STEEL VOICE

UNITED STEELWORKERS LOCAL 1999

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The Final Question: Who Will Pay for Health Care?

By Robert Reich

Robert Reich the nation's 22nd Secretary of Labor and professor at the University of California at Berkeley.

There's only one big remaining issue on health care reform: how to pay for it. The House wants a 5.4 percent surtax on couples earning at least $1 million in annual income. The Senate wants a 40 percent excise tax on employer-provided "Cadillac plans." The Senate will win on this unless the public discovers that a large portion of the so-called Cadillacs are really middle-class Chevys, expensive not because they deliver more benefits but because they have higher costs.

The dirty little secret under the hood is that less than 4 percent of the variation in the cost of current health-care plans has to do with how many benefits they provide. Most plans that cost more do so because (1) a particular set of employees is older and tends to get sicker than the average set of employees (that's true for a lot of old rust-belt firms), (2) the plan is offered by a small business that lacks bargaining clout with insurers (small businesses pay, on average, 16 percent more for the health insurance they provide, per capita), (3) the work that employees do subjects them to greater risk of medical problems (health-care workers, for example), or (4) most employees are women (who tend to have higher health-care costs than men because women are the ones who bear children). Plans could also cost more but deliver average benefits because (5) insurers in the area don't face much competition (one main reason for the public option).

So by taxing so-called Cadillac plans, the Senate bill would actually end up taxing the Chevy plans of a

See Question Page 3.

My View

Bruce Reed, Local Union Representative

Brothers and Sisters:

Since our last newsletter we in United Steelworkers Local 1999 have seen firsthand the need for comprehensive national health care for all Americans not just some. As most of you are aware our Local President Chuck Jones was diagnosed with colon cancer. Chuck, because he has bargained health care, was able to get diagnosed and subsequently treated for the cancer. He had the cancerous tumor removed and the report from his Doctor is he is cancer free, good news for us all. Chuck will begin a regiment of chemo treatments and his prognosis is good for the future.

We have one of our Unit Officers that fought colon cancer in the past year or two and has been successful in defeating the disease. I am happy to report he has returned to a normal life style and has been able to return to work due to good health care and early detection of the cancer.

We in the Indianapolis area have had another Brother that has been struck by cancer. Bob Voorhies recently retired as our Central Indiana Labor Council President and has been diagnosed with cancer. Bob's cancer is very serious and we need to keep him in our thoughts and prayers as he has started his treatments.

We have suffered with numerous cases of cancer, heart disease, diabetes and many other health problems being experienced by members of our Union and their families. We in the Union are fortunate to have health care in most all of our Collective Bargaining Agreements. Our health care was bargained for us by Union Committees years before we began working for the companies we work for. If we stop for just a minute and think just over this past year, where would most of us be if we had no health care? One visit to a Doctor usually leads to necessary tests and further treatments that we would not be able to pay for. What if one of our kids needed care and we did not have insurance, or our spouse needed care and it was beyond what we could be expected to pay, or even consider paying for?

This is the problem President Obama, and for that matter the Labor Movement as a whole is trying to fix. This is America, should we turn our back on our neighbors, friends and sometimes family that have no health care and just let them suffer, and sometimes die because we believe health care for all Americans is not our problem?

The three Union Representatives I have reported on are examples of why health care for working families is so important. We have seven contract negotiations this year in our Local Union and anticipate health care will be an issue at all seven. It is imperative we bargain good health care for our members and their families.

Please be supportive of your committees in your respective plants and help us by telling our Representatives in Washington how important it is that meaningful health care reform be passed. We need real reform that does not tax our bargained benefits and a public option needs to be available to drive the cost of our bargained health care benefits down. Please take time to write or call your House Representatives and our Senators and express your concern. ❒

Question From Page 1.

large portion of the middle class. And as time goes by, a still larger portion, since the Senate plan is geared to the overall rate of inflation rather than to the (much higher) rate of increases in health-care costs.

Defenders of the Senate plan say not to worry. Employers who bear the tax and therefore have an incentive to cut back on health care for their employees will make it up to employees in higher wages. But anyone taking even a passing glance at today's labor market knows this is wishful thinking. Employers have no incentive to raise wages when almost everyone is worried about keeping their jobs. (Besides, a dollar's worth of tax-free health benefit is worth more than a taxable dollar of wages.)

In any event, I thought a major purpose of health-care reform was to get more care to more people, not to cut it back. Even employees who get extra dollars of wages to make up for the cutbacks won't necessarily plow those wages back into health care.

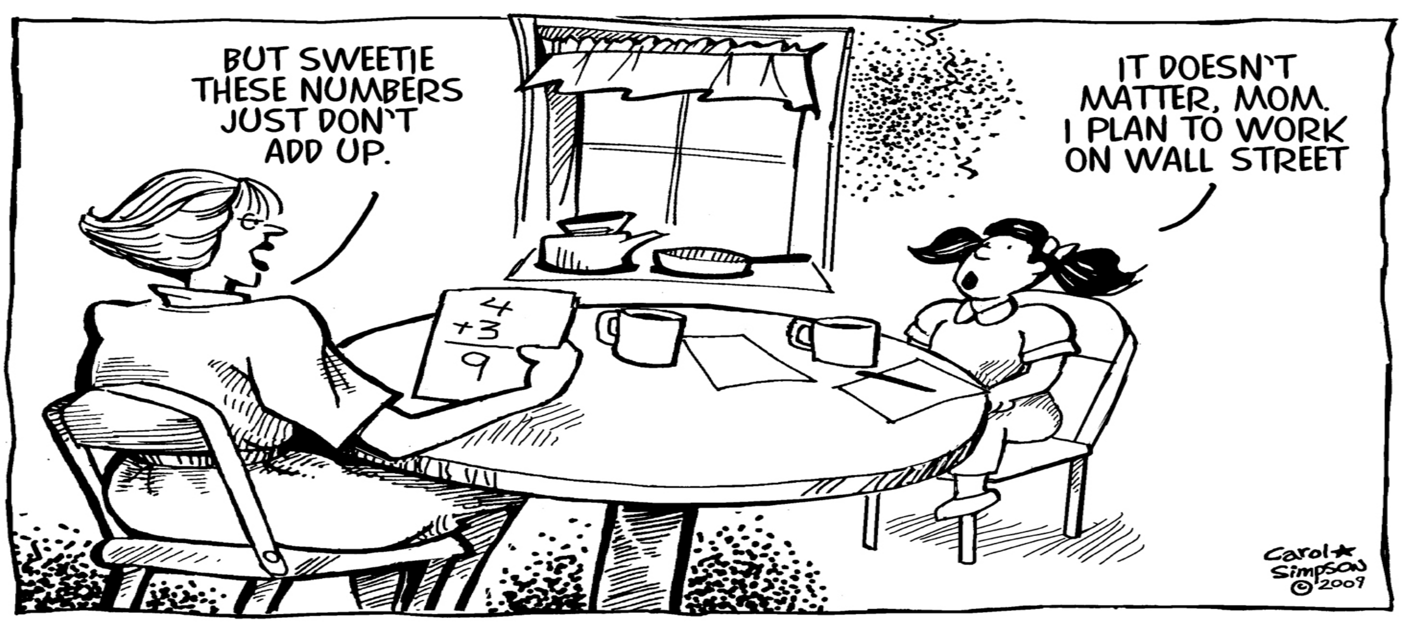
Some say the Senate's excise tax is the only way to control long-term health care costs. Baloney. If a portion of the middle class loses their health care, they won't get the preventive care that's so crucial to containing long-term costs. If Congress wanted to do more cost containment it would allow Medicare and Medicaid to use their huge bargaining power to get lower costs from pharmaceutical makers and medical suppliers. And it would have a public option to compete with private insurers.

Of course, we're playing with probabilities here. No one knows exactly what will happen when the Senate excise tax hits — how many employers will cut back coverage without raising wages to compensate, how many middle class people will be hit hard by this, how many who do get higher wages will use them to buy health care, including preventive care.

But why even take these chances when the House bill simply and cleanly goes after the top 1 percent? It's not as if couples earning over a million can't afford to pay the tax. When I last looked, the top 1 percent was taking home a record 23 percent of total income. If anything, the Great Recession is widening the gap. It's bonus time on Wall Street again. But the middle class is taking a beating.

This is the last big fight on health care reform. It's being fought right now. Make your voice heard. ❐

Robert Reich is Professor of Public Policy at the University of California at Berkeley. He has served in three national administrations, most recently as secretary of labor under President Bill Clinton. He has written twelve books, including The Work of Nations, Locked in the Cabinet, and his most recent book, Supercapitalism. His "Marketplace" commentaries can be found on publicradio.com and iTunes.



USW Offers Support, Solidarity after Devastating Quake

The United Steelworkers union is providing immediate financial aid, extending condolences and pledging future support to the people of Haiti following the tragic earthquake in the Caribbean country.

Debris lays in the street after an earthquake along the Delmas road in Port-au-Prince, Haiti, Wednesday, Jan. 13, 2010. (AP Photo/Jorge Cruz)

"On behalf of our international officers, leaders and our 1.2 million active and retired members, I send sincere condolences to the people of Haiti," said Leo W. Gerard, USW International President.

"We have all been deeply touched by the tragic loss of life and devastating damage to property. We know the loss and pain cannot truly be measured," Gerard said.

Gerard and Ken Neumann, the USW's National Director for Canada, announced an immediate donation of $20,000 from the Steelworkers Humanity Fund to assist with emergency aid in Haiti.

"The unimaginable grief and desperation inflicted on the people of Haiti by this earthquake is precisely the kind of tragedy for which the Steelworkers Humanity Fund was created," said Neumann.

"We extend our sincere sympathies to the Haitian people and we pledge future support to help them cope with this catastrophe."

The Steelworkers Humanity Fund was created by the USW in Canada in 1985 to address hunger and poverty, primarily in the developing world, through development assistance and emergency aid. Steelworkers members contribute to the fund through clauses negotiated into collective agreements and in many cases matching contributions from employers also have been negotiated.

"Many of our sisters and brothers who live and work in the United States, Canada and the Caribbean have friends and relatives from Haiti," Gerard said. "Our hearts and thoughts are with them during these trying moments.

"It's times like these that we are reminded that regardless of the bloodline that runs through our veins, or the address of the place we call home, we are all family connected by our common humanity." ❐

A young earthquake survivor carries high protein biscuits distributed by the World Food Program at an aid distribution point in Port-au-Prince, Saturday, Jan. 16, 2010. Relief groups and officials are focused on moving aid flowing into Haiti to survivors of the powerful earthquake that hit the country on Tuesday. (AP Photo/Ariana Cubillos)

Brighter Outlook For The New Year

Linda Bennington, Vice President

Hope everyone had a good and safe Holiday. 2009 ended with lay offs and plant shut downs.

This year has started out with members being recalled after some have been laid off for over one year.

Hopefully we will see a turn around in the economy and have all members returned to work in the near future. This will be a busy year with seven contracts expiring.

Congratulations to Nancy Guyott for her new position as AFL-CIO President, Nancy replaced Ken Zeller who retired. Brett Voorhies is running for Indiana State Rep. District 92. Brett is also a member of Local 1999. We are proud to have one of our own step up to make a difference in the state of Indiana for working families. ❒

U.S. Panel Rules For Steelworkers, Steel Firms In Chinese Oil Pipe Case

WASHINGTON (PAI)--By a 6-0 vote, the U.S. International Trade Commission ruled at the end of December for the Steelworkers and eight domestic steel firms in their case that China-subsidized imports of pipe used for making oil lines and in refineries were illegal and cost U.S. workers thousands of jobs. And the case isn't over yet.

The ruling pleased USW President Leo Gerard. It's one of a series of federal rulings for the union in its aggressive campaign against subsidized Chinese imports. Others have been in tires and fax paper. This ruling is final.

Gerard had told the agency at its Dec. 1 hearing that the subsidized oil pipe imports cost 2,421 U.S. pipe workers their jobs in the first nine months of 2009 alone.

The commission's decision "makes it clear to American pipe workers and industry that the U.S. government will stand up against China's violation of fair trade rules when domestic job losses and industry injury are clearly demonstrated," Gerard said after the ITC handed down its ruling.

"We are fed up with China's constant cheating and false claims of U.S. protectionism, when it is China that practices illegal state subsidization and dumping that seeks to destroy good jobs and fair competition under WTO standards their leaders agreed to abide by," Gerard added.

The commission ordered that countervailing duties, designed to offset the Chinese subsidies, start in mid-January, said USW's trade counsel, Roger B. Schagrin. The duties will range from 10.5% to 16%. Schagrin noted the agency still is considering the anti-dumping -- as opposed to the anti-subsidy -- portion of the case that USW and the steel firms filed. That decision is due April 1, and Schagrin said preliminary anti-dumping duties of 96% are pending against all but one of the Chinese pipe exporters.

Gerard noted the ITC rulings could determine the future of the domestic oil pipe manufacturing industry. He pointed out the eight firms -- led by U.S. Steel -- that joined USW in the case employ 6,000 workers in making oil line and refinery pipe. Their jobs and their communities are at stake, Gerard said. Nearly half of the U.S. oil pipe factory workforce was laid off at different times since the case was jointly filed in April by the USW and the companies. The pipe imports case is the largest in U.S. history with imports valued at $2.74 billion in 2008, the union adds.

USW Vice President Tom Conway, whose sector of the union covers domestic oil refinery workers, added the China pipe ruling will impact jobs in the entire supply chain for the pipe, including workers making flat rolled steel, producing coke and mining iron ore. "That's thousands of jobs, and thousands more are at stake," Conway said. ❒

Press Associates, Inc. (PAI)

USW Local 331U On Strike

USW Local Union #331U members began an unfair labor practice strike on Friday, January 8,2010. They are employed at Scepter, Inc. located in Bicknell, Indiana. This shop is part of USW #331U and Melanie Bernardi is the President of this amalgamated Local Union. Sub 3 Staff Representative Chris M. Bolte is the servicing staff and is heading up the negotiations.

During bargaining, the Employer has refused to provide the Union with insurance information changing rates during bargaining that are charged to our members, the Employer has regressively bargained, and the Employer also began issuing discipline to Union members who serve on the Local Union Bargaining Committee, while violating the National Labor Relations Act. They have filed numerous unfair labor practice charges against Scepter, Inc. And the NLRB continues investigating and taking affidavits. They remain hopeful that they will receive a decision from the NLRB within the next month.

The CBA expired on September 18, 2009, and they continued working without a contract until January 8,2010. On November 25, 2009, the members voted unanimously to authorize a strike. They presently have thirty (36) members participating in the unfair labor practice strike.

Although this remains an unfair labor practice strike, the Union continues to fight the Employer on many other issues. The fight includes in part: retaining time and one-half (1 1/2) after eight (8) hours rather than after forty (40) hours as the Employer proposed, retaining the member's birthday holiday, fighting against a self funded insurance policy that is sub par in benefits while the USW H&W provided better rates and

Local 1999 members Andy Engle (Unit 09 Secretary), Linda Bennington (Vice President), and Bruce Reed (Local Union Rep.) showing their support on the picket line with Local 331U strikers. (Photo/Jim Adcock)

See 331U Page 7.

In A Lost Decade, We Had Big Winners … CEOs

By Sam Pizzigati, Editor, Too Much Special to PAI

WASHINGTON (PAI)--Pawn shops always do well in recessions. CEOs of pawn shops, at least these days, do even better. At EZCorp, the Texas-based regional chain that runs over 670 pawn shops and payday loan storefronts, CEO Joseph Rotunda just picked up a 20% salary hike.

"CEOs do better." Can any three words more aptly sum up the decade we put to rest last week? For power suits, an uninterrupted string of windfall paychecks. For everyone else, the insecurity of the worst economic times in over 70 years.

Actually, by one economic measure, the first decade of the 21st century turned out to be America's worst ever. The stock market ended the "Aughts" with the poorest calendar decade performance record in U.S. investment history.

Between flat or declining workers' wages, slumping stocks which played havoc with their pensions, and skyrocketing health care costs, maybe we should rename it "The decade of the zeroes."

Adjusted for inflation, stocks lost an average of 3.3% a year during the '00s. Back during the 1930s, the previous worst-performing decade, stocks averaged a 1.8% percent annual gain. Read those sentences again and think about it: By that measure, the market did worse in the last decade than in depths of the Great Depression

Stephen Burke. CEO Comcast.

If you have your retirement tied to a 401(k), you're already feeling the stock market woes — and reeling from them. Most Americans working at major companies used to have pensions that tied checks to years worked. You labored 35 years, you knew exactly what your pension check would be.

Most retirement plans today, by contrast, offer workers no such guarantee, only stock. If share prices fall, you lose at retirement time.

Top executives don't. The wheelers and dealers who populate America's executive suites enjoy preferential retirement treatment — via "supplemental" plans that shove pay dollars into "deferred-compensation accounts."

These accounts let executives set aside — and defer from taxes — far more than the $16,500 maximum

See CEO's Page 10.

<u>331U from Page 6.</u>

benefits, the Employer's proposal that the insurance deductible will ramp up to $2,225 per year by the end of the three (3) year agreement, and, (depending on which insurance rates are utilized), our members paying as much as about sixty percent (60%) of the monthly insurance costs. There is no physician visit benefit so until such time as a member/dependent meets the yearly deductible; there is no reimbursement to visit with a physician. In the Employer's final offer, the Employer offered no wage increase for the first year of the CBA. In the Employer's proposal prior to their final proposal, the Employer offered fifteen cents (.15). Although it wasn't sufficient, obviously, it was a little more than ZERO.

At the December Local 1999 Union meeting the membership approved donating $500 per month to Local 331U in the event that they were forced to go on strike. ❐

Nancy Guyott Elected Indiana AFl-CIO President

At the Indiana State AFL-CIO convention Nancy Guyott was elected president and Joe Breedlove was re-elected as secretary-treasurer.

Guyott makes history by becoming the first woman, and, at age 41, the youngest person in nearly fifty years, to lead the labor organization. She was unanimously elected at the AFL-CIO's state convention to replace retiring president Ken Zeller. Guyott is now one of only the six women in the nation to head a state AFL-CIO.

Nancy Guyott, Indiana State AFL-CIO President.

The Indiana State AFL-CIO (American Federation of Labor and Congress of Industrial Organizations) is a federation of 800 local unions across the state belonging to 50 International Unions. In total, the Indiana State AFL-CIO represents more than 300,000 working Hoosiers.

“I am honored to have been elected by my union brothers and sisters to serve in this capacity, and am ready for the many challenges that lay ahead,” said Guyott. “With so many people out of work, with so many families struggling to make it and with so many challenges facing our state and country it’s more important than ever that working Hoosiers have a strong voice in the discussion, and that’s what Joe and I are committed to providing.”

“From the national debate on health care, to the debate in the Indiana Statehouse over unemployment insurance, to discussions in local communities with private business over workplace conditions and fair wages, we will be there to stand up for the working men and women of this state.”

Prior to her election, Guyott served as the AFL-CIO’s counsel for five years. She also spent 12 years working in various capacities within the Indiana Department of Labor including serving as its commissioner from 2003 to 2005. A member of the United Steelworkers (USW) and the American Federation of State, County and Municipal Employees (AFSCME), Guyott is a graduate of Harvard College and earned her law degree from Indiana University Bloomington.

Breedlove, who was first elected secretary-treasurer in 2003, began his career as an apprentice lineman in 1977 for the Boone County REMC, studied as an apprentice with the International Brotherhood of Electrical Workers (IBEW) Local 481, served as journeyman wireman and foreman and as the business representative and referral agent for that local. Joe is a graduate of Antioch University.

“On behalf of all the men and women of the AFL-CIO, Joe and I also want to thank Ken Zeller for his years of service,” added Guyott. “He has been a real champion of working people and we cannot thank him enough for all he has done for this organization and for working people in Indiana.”

Ken Zeller former Indiana State AFL-CIO President.

Zeller was first elected as President of the Indiana State AFL-CIO in 1997. Prior to his elected he served from 1989 to 1997 as the Commissioner of the Indiana Department Labor under both Governors Evan Bayh and Frank O’Bannon. Zeller also worked as a member of the Mine Workers and the USW, where he served as president of USW Local 12775. ❐

News

Union Plus Scholarship Applications Now Available

Application deadline Jan. 30, 2010, for $200,000 in awards

Washington, DC— Applications are available for the 2010 Union Plus Scholarship Program, which provides $200,000 in scholarships to union members, their spouses and dependants.

To download the application, visit **UnionPlus.org/Scholarships**. Or, send a postcard with your name, return address, telephone number and international union name to: Union Plus Education Foundation, c/o Union Privilege, P.O. Box 34800, Washington, DC 20043-4800. The application deadline is January 30, 2010.

Since 1992, the Union Plus Scholarship program has provided more than $2.8 million to help fulfill the educational dreams of students who represent millions of working families across the nation. Union Plus Scholarship awards are presented annually.

In 2009, 133 students were awarded a total of $200,000 in scholarships from the Union Plus Scholarship program, which is offered through the Union Plus Education Foundation with funding from HSBC, the issuer of the Union Plus Credit Card.

All members of unions participating in the Union Plus programs (as well as their spouses and dependent children) are eligible to apply for scholarships. You do not need to participate in a program in order to be eligible.

How the Scholarship Program Works

In addition to demonstrating academic ability, applicants are required to submit essays of no more than 500 words describing their career goals, detailing their relationship with the union movement and explaining why they are deserving of a union scholarship.

Individuals must be accepted into an accredited college or university, community college or recognized technical or trade school at the time the award is issued. Graduate school students are also eligible for Union Plus Scholarships. There is no requirement to have participated in any Union Plus program in order to apply.

Union Privilege
1125 15th Street, NW, Suite 300 • Washington, D.C. 20005
Phone (202) 293-5330 • Fax (202) 293-5311
www.UnionPlus.org

CEO's From Page7.

that ordinary workers can defer into 401(k)s. But these accounts go one giant step further. They typically guarantee the executives who hold them a guaranteed investment return on their deferred dollars.

In 2008, a Wall Street Journal report just revealed, cable giant Comcast paid its top execs a way-above-market-rate 12% interest on the dollars they parked away in their deferred-compensation accounts. For Comcast VP Stephen Burke, that 12% guarantee generated $7.4 million.

Former Wal-Mart CEO H. Lee Scott Jr.

And Comcast's 70,000 regular employees? Over the same period, their 401(k)s, dependent on the vagaries of the stock market, dropped 28% in value, a collective loss of $649 million.

We don't have figures yet for 401(k) losses in 2009. In 2008, says the Boston College Center on Retirement Research, 401(k)s overall fell at least $1 trillion.

A sizeable piece of that misfortune befell the million workers in Wal-Mart's 401(k). Their retirement nest-eggs took a 18% hit -- and that was before revelations of kickbacks, double-dealing and mis-pricing in a federal court suit in St. Louis.

But Wal-Mart gave now-retired CEO H. Lee Scott Jr. a guaranteed 6.6% return on his supplemental retirement savings. Scott's gain: $2.3 million.

Lee Scott almost perfectly personifies our just completed decade's CEO story. He moved into the Wal-Mart chief executive slot right at the start of the ten years, in Jan. 2000, and retired last Jan. 31. His predecessor, David Glass, averaged $4.5 million a year in the five years before Scott took over. Scott, in his first four years as CEO, averaged $23 million.

In his last full year at Wal-Mart's summit, Scott took home $30.2 million, over 1,500 times the average $19,200 pay that went that year to Wal-Mart workers.

Our executive gravy train didn't start, of course, in the Aughts. The CEO pay spiral actually began turbo-charging two decades earlier, in the early 1980s, a time when top execs still averaged only 30 to 40 times more take-home than their workers.

Forbes, the business magazine, conveniently started keeping score of Corporate America's biggest windfall winners about that same exact time. In 1982, in the magazine's first annual list of America's 400 richest, Forbes reporters counted just 13 billionaires. The current count: 359.

The total "top 400" today hold $1.27 trillion in wealth. Since 1982, the wealth of the Forbes top 400 has jumped an amazing 12 times faster than inflation.

How much of this good fortune has "trickled down" to average American families? Average American families with children, headed up by someone under age 50, hold less net worth today, after inflation, than they held back in 1983.

Journalist David Cay Johnston, in an analysis just published in the widely respected Tax Notes journal, is calling that finding — teased from data collected by Barry Bosworth and Rosanna Smart for the Brookings Institution — simply "stunning."

How much longer will growing inequality in the United States continue to generate such stunning stats? Will the "Teens" turn our 30 years of rapidly growing inequality into 40?

Or will the Teens, like the Depression 1930s, set the stage for an explosion of equality that totally reinvigorates American life and labor? We'll see. ❒

Unit 07 Carrier

Greetings Brothers and Sisters,

Happy New Year. We have started the year with a very positive outlook. All of our members have returned to work as of January 4th. This brings our workforce to over 1200 union employees. We anticipate a strong and prosperous year as we recover from the recession and hard economic times.

Our work has been very steady over the last several months with many departments working overtime. We foresee this trend continuing through the spring.

I am very proud of our grievance committee, both new and experienced, that have worked hard to uphold our rights under the contract. Our grievance load remains high as we are working through contract language, employee issues, and work rules.

We wish Chuck Jones a speedy recovery from his recent illness. Good luck Chuck.

In Solidarity,
George Gann
Unit 07 President

Unit 09 Quemetco

We still have plenty of work here at Quemetco. Although we have just recently been told by the company that they are having trouble getting batteries which are our raw material. Our Furnaces were shuttered for a few days last week due to not having enough batteries to run. This time was used to complete some needed maintenance on the furnaces.

We will begin meeting with the company to start contract negotiations on January 26th. Our contract expires on February 28th. We are expecting health insurance to be the company's main issue due to increasing costs. I was hoping that Congress would have made this a non-issue for us by now. I am disappointed with what little has been accomplished on healthcare for working families. I believe that because of the Senate we will end up paying more for our health insurance due to taxes and still not see a reduction in our costs.

I am sure we will be hearing something about the company's costs at the "State of the Company" meetings this week. I will be shocked if we don't.

As for our grievance load it has been light. We were able to recently settle three grievances that were appealed to arbitration. They were all settled to the benefit of the aggrieved employee. All received compensation. We currently have one grievance appealed to arbitration involving the company's new attendance policy.

I would like to wish Chuck all the best and a speedy recovery. I would like to welcome back to work our Unit Secretary Andy Engle. He is living proof that cancer can beaten. He has had long battle and is now finally fully recovered. I hope that his success will be an inspiration for Chuck. I ask that everyone keep Chuck in their thoughts and prayers.

In Solidarity,
Kelly Ray Hugunin
Unit 09 President

Unit 17 Mid America Extrusion

Business is slow to improving here at Mid America Extrusions. We finished December shipping 450,000 pounds of aluminum, not bad considering we were down for maintenance for two weeks.

We have new safety gates installed at our extrusion press and it will be noted at our next safety committee meeting.

We have expanded our smoking policy to include all tobacco products. Smokeless tobacco is now banned due to unsanitary spitting on the floor and elsewhere.

The company is committed to a long term future here, as equipment upgrades are in process. For example a new hydraulic crosshead for our press that costs well over $100,000 and takes one year to have made and delivered.

We are still trying to have a food drive here, but without much success.

We had our first wellness program exam on January 6th to comply with the contract and to receive a reduction in insurance cost. That's all I have for now.

In Solidarity,
Howard W. Davis
Unit 17 President

CWA Releases Summary Of Studies Showing Harm From Health Care Tax

By Mark Gruenberg, PAI Staff Writer

WASHINGTON (PAI)--The Communications Workers have released a compilation of 18 studies from non-profit and non-partisan sources, showing the huge harm from congressional proposals to tax the workers' health care.

The studies from medical journals, benefits consultants who work for employers, and from health policy think tanks all "make clear that a tax on health care plans is the opposite of reform -- it will hit middle-class families and working Americans hard," said CWA President Larry Cohen. "The health plan excise tax will not let families keep the good health plans they have now."

The Senate-passed health care bill would tax 40% of the value of health care plans above exempt minimums of $8,500 for an individual and $23,000 for a family. That tax, supporters say, would help curb rising health care costs.

Senate Majority Leader Harry Reid, D-Nev., and House Speaker Nancy Pelosi, D-Calif., plus health experts among congressional staffers, are meeting behind closed doors to hash out a compromise bill both houses of Congress can send to Democratic President Barack Obama. The Senate-passed bill is said to be the base text for them.

But unions, their leaders and workers say the Senate's tax is unacceptable, because it would hit millions of workers and their families -- union and non-union -- who sacrifice pay and pensions to keep ever-more-costly, but not necessarily better, health care. AFL-CIO President Richard Trumka has said that if the health care plan tax stays in the health care bill, labor could well take a hike.

CWA's compilation of the reports also shows the studies question the other assumptions backers of taxing health care put forward:

- The health benefits tax would hit many plans with high premiums but normal benefits. Premiums are high because the plans cover many older or female workers -- groups with higher medical claims -- or because they cover workers in areas where medical costs are high. As a result, millions of middle-class people would wind up paying health care taxes.

- Employers, to avoid the tax, would cut benefits because, the tax's backers say, too many people have "too much" health insurance. The studies debunk that notion by noting the insurers' high deductibles and co-pays already make health care users cost-conscious. The studies "show that reducing benefits -- meaning more out-of-pocket costs for patients -- decreases the use of necessary as well as unnecessary care."

When a patient with a chronic condition, such as diabetes, "saves money" by not taking medication to control the condition, hospitalization and emergency room costs go up, so the savings can disappear, the studies add.

- Higher out-of-pocket costs would have little impact on big-ticket medical spending on patients with acute or chronic conditions. "And if the out-of-pocket costs did have an impact, it would mean that the sickest people are skipping needed care," the studies forecast.

- "Higher cost-sharing will lead to lower utilization and forgoing needed care, which will result in worse health outcomes and increased health disparities. Lower utilization has done little to reduce costs in the United States. We are already near the bottom in hospital and physician usage, but our health costs are 50% more than the next-highest spending country," the CWA summary of the studies states.

- "The excise tax is a large tax increase on middle-class Americans, and it is a regressive tax increase, especially when compared with the surcharge on wealthy individuals proposed in the House" health care bill, the summary says.

- Supporters of the Senate's health care tax say it will let people keep the insurance they have. But the studies include surveys of employers, and those show most firms plan to cut benefits to avoid the tax. The supporters also envision employers passing on savings on health care costs to workers as raises. The surveys CWA gathered show the employers would pocket the money, instead, leaving workers to pay.

See Tax Page 13.

LabourStart Campaign Against Vale a Tremendous Success

A letter to the Editor of LabourStart

Dear Eric:

In the last few weeks, more than 8,000 protest messages have been sent directly to the chief executive of Brazil-based Vale SA, condemning the mining conglomerate's callous treatment of workers.

The United Steelworkers (USW) wishes to thank LabourStart for launching this e-mail petition in support of 3,500 USW members in Canada who are into the sixth month of a strike against Vale Inco. The petition reinforces the USW's global solidarity campaign which is building alliances with Vale workers and communities around the world who are demanding better treatment from this giant multinational.

The USW and its striking members in Canada are grateful for the support and solidarity they have received from LabourStart and the petitioners who made this such a successful campaign. It has been heartening to see thousands of people speak out, within such a brief timeframe, to help expose Vale's attacks on working families and their communities.

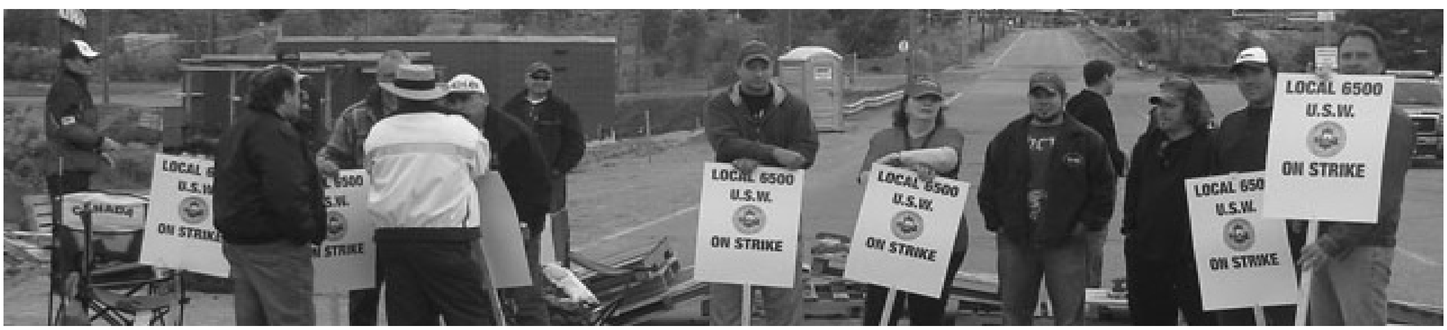
Vale is massively profitable, yet it has provoked a strike in Canada by demanding huge concessions from workers. To date, the company has refused to negotiate a resolution to the dispute, rejecting the USW's offer to resume meaningful, good-faith bargaining, free of pre-conditions.

Working people around the world joined LabourStart's petition against Vale because they recognize it is unacceptable, arrogant and callous for a highly profitable foreign corporation to try to impose drastic concessions on workers and their communities, while removing greater amounts of wealth from those communities.

Until Vale decides to negotiate a fair deal with its Canadian workers, we will continue our international solidarity campaign against this company's attacks on working families and their communities. USW members and their families would like to extend our appreciation and gratitude to LabourStart and our allies around the world for your ongoing support in our struggle.

In Solidarity,
Ken Neumann
USW National Director for Canada

United Steelworkers (USW) - December 30, 2009 ❒



Striking Steelworkers at Vale Inco. Sudbury, Ontario July 13, 2009.

Tax from Page 12.

"The excise tax will destabilize the employer-based" health care "system, resulting in plan terminations, higher costs to workers, and a shift to lower-cost high- deductible health plans with limited benefits," CWA's survey concludes.

In a Jan. 6 telephone press conference about the Senate's health care bill, Rep. Joe Courtney, D-Conn., added sex discrimination to the mix. He pointed out the Senate gave breaks from the bill's negative impact to male-dominated occupations with high health care costs, but not to female-dominated occupations with high health care costs.

"Longshoremen, along with public safety workers, were the last ones in to get exemptions, as occupational groups" from some of the Senate bill's plan to allow higher charges for high-risk jobs, he said. "But female-dominated occupations -- teachers, nurses -- didn't get those waivers."

"I don't see how this bill moves" through the House "if it's a take-it-or-leave-it attitude from the Senate," Courtney concluded. ❒

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STEEL VOICE

Kelly Ray Hugunin
Editor

USW Local 1999
218 South Addison Street
Indianapolis, Indiana 46222

Phone: 317-639-1479
Fax: 317-639-1138
Email: local1999usw@att.net

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Submissions from members are always welcome.

To submit
Mail to: 218 South Addison St. Indianapolis, IN 46222
Phone: 317-639-1479
Email: hugunin@tds.net

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