

Steel Workers Fight Gerdau's Concessionary Demands

By Michael Kuchta

NEWPORT — Carrying signs proclaiming they were "just practicing," several dozen workers picketed at Gerdau Ameristeel Wednesday to protest the company's push for a concessionary contract despite making record profits.

"We've been eight months in contract negotiations and we haven't achieved a damn thing," said Mike Wodaszewski, president of Steel Workers Local 7263, which represents the plant's 315 workers. "It's becoming pretty clear we're not going to move them just at the bargaining table."

The local has been working under a day-to-day extension since their contract expired July 31.

Gerdau made a \$42 million profit at the St. Paul plant alone since it bought the former North Star Steel from Cargill in November 2004, Wodaszewski said. It made a \$30 million at a plant in Wilton, Iowa, also represented by the Steel Workers.

Yet Gerdau – which is based in Brazil with American headquarters in Tampa, Fla. – is seeking concessions from St. Paul workers that include a two-tier wage scale, the elimination of several overtime and premium pay triggers, plus four-year wage freezes for about 90 workers and only scattered raises for the rest.

Driving Wages Down

"They want a concessionary contract for no reason whatsoever," Wodaszewski said.

"The CEO came in Monday and said we can't compete in the global economy with our contract," said Sean McDonnell of River Falls, Wis., who has been at the plant a year. "A \$42 million profit sure looks like we're competitive to me."

Bernie Flanagan of Woodbury, who has eight years at the plant, said it seems clear Gerdau wants to pull union wages down to the level of its nonunion plants, which employ about 40 percent of its North American workers.

"They own a lot of nonunion plants," said Ben Hallas of Eagan, who has three and a half years at Gerdau. "They want to give us what they give them. They want to lower our standard of living."

The elimination of many overtime pay situations and the two-tier wage scale means many workers actually would take a pay cut under Gerdau's contract proposal, said Dave Hanson of St. Paul Park, who has more than 30 years at the plant. "Some guys make more from overtime than they make from their straight salary," he said.

The two-tier wage proposal also means that for workers who transfer within the plant, "even if you move up, you could take a wage cut," Flanagan said.

Fighting The Trend

The Steel Workers are also concerned that Gerdau seems to have wiped out the plant's supplemental unemployment fund and is not giving straight answers to what it is doing with pension obligations it agreed to as part of the purchase from Cargill.

"This is how things are going in the U.S.," Wodaszewski said. "They're telling us, 'You take what we give you or we'll move your job overseas.'"

"All workers are facing the same thing. It's not just the Steel Workers. It's union people. It's nonunion people. It's all working people. They're just pushing people down.

"We're in a race to the bottom," he said. "Pretty soon we're going to be a Third World country."

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