



# Unity Council

February 22, 2006

Locals 2784-03 5442 6571 7263 9473 8586 8740 8918 8581 9447-05

## Kentucky Solidarity

Although the Calvert City plant is humming along, producing \$4.4 million in profits during December, (the highest monthly profit ever), the membership of Local 9447-5 is showing its concern over the slow pace of negotiations at the three plants where contracts have expired.

They have purchased t-shirts showing their solidarity and their disdain for management with the slogan "Cargill Cared," in reference to the previous owner. They have worn the t-shirts to crew meetings, safety meetings, and other company mandated gatherings.

The most recent union meeting following the unity council meeting in St. Paul, saw more than 50 percent of the members in attendance, remarkable for a Local not in negotiations but a powerful signal that the Local is united with the Council.

Showing Solidarity for steelworkers at three plants where contracts have expired, local 9447 members hold informational picket outside plant.



## Shaky Start

As workers are recalled at Beaumont, the company has cranked up its propaganda machine, trying to convince workers that the company is good while the union is bad.

Is anybody listening to the company's bull? Not hardly. Workers know that they were locked out in a vicious attempt by Gerdau to break the union and force concessions on the workers. It will be a long time before Beaumont workers believe that Gerdau's managers are good guys.

The melt shop is back in operation but it was not a smooth start-up. The first heat went on the ground instead of into the ladle. The second heat had better luck, going directly into the ladle as planned but it hardened in the ladle before it could be used. Steel frozen in the ladle is pretty hard, hard to remove, that is.

## Who's Reality?

In a Feb. 12, article in the St. Paul Pioneer Press, writer David Beal charged Gerdau's HR director Philip Bell, with concessionary bargaining.

Bell did not deny the accusation; he simply referred to the company's position as "reality-based bargaining."

We understand exactly what Bell calls reality-based bargaining. It is reflected in our union's billboards and signs at most Gerdau locations:

**More Million\$ for Tampa Executives  
Less for Hard Working Steelworkers**

# Political Leaders Express Outrage

Elected representatives and community leaders from many areas have reviewed the unfair bargaining tactics used by Gerdau's management at the three plants where contracts have expired, especially focusing on the lockout in Beaumont.

We've asked some of them to write letters of concern to Gerdau's Chairman and President, Jorge Gerdau Johannpeter in Brazil.

*Some excerpts follow:*

"The people of Texas take great pride in our strong tradition of cooperative labor relations, and have long recognized the importance of responsible and civic-minded labor unions. By instructing Gerdau Ameristeel management team to bargain in good faith with the employees' representative, you can reaffirm this positive relationship."

— *U.S. Rep. Sheila Jackson Lee (D-Texas)*

"Previous owners of Gerdau Ameristeel's St. Paul facility were committed to cultivating a positive relationship not only with their employees, but also the larger community. In turn, the previous owners were rewarded with proud employees and high productivity. It is my hope this model will prevail in current contract negotiations."

— *U.S. Rep. Martin Olav Sabo (D-Minn.)*

"I've seen the economic proposal that your managers made to the union. These concessions are totally unacceptable to a productive work force that has and will continue to ensure profitability for the Beaumont steel mill. I reject in the strongest possible terms the anti-labor lockout perpetrated in 2005 on your employees in Beaumont."

— *Texas State Rep. Joe D. Deshater (D-Port Arthur)*

"I, Joe Hopkins, Mayor of the City of Vidor, Texas, along with the City Council do hereby support Gerdau Ameristeel and the United Steel Workers in their attempts to negotiate an agreement."

— *A Proclamation signed Jan, 31, 2006*

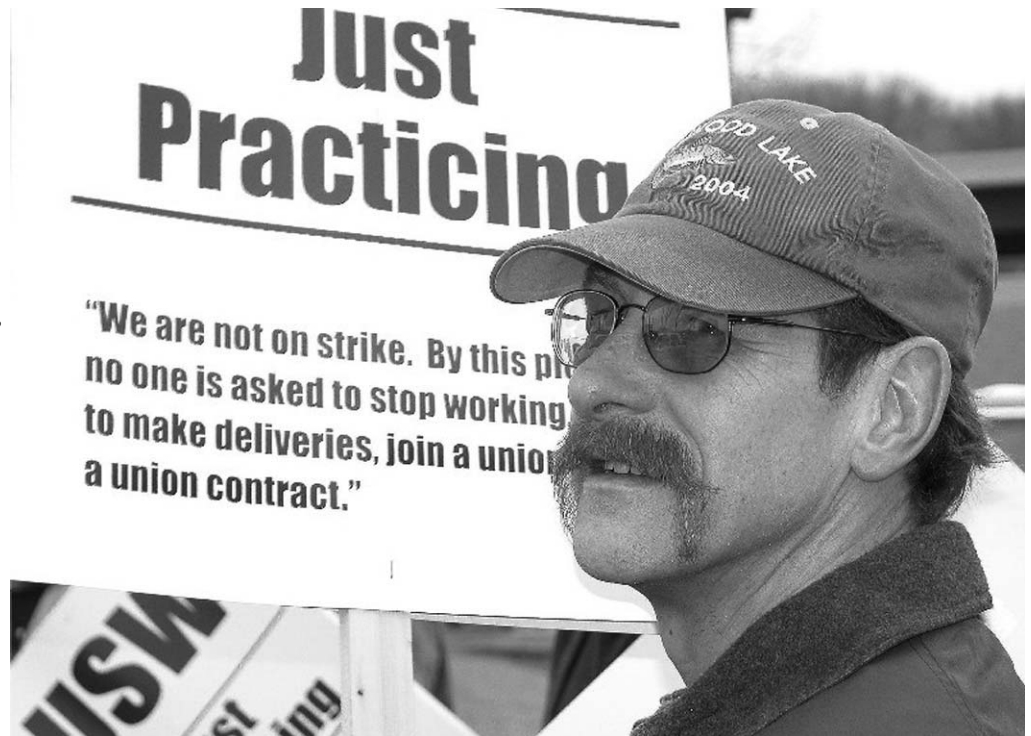
"Previous plant owners were committed to a positive relationship with workers and the broader community. Gerdau Ameristeel should negotiate reasonably and openly with employees, and honor its obligations."

— *U.S. Rep. Sherrod Brown (D-Ohio)*

"It has been brought to my attention that the recent negotiations have encountered barriers in working towards an amicable agreement. . .

I am requesting that the management members of Gerdau Ameristeel facility in Wilton work in good faith with the Steelworkers in order to reach a mutually beneficial bargaining agreement."

— *Thomas J. Vilsack, Governor of Iowa*



"It is my hope that plant management will negotiate with plant workers and their union representatives in good faith and with a goal of achieving a labor agreement that invests in the success of our community's working families and your company."

— *U.S. Rep. Betty McCollum (D-Minn.)*

"It is my understanding that those employees are being asked to make deep concessions, despite the fact that your subsidiary's St. Paul, Minnesota operation has been profitable."

— *U.S. Sen. Mark Dayton (D-Minn.)*

"It is my hope that plant management will negotiate with plant workers and their union representatives in good faith with a goal of achieving a labor agreement that invests in the success of our community's working families and your company."

— *U.S. Rep. Lloyd Doggett (D-Texas)*

"This management team has shown absolutely no respect for the workers, their families, or their union. The employees at the plants that your company purchased from Cargill have long been known as not only productive workers, but as wonderful citizens and contributors to their local communities."

— *State Sen. Mee Moua (D-St. Paul)*

"Sadly, too many "labor consultants" in the United States do not have a vision of the common good. Rather, they advise those who have contracted them to do everything possible to bring about a hostile and tense situation, and extract everything possible from the employees. Whoever was responsible for giving such advice to lockout the workers at the Vidor facility, has now soured much of the good will that had existed at the time of the company's acquisition."

— *Father Sinclair Oubre, J.C.L., pastor  
St. John the Evangelist Catholic Church  
Port Arthur, Texas*



"I have seen the economic proposals that your managers made to the union. These concessions are unacceptable to a productive work force that has and will continue to ensure profitability for the St. Paul steel mill. I also reject lockouts, which are clearly meant to break an organized work force."

— *Commissioner Victoria A. Reinhardt  
Ramsey County, Minn.*

# Negotiations Update

**Beaumont** - The last negotiating session was February 21 when the company continued to press its concessionary demands.

The company declared impasse when there was no impasse and ended the lockout by illegally implementing terms of the return to work.

Another negotiating session is scheduled for March 14 and 15.

**Wilton** - Negotiators met Feb. 15 & 16, and the company made a counter proposal in which they moved only very slightly and predictably, continuing their "baby step" approach to bargaining. The union countered with a revised proposal. The next bargaining sessions are set for Feb. 28 and March 1.

**St. Paul** - Meetings on Feb. 14 & 15 covered pensions and the VEBA (retiree health care). "We shot the company's original proposal full of holes," said chief negotiator Jim Stewart. "It did not address inequities in the pension and there were issues with ERISA." (Employee Retirement Income Security Act of 1974.) The company regrouped and submitted a new proposal which is being studied.

Sessions scheduled for Feb. 20, 21 and 23 were to discuss job classifications and work practices.

## Tennessee Troubles

**R**enewal of an air pollution permit that allows the Gerdau Ameristeel plant in Knoxville, Tenn., to spew 7,360 pounds of lead into the atmosphere annually is coming under question by a coalition of community groups. A public hearing is set for March 3.

The American Lung Association State of the Air 2004 report lists Knoxville as the ninth most polluted by year-round particle pollution metropolitan area in the country.

Knox County particle pollution is reported in two ways: 24-hour measurements, which look at short-term exposure and annual averages. Serious health effects can occur with high levels over either short-term or year-round exposure.

The American Lung Association gives Knox County the letter grade "F" for failing to meet both the EPA 24-hour standard and annual standards.

While the Association does not separately list the lead contaminant in the air, exposure to lead is known to cause serious health damage, particularly to young children and the unborn.

A second Tennessee Gerdau Ameristeel plant in the city of Jackson has an air pollution permit renewal due in August. Early application for that renewal has raised suspicions among the environmental community. No doubt, more questions will be raised there.

## Hydrated Lime Jeopardizes Safety

**D**uring the six-month lockout at Beaumont, water is believed to have gotten into lime stored in a silo adjacent to the melt shop, causing it to harden and expand. Workers initially reported that the hardened lime was acting like a plug, preventing discharge out of the bottom.

Now the situation has worsened. The hardened lime is expanding, bringing pressure to the sides of the silo.

Will it expand beyond the capacity of the silo to hold it? Someone with the qualifications and experience to make an informed decision on what needs to be done must be brought in immediately before the expansion exceeds the limits of the silo.

The union has called on the company seal off the area and rush knowledgeable engineers to the site before the hazard causes injuries to the workers.

Meanwhile, it takes five trucks a day to haul enough lime to keep production going.