this churning to persist as Wall Street continues its fad of forcing companies to de-integrate and concentrate on narrower specialties, and as companies respond to market share challenges by buying competitors.

Successorship Provides Stability

When these changes happen to USW-represented units we will use successorship agreements or our power with individual employers to ensure that our members' wages, benefits and job security are not impacted. This can be highly challenging at times, and this is a major reason we push so strongly for locals to get successorship language into their contracts. Successorship gives us a strong legal leg to stand on when companies sell off our represented

sites to different employers.

Councils Fight for Good Settlements

Our bargaining councils continue to be strong. At Honeywell, as you recall from the previous issue of this newsletter, the council was instrumental in forcing an equitable settlement to the vicious lockout of our members at Honeywell's Metropolitan, Ill., nuclear site. At some of the Chemours sites that still had DuPont-style "evergreen" agreements our negotiators replaced them with proper term contracts. We continue to gain decent settlements at Dow, BASF and Solvay because of the good work of our councils at those companies.



Carol Landry

USW Regional Meeting (see page 5)

Furthermore, we had two very successful regional meetings of USW chemical workers in the Northeast. We were able to follow up the successful District 10 meeting with a conference of all the USW chemical locals in Districts 10 and 4 in June of this year. The two districts are working closely with the USW Organizing Department to identify strategic chemical sector organizing targets in the Northeast.

We want to explore the possibility of district-level chemical sector meetings elsewhere in the USW. Also, we must continue to leverage our resources to make organizing gains so we can develop strategic density in the chemical industry. At the same time we continue to push for good bargaining settlements throughout the sector.

**When we work together
we are stronger.**

**In Solidarity,
Carol Landry
International Vice President at Large**

DuPont and Chemours Council Meet for First Time since Spinoff

The DuPont/Chemours Council met for the first time in September, addressing a wide variety of concerns including contract negotiations at Chemours, the fight against sub-contracting, health and safety and the closure of the Edge Moor plant in Edge Moor, Del.

Chemours Spin-off Launched

DuPont in July completed the spin-off of three of its prominent business segments— Chemical Solutions, Titanium Dioxide, and Fluorochemicals—into a new company christened Chemours. Of the USW-represented DuPont facilities affected by the change, Niagara Falls, N.Y., and Edge Moor, Del., were completely divested. The Chambers Works, N.J., plant was split up, with some workers remaining as DuPont employees. Buffalo Yerkes remains owned by DuPont.

Before Chemours officially entered the marketplace on July 1 the locals successfully negotiated term contracts at the three affected facilities. Traditionally, many DuPont agreements were considered “evergreen” contracts because they never expired, and they greatly benefited the company because they denied locals the opportunity to update contract language.

The locals worked diligently to get the best possible deal for the membership, including yearly pay increases and significant benefit improvements. The evergreen system of contracts was completely decimated at the Chemours groups.

However, since its July launch, there is deep concern about the future viability of Chemours. DuPont created Chemours as a knee-jerk reaction to Wall Street’s pressure to maximize short-term profits at the expense of long-term capital investment in its chemical facilities.

A mere seven weeks after the founding of Chemours, the 135 workers of Local 4-786 in Edge Moor learned of the impending closure of their titanium dioxide facility.

After negotiating a fair and equitable new contract just a short time before, these members learned their facility would be closed in October 2015, save for a skeleton crew that will stay to mitigate environmental concerns. Chemours also shut down a product line at its titanium dioxide facility in New Johnsonville, Tenn. It plans to open a new titanium dioxide plant in Mexico next year.

Chemour’s effort to manipulate the price of titanium dioxide by restricting supply has hindered the union’s ability to try and keep the facility operating with a new buyer. Regardless, the USW continues to engage with local authorities and Delaware politicians to find a buyer and preserve jobs.

USW Local 5025 in Niagara Falls also faces an uncertain future under Chemours and will learn the company’s plans next year.

Fighting Against Contracting Out

At many chemical sites, companies are slicing off sections of bargaining unit work that they deem is not “core work.” Lab techs are under attack at the Chambers Works facility as Chemours is attempting to reclassify the lab positions as management. Years ago, Buffalo Yerkes Local 6992 won a major contracting out ruling at the National Labor Relations Board (NLRB); however, that hasn’t stopped DuPont from trying to eliminate jobs in shipping and receiving. At both facilities, the USW’s Legal Department has assisted our locals as we fight to preserve these bargaining unit jobs.

USW Defends Health and Safety

In November 2014, three workers and a supervisor were killed at a DuPont insecticide manufacturing facility in La Porte, Texas, when a release of methyl mercaptan overwhelmed the workers inside the facility.

The UFCW’s Chemical Workers affiliate (ICWUC) represents the workers, and in the intervening months, the USW’s Health, Safety and Environment Department worked closely with the ICWUC to shine a spotlight on DuPont’s awful safety record.

The USW coordinated with OSHA—the agency placed the company in the “severe violator enforcement program”— and wrote a joint USW-ICWUC letter to Chemours and DuPont, offering the companies the union’s unique expertise on worker safety.

The USW also gave interviews and submitted comments to the U.S. Chemical Safety Board (CSB). The intensive CSB investigation uncovered flawed safety procedures, design problems and inadequate planning at the La Porte site. CSB posted its recommendations on its website at www.csb.gov.

Moving Forward

David Michaels, who heads the Occupational Safety and Health Administration, publicly advised employers to “think twice before hiring DuPont to give advice on safety.” This statement is alarming, since many of the USW’s employers continue to use DuPont’s behavior-based safety program.

As the Du Pont/Chemours Council moves forward, it plans to redouble its efforts to ensure the safety at the plants. Even though the companies are split, the council intends to reach out and build relationships with workers on a national and global scale.



Dow Council Hears Presentations on Company's Affairs

USW Local 88 (Dow Chemical-Bristol, Pa.) hosted the Dow North American Labor Council's (DNALC) annual conference held October 12-15 in Langhorne, Pa.

The DNALC is composed of locals at 10 manufacturing sites of Dow and Dow Corning from various unions, including the USW, Operating Engineers (IUOE), Pipefitters (UA), Machinists (IAM) and UFCW Chemical Workers (ICWUC). The council works globally, staying in contact with unions representing Dow sites in Brazil, Argentina, the United Kingdom, Germany and Japan, and with the global union, IndustriALL.

International Perspective

The agenda featured international guests, including IndustriALL Assistant General Secretary Kemal Ozkan, who presented a comprehensive summary of the global chemical industry.

There also was an Argentinian contingent representing the Sindicato de Obreros y Empleados Petroquímicos Unidos (United Petrochemical Workers and Employees) headed by General Secretary Mauricio Brizuela. This union currently is in a struggle to organize the Dow Chemical site in Puerto General San Martin, Santa Fe, Argentina.

Thomas Mellin, chair of the Dow Chemical European Works Council and Dow Chemical-Stade (Northern Germany) Works Council, participated via teleconference to update the DNALC on the European outlook for Dow Chemical and the ongoing relationship between the Works Councils and Dow Chemical.

Company Presentation

Dow Chemical Company representatives gave a presentation on the current pension plans and the effect the Affordable Care Act may have on the current Dow Chemical medical plan/insurance.

The council discussed the health effects of rotating shifts, the ongoing investigation of Dow Chemical CEO Andrew Liveris concerning allegations he misused company funds for personal expenses, potential effects the investigation may have on Dow, and job health and safety issues.

The agenda also featured safety training issues and updates from each local and site represented: Dow Chemical sites—Midland, Mich., Freeport, Texas City and Deer Park, Texas; Bristol, Pa.; and Knoxville, Tenn.— and Dow Corning locations—Midland, Mich., and Elizabethtown, Ky.

The 2016 DNALC Conference will occur in fall 2016 at Elizabethtown, Ky., and UFCW Chemical Workers (ICWUC) Local 970 will host it.

Contracts Resolved

The Dow Corning-Midland site (USW Local 12934) completed negotiations in March 2015.

The Dow Chemical-Knoxville, Tenn., unit recently signed a three-year extension to its labor agreement.

After the 2014 DNALC Conference, Corning announced that it was looking to sell off its share of Dow Corning, a 50/50 joint venture between Corning and Dow Chemical. As of now, there is no sign of a buyer willing and able to buy Corning's stake, only speculation that Dow Chemical

may purchase Corning's share.

Business Lines Divested

Dow Chemical continues to divest its business lines. Recently, it completed a sale of its chlorine assets to the Olin Corporation. This sale affected approximately 400 bargaining unit employees at Freeport, Texas, (represented by IUOE Local 564), and 300 employees at the Dow Chemical site in Stade, Germany, that are part of the spinoff to Olin. These workers will continue to have union representation.

Investments Continue

Dow continues to invest heavily in the Middle East with the Sadara project in Saudi Arabia, the largest petrochemical complex in the world, slated to start up late in 2015. Investment also proceeds on the Gulf Coast, with a major polyethylene startup expected in 2017. Despite the potential for plunging oil prices to negatively affect the U.S. shale gas boom and low natural gas prices, Dow is continuing with its investments.

Like many large integrated chemical companies, Dow Chemical is under pressure from Third Point, a major hedge fund that has several representatives on the Dow Chemical board of directors. The fund has been relatively quiet because of a moratorium between Dow Chemical and Third Point's Dan Loeb. However, this may change after the moratorium is lifted November 16.

Other outside concerns—such as share value, mergers, acquisitions, divestments, energy fluctuation and competition—determine the direction Dow takes. The USW will best represent its members' interests.

While Dow Chemical is a global company, in the U.S. its philosophy is that labor relations is a local issue, not a corporate one. Each represented site has a separate collective agreement, and national and global issues and events impact negotiations.

Networking is Essential

The DNALC network model is essential to be successful with Dow. It is more important now to strengthen this network and similar ones in the chemical industry. Locals and sites continue to work together, share information, and communicate throughout the year on topics ranging from grievances, safety, and training to payroll issues.



Solvay Acquires Cytec

Belgian chemical group Solvay announced on July 29 that it would be entering into a merger with U.S.-based Cytec, a world leader in composite materials and mining chemicals. Cytec's principal market is primary and secondary structures for aircrafts. It is also developing new technological applications for composites in the automotive sector, and is the leader in tailored specialty chemical formulations to enhance mining separation processes.

Solvay said it was focusing on acquisitions in North America because of lower energy costs. As a result of the merger, the USW Solvay Council will be growing with the addition of two unionized facilities, Local 220 in Kalamazoo, Mich., and Local 49 in Willow Island, W.Va.

Marietta Contract Extended

Local 14200 at Solvay's Marietta, Ohio, plant announced Oct. 28 it had reached a tentative, four-year agreement that morning.

The local held membership meetings on Thursday, Oct. 29, and members voted on the tentative agreement on Friday, Oct. 30.

Results were not known as of press time.

The local's previous four-year agreement expired on Oct. 15.

Solvay Pitches Integration of Benefits

Solvay's labor relations director for human resources in North America contacted the USW in July to schedule a labor/management meeting with the USW Local 7-765 negotiating committee from Solvay's Chicago Heights, Ill., facility. At the July 28 meeting the company presented a slide show introducing its "Integration of Benefits" plan for employee pension and 401(k) benefits.

The company's proposal is to convert the benefits from the "Solvay USA" plans, which are in the current agreements, to the proposed "Solvay America" plans, in which the company's salaried and non-union plants are currently enrolled.

It appears, according to the documentation presented as part of the slide show, that members could realize benefits from the harmonization of the pension and 401(k) plans. For example, members would see the company 401(k) match increased from 4 percent of their eligible salary to 9 percent of their eligible salary, effective January 1, 2016. Unlike the current "Solvay USA" plan, all compensation would be eligible for participation instead of only "base compensation."

Solvay presented the same integration of benefits plan

at its Blue Island, Ill., facility, represented by USW Local 209-7, on August 20 and again at the University Park, Ill., facility, represented by USW Local 2011, during an August 25 labor-management meeting.

The union is currently waiting for the company to provide more detailed information needed to evaluate the integration of benefits proposal and validate the accuracy of the documentation that was included as part of the initial presentations.

Contract Talks

Contract negotiations for a new agreement begin on Monday, November 2, for members at Solvay's University Park location. The proposal for the integration of the pension and 401(k) benefit plans will probably be an issue during bargaining.

The Chicago Heights contract will expire on January 16, 2016.

The USW Solvay Council will keep members posted on all new benefit integration developments related to the Solvay chemical group's organized Illinois locations in Blue Island, Chicago Heights, and University Park.

Steelworkers Oppose Lifting the Crude Oil Export Ban

The U.S. shale oil boom resulted in cheap natural gas for American chemical plants, and even though the collapse in oil prices resulted in fewer oil wells being drilled, investment in factories is soaring.

"There's a manufacturing boom underway tied to the chemical industry, building new plants that refine oil and natural gas into other products," said Joe Carson, director of global economic research at AllianceBernstein LP in New York to *Bloomberg Business*. "The gift is long term. The energy renaissance triggers a manufacturing revival."

This gift may not last long, however, if Republicans (and some Democrats) in Congress are successful in lifting the U.S. crude oil export ban. The USW is opposed to lifting the ban because of the negative impact it would have on

USW members' refinery and chemical jobs.

The House passed the bill lifting the ban on Oct. 9, 2015. However, it still has to go before the Senate. President Obama said he was opposed to the bill and that the U.S. Department of Commerce should make such decisions.

Chemical workers can help keep the ban in place by calling their senators and signing a petition. To look up your senator, go to <https://www.opencongress.org/people/zipcodelookup> and call them toll-free at 1-866-202-5409.

If you need talking points, go to <http://www.usw.org/news> and look for *The Oil Worker*, Issues 26 and 27.

To sign the USW's petition opposing the ban, go to <http://www.usw.org/members/forms/crude-oil-export-ban>.

International Working To Rebuild Network

Through the efforts of International Vice President Carol Landry and the district directors, the union's chemical locals and units are gradually forming one group similar to those in the steel, oil, paper, atomic and other USW sectors.

When Landry became head of the chemical sector she initially focused on strengthening the local chemical councils. Now that these local councils are on sound footing, Landry decided it was time to revive a more coordinated approach, starting with a meeting of all chemical groups in District 10 in January 2015.

The purpose of the meeting was to "try to identify the issues and challenges our locals face in that sector; to improve the communication among the chemical locals; to start looking at a strategy for bargaining; and to start becoming more aggressive and train on health and safety," Landry said.

Expanding coordination

This coordinated approach is now expanding. On June 23-25, representatives from District 4 joined District 10 for a joint chemical sector conference in Atlantic City, N.J., aimed at identifying means of dealing with common employers across district lines.

The conference attracted 70 people from 22 local unions representing almost 3,000 workers in the USW's chemical sector.

"It was a good idea to bring the locals together in District 10, but an even more powerful council meeting



was held by joining with District 4," said District 10 Director Bobby "Mac" McAuliffe. "The sharing of ideas between districts, especially in the field of health and safety, was instrumental in locals developing new, innovative ideas to improve their own safety programs."

District 4 Director John Shinn said some of the common issues the locals shared concerned excessive overtime, poor company-run health and safety programs, subcontracting and work force reductions through job combinations.

Increased Communication

"There were very little, if any, communications among the chemical locals in the district prior to the chemical conference," McAuliffe said. "The district is in the infancy of creating a more effective means of communication within the chemical local unions. The staff is working very closely with these locals, and we will continue to hold chemical council meetings to strengthen the council."

Shinn also noticed a difference in communication among his locals. Since the conference, "local unions are being more aggressive on health and safety issues and confronting the company about problems," he said.

Shinn also said his locals were excited about having a conference and knowing that the International is focusing on the sector and making it a priority.

"I truly think that our locals in District 4 walked away with a better understanding of the International and the services it provides," he added.

Review Contract Safety Language to Improve Members' Job Safety

The USW can help in the event of an emergency, but there are some fundamental steps each local must take in order to assure the safety of workers prior to an incident.

Being proactive about safety is essential because emergency response happens after-the-fact. Unfortunately, many companies in the chemical industry fail to design safety into their chemical manufacturing processes.

As each of the chemical units prepares for bargaining, review the health and safety section in the contract to see what language could be added or improved. There are numerous cases in this sector where the language could be much stronger.

Please contact your staff representative and the USW Health, Safety and Environment Department if your local needs help in reviewing and revamping the safety language in your contract.

Want to Know the Latest on the U.S. Chemical Sector?

Check out the USW Chemical Workers Facebook page at <https://www.facebook.com/chemicalworkers> and Be Sure to Click "Like."

Also, check out our Chemical Web Page at <http://www.usw.org/union/mission/industries/chemical>



Homeland Security Establishes Chemical Reporting Hotline

Congress passed the Securing Chemical Facilities from Terrorist Attacks Act of 2014 (CFATS) to reauthorize the Department of Homeland Security (DHS) to regulate security at high-risk chemical facilities.

Chemical security is a responsibility that should be shared by chemical facility owners, operators and employees, as well as the communities that surround these facilities. Any individual may report a potential CFATS violation to DHS.

The agency is dedicated to protecting whistleblower confidentiality. The CFATS Act of 2014 prohibits covered chemical facilities from retaliating against an employee or contractor for reporting a potential CFATS violation to DHS.

The identity of an individual who reports a potential violation will be kept confidential unless disclosure is unavoidable or is compelled by a court order. In these instances, the department will attempt to contact the whistleblower to inform him/her of the communication. DHS accepts violation reports provided anonymously.

Potential violations or tips can be reported at any time via a toll-free number or e-mail.

Phone: 1-800-FYI-4DHS (800-394-4347)

E-mail: CFATSTips@HQ.dhs.gov

What is CFATS?

CFATS requires facilities that DHS designated as high-

risk to develop and implement security plans that address how sites will meet DHS's risk-based performance standards. These standards may include security measures such as perimeter security, access control, personnel surety and cybersecurity.

Many types of facilities, ranging from chemical manufacturers and distributors to semiconductor producers and agricultural distributors, house chemicals of interest to DHS. The CFATS regulations follow a risk-based approach that allows each chemical facility some flexibility in addressing the different security challenges.

For example, not all high-risk facilities will satisfy risk-based performance standards similarly, and not all facilities will need to take action to satisfy each standard. A facility's security plan or alternative security programs will be tailored to the specific security issues related to its chemicals of interest, risks and circumstances.

If DHS believes any facility is in violation of the regulations, the agency may issue an appropriate order to the facility specifying why it is in violation and the steps that must be taken to correct the noncompliance.

For more information on CFATS, visit <https://www.dhs.gov/critical-infrastructure-chemical-security>.

Global Meeting of BASF, K+S Unionists Promotes Solidarity

Steelworkers from the U.S. and Canada met with colleagues from the German chemical workers' union IGBCE on August 3-5 to learn about the challenges each union faces in organizing and bargaining with multinational chemical companies.

The meeting included USW local leaders from Districts 1, 3, 9 and 13 who work for two big German companies, BASF and K+S, along with International Vice President Carol Landry and District 13 Director Ruben Garza. The IGBCE delegation included leaders of the Works Councils at K+S and BASF. The program included a visit to the BASF plant in Geismar, Louisiana, that USW Local 620 hosted.

Participants identified common challenges in areas including shortages of skilled workers, health and safety, and organizing.

Much in Common

Eugene Dunegan, from Local 9-562 in McIntosh, Alabama, said: "The exchange went very well. We discovered we are facing many of the same problems and don't always have the facts. Key now is communication. We need to continue this important dialogue with our German brothers and sisters at BASF."

The USW and IGBCE members proposed to establish an ongoing dialogue and exchange of information between the workers at the two companies.

Claire Giroir, from LU 620 in Geismar, Louisiana, said: "It was a privilege to participate in this extremely productive meeting. Both sides learned things we didn't know. A lot of good information was shared, and it turns out we have many things in common. And we thought we were the only ones with problems like health and safety on the job, or aging equipment."

