

STEEL VOICE



UNITED STEELWORKERS LOCAL 1999

Volume 6. Issue 1.

Indianapolis, IN

January 18, 2013

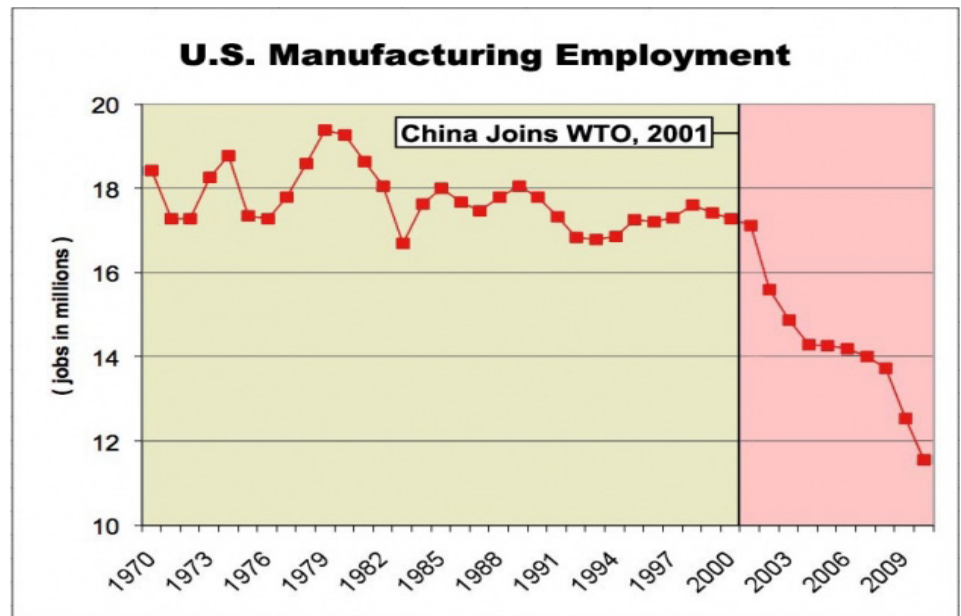
Trade That Hurts

Leo Gerard

“Uncertainty” is the pitchfork that corporations now effectively wield to prod politicians into action. It’s a threat, as in, if Congress doesn’t do this or that, such as avoid the fiscal cliff or raise the debt ceiling, then corporations will suffer the unbearable pain of “uncertainty.”

Uncertainty is really, really bad, business lobbyists lament. It’s a terrible thing to do to corporations, business commentators contend on talk shows.

They’re unconcerned, however, when the American middle class suffers uncertainty. Or when government action shifts uncertainty to the middle class. Trade is the perfect example of that. In 2000, Congress ended China’s uncertainty about trade with the United



States by transferring that pain to America’s middle class. It was an excruciating loss of certainty for American workers because over the next seven years, millions of U.S. manufacturing jobs disappeared. That’s trade that hurts.

Here’s what happened: In October of 2000, the United States granted to China Permanent Normal Trade Relations (PNTR). That ended annual reviews of China’s trade status, during which Congress could change tariff levels on individual products.

Two researchers, Justin R. Pierce and Peter K. Schott of the nonpartisan

economic study group National Bureau of Economic Research, found that it wasn’t reduction of tariffs that dramatically increased exports from China to the United States after 2000. In fact, tariffs remained about the same. It was instead elimination of uncertainty about tariff levels that prompted the rise.

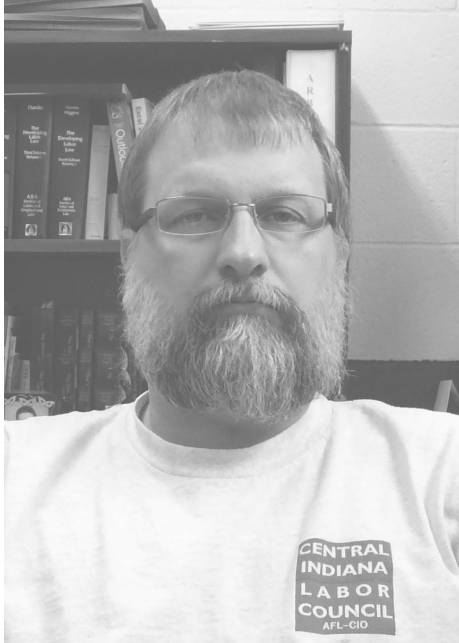
The effect was massive manufacturing job losses in the United States, Pierce and Schott write in a report published late last month, “The Surprisingly Swift Decline of U.S. Manufacturing

⇒ See TRADE, Page 4.



My View

**Kelly Ray Hugunin,
Local Union Representative**



Brothers and Sisters:

First off I would like to thank the Local 1999 Executive Board for appointing me as the new Local Union Representative for the Local. I have some awfully big shoes to fill following retired Local Union Representative Bruce Reed. Bruce served Local 1999 as Business Representative and then as Local Union Representative for over 14 years. I would like to thank Bruce for all the time and effort that he put in to advance this local. I would also like to thank him for everything that I have learned from him over the years and wish him a well earned happy retirement.

As for myself I have served as Unit President at Quemetco for the past 10 years. I have held the Outside Guard and currently hold the Trustee position on the Executive Board. I have been a member of the Negotiating, Safety, Grievance, and Civil Rights committees for my

unit.

I have graduated from the 4 year Steelworkers Leadership Scholarship program sponsored by the International Union. I am currently the editor of the Local 1999 Steel Voice newsletter and webmaster of the local union's website.

I have worked as casual staff for the International Union's Political Department for the last four election cycles.

Some of you will remember when I filled in as Local Union Representative in 2008, handling third step grievances, arbitrations, negotiations preparations, and presenting grievance training to the membership.

I look forward to using my experience and knowledge for the benefit of the membership of Local 1999. My education will also be ongoing as I do not have all the answers, but I look forward to learning all that I can to be successful for this local.

I began training with Bruce back in November and officially became Local Union Representative on January 1. In that time I have been actively engaged in negotiations preparation with Diamond Chain, Rexnord, and Quemetco's negotiating committees. I have worked with Diamond Chain and Alexandria Extrusions Mid America's committee's while in negotiations with their companies. I have attended grievance meetings with several units. And I have arbitrated two discharge grievances for Diamond Chain.

Looking forward the local has contracts expiring at Quemetco, Colors, Quaker, Vertellus, Diamond Chain, and Rexnord this year. I look forward to working with their respective committees to negotiate the best contracts that we can.

I am planning to conduct grievance training within the near future. I understand that we have some new stewards who have asked for training and I will be getting that training set up when my schedule allows for it. I would expect that training will take place in March. I will get notices out to the units when I have finalized the dates.

I would ask that you keep your eyes and ears open to what the state and federal legislatures are up to. The gun issue is getting a lot of attention right now due to recent events. Since it is not a labor issue I will not share my thoughts on the issue here. Just make sure that you don't get distracted by a single issue. We must pay attention to the issues that affect us as working men and women. I would hate to see more anti-worker laws get passed because we were focused on something else and didn't do anything to stop them.

I do feel like we dodged a bullet on Social Security and Medicare cuts in the recent "fiscal cliff" debacle in Congress. But rest assured there are still those in Washington who would like nothing more than to get their hands on our money that we have paid into these programs. The battle may have been won but the war is far from over.

In Solidarity
Kelly Ray Hugunin



Trumka: Fiscal Cliff Settlement Good, But Inadequate

WASHINGTON (PAI)—The settlement of the so-called “fiscal cliff” which Congress hammered out on Jan. 1 was good but inadequate, AFL-CIO President Richard Trumka says. He was one of several union leaders with that view.

And Steelworkers President Leo Gerard added the settlement shows the GOP still trashes the middle class, since most House Republicans opposed the deal.

Trumka gave his judgment after the GOP-run House voted 257-167 to keep income tax rates the same for anyone earning less than \$400,000 yearly in salary -- \$450,000 for couples – as part of a package to avoid the cliff. Most of the votes came from Democrats. Gerard aired his comments in late December, during the wrangling.

The cliff included tax hikes and federal spending cuts, called a sequester, that economists said would throw the U.S. back into recession. The legislation also extends jobless benefits for another year, but it lets payroll taxes rise, hitting 77% of taxpayers.

And the labor-backed Economic Policy Institute added the lawmakers’ solution still avoided solving many of the economy’s problems.

Trumka called the deal a “breakthrough in beginning to restore tax fairness.” He also said it “achieves some key goals of working families,” by avoiding Social Security, Medicare or Medicaid cuts, while raising “over \$700 billion over 10 years” through tax hikes on the rich.

“A strong message from voters and a relentless echo from grassroots activists over the last six weeks helped get us this far,” he added. “But lawmakers should have listened even better. The deal extends the Bush tax cuts for families earning \$250,000- \$450,000 a year and makes permanent Bush estate tax cuts exempting estates valued up to \$5 million from any tax. These con-



cessions amount to over \$200 billion in additional tax cuts for the 2%.

“And because of Republican hostage-taking, the deal simply postpones the \$1.2 trillion sequester” – the budget cuts – “for only two months and does not address the debt ceiling, setting the stage for more fiscal blackmail at the expense of the middle class,” Trumka warned.

Gerard said the lack of House GOP support for the final deal – Democrats provided most of the votes for it there – shows how out of touch the

party is with voters. “These guys are so disconnected from reality, it’s hard to believe,” Gerard told a radio talk show host. “We have the most inequality since the Great Depression ... If we are going to have a society where people are going to work with dignity, retire with dignity and raise their kids with dignity, we can’t do it unless we have collective bargaining back in the system.”

American Federation of Government Employees President J. David Cox also called the bill a mixed bag. “While we are glad to see a bill that requires the wealthiest Americans begin to pay a fairer share of taxes, AFGE members are very concerned about the use of additional agency funding cuts to pay for delay of the sequester,” he said. “How agencies will achieve these amounts is not clear.” Cox said the government should cut the excessive pay and perks of contractors and their executives before it uses more “unpaid furloughs” for workers or “other cuts to critical agency programs.”

“The big minus is that very little has been decided” by lawmakers in their lame-duck session, said EPI Research Director Josh Bivens. And he cited other negatives.

“It has done very little to deal with the real problem of fiscal contraction in the coming year, making the recovery much slower. If the sequester is canceled in two months, or even if it is canceled but ‘paid for’ with tax increases on high-income earners then much

⇒ See CLIFF, Page 8.

↳ TRADE From Page 1.

Employment.” They calculated that if Congress had rejected the PNTR agreement, the United States would have employed 4 million more manufacturing workers in 2007 than it actually did. That is 4 million manufacturing workers who were laid off or never hired.

That is 4 million more American workers who would be in good-paying, family supporting manufacturing jobs right now. At a time of high unemployment. Four million is almost half of the 8.8 million jobs lost throughout the Great Recession that began in 2007. Unemployment would be a lot lower with 4 million more jobs right now. So would middle class uncertainty.

Pierce and Schott do not account for the millions of non-manufacturing jobs that would have been created or preserved without the PNTR because each good-paying factory job supports many others in communities. And the researchers do not discuss the burden of uncertainty that the PNTR agreement imposed on American workers as manufacturing jobs vanished.

The PNTR and China’s acceptance immediately afterward into the World Trade Organization (WTO) were supposed to be great. That’s what the free traders said.

If Congress rejected the PNTR, the free traders contended, Europe and Japan would gain access to the Chinese market of 1 billion people. America would lose out.

They said Congress had to pass the PNTR agreement so American

corporations would benefit from the trade commitments China would make to become a member of the WTO.

For example, in pressing Congress to pass the agreement, the Brookings Institution noted that China promised to allow foreign corporations to set up wholly-owned distribution, sales, shipping and service networks; provide financial services institutions full market access within five years, and protect intellectual property.

And how has that worked out for American corporations? Not so well, actually.

China is notorious for its piracy of American intellectual property – from patented devices to copyrighted music and films. A dozen years after the PNTR agreement, China continues to frustrate American firms’ attempts to establish wholly-American-owned facilities there. And American financial institutions still don’t have access to the Chinese market.

Just like with cars, auto parts, tires, solar panels, wind turbines and many other manufactured products, a trade case had to be filed to force China to honor its commitments regarding financial institutions. And just like so many other trade cases, China lost.

Over the past decade, while the American economy has limped along, China has surged. Economic growth in the United States was 1.7 percent in 2011. It was 9.2 percent in China.

And much of that is based on Chinese exports. America’s trade

deficit with China in 2000 before the PNTR took effect was \$83 billion. It was more than three times that last year — \$290 billion. No matter what the free traders say, that’s not good.

That trade deficit is not because America can’t compete. America could if China honored its trade commitments. But it doesn’t.

The upshot is uncertainty for American workers.

The researchers Pierce and Schott found that if America had never entered into the PNTR agreement with China, manufacturing employment would be 10 percent higher than in 2000. Because it did enter the agreement, manufacturing employment declined instead — by 15 percent.

In addition, they write that the relationship between the imports and job losses is direct:

“U.S. imports surge in precisely the set of goods where domestic employment loss is concentrated.”

The researchers note that U.S. firms can profit from this situation by switching to Chinese suppliers of parts.

That may be great for corporate bottom lines, but it is bad for America as the nation loses both jobs and its capacity to manufacture.

If America can’t manufacture No. 2 pencils, how long will it be before it can’t manufacture ballistic missiles? Maybe that’s the pitchfork manufacturing workers need to prod politicians to deal with middle class job uncertainty. □

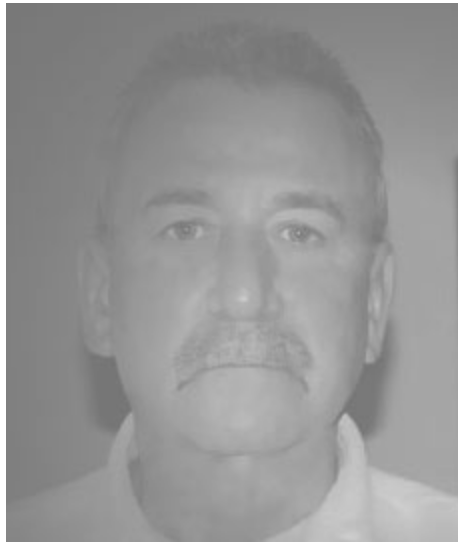
Worker's Rights

Chuck Jones, President

Many Americans take for granted the labor laws, which protect us from exploitations used by employers in the past. We should remember that many brave men, women, and children fought and even died to secure the labor rights we have today. The Labor Movement has a rich history in this country, beginning even before the American Revolution. This history is something that all citizens of the United States should take pride in. Though the struggles are not over, we must pay our respects to those who fought so that we might have the freedoms that they were denied.

In 1938, President Roosevelt signed the Fair Labor Standards Act, which officially granted many of the workplace rights we have today. "The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, record keeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal,

State, and local governments." The bill also said that any hours worked over 40 in one workweek would require pay rate of time and a half. It was this union-endorsed bill that gave Americans the weekend. The significance of this bill



cannot be understated. Throughout history, employers had free reign to make as much money as humanly possible while exploiting workers to increase their profits.

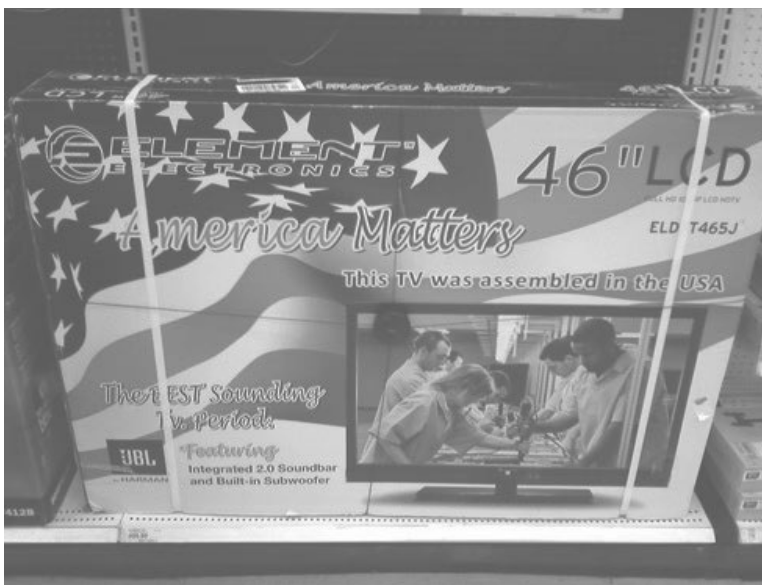
The Fair Labor Standards Act established basic workers' rights and set the groundwork for a middle class that thrived after World War II. We need to pay particular attention to this piece of labor history as the rights of workers are under attack by lawmakers who wish to return our country back to the days of all-bets-off business and exploited labor. Under the new Right to Work Law these are the only guarantees that we have, minimum wage and a pay rate of time and a half after 40 hours in one workweek. Medical Benefits, Vacation Pay, Paid Holidays, Paid Sick Leave, Higher Hourly Wages, these are negotiated benefits. The Union has fought for years and in some cases decades, to acquire these benefits. Without strong Union Members support, these are the benefits that Companies will try and take away. As Union Members, we must stay strong and stand up and fight back! □

These flat-screen TV's are made in Detroit.

And how about that packaging!

It's not every day you see such bold "Made in the USA" pronouncements plastered all over the packaging of electronics. It was a year ago that it was reported of Element Electronics' pledge to begin producing flat screen TV's in Detroit. Now, those televisions have hit the market. We understand they've been seen at Target. But Element's website lists other places their products are available.

To our knowledge, they're the only television sets made in the USA. Be careful, though. Not all Element's products are American-made. So check the labels before you buy. □



A Tax Deal Only the Ultra-rich Could Love

Harold Meyerson

Editor-at-Large, The American Prospect

How much do the newly enacted tax hikes on the wealthiest Americans actually affect them? Hardly at all.

Almost all of the debate that convulsed Capitol Hill in December concerned the reinstatement of the highest marginal tax rate on earned income — that is, on wages and salaries. But as Fitzgerald said, the rich are different from you and me, and one of the primary ways they're different is that they don't get their income from wages and salaries.

fifths got just 0.7 percent of their income from those sources. (Those who believe we've become an "ownership society," please take note.) The wealthiest 1 percent, however, realized 38.2 percent of their income from investments, and the wealthiest one-tenth of 1 percent realized more than half: 51.9 percent.

The tax deal Congress passed last week raised the top rate on wages and salaries from 35 percent to 39.6 percent. The rate on income

say you buy a share of General Electric. The money you pay for your stock will be invested both at home and abroad, because GE, like virtually every major U.S. corporation, is a global company that retains a U.S. headquarters. Now suppose you're an assembly worker at a GE aircraft engine parts plant in Dayton, Ohio. All your work takes place in the United States, and most of your spending is local, even though many of the products you buy are made abroad. Yet our GE employee may be taxed at a higher rate than our GE investor. We reward the investor for, in effect, sending money abroad, while the worker who produces wealth entirely within our borders gets no such reward. Globalization has completely changed the investment patterns of American corporations, but our tax breaks for investments chug placidly along as though U.S. companies still confined their work inside our borders.



In 2006, the bottom four-fifths of U.S. tax filers got 82 percent of their income from wages and salaries, a Congressional Research Office study found. The richest 1 percent, however, got just 26 percent of their income that way; for the richest one-tenth of 1 percent, the figure is just 18.6 percent.

The study also looked at dividends and capital gains. The bottom four-

from capital gains and dividends, however, was raised to only 20 percent from 15 percent. There has been no rending of garments nor gnashing of teeth from our super-rich compatriots; they got one sweet deal.

The intellectual foundations of this deal are even more dubious than the deal itself. Taxing investment income at a lower rate than labor income presumably fosters more investment in the U.S. economy. But

Moreover, taxing wages and salaries at a higher rate than investment income means that the tax code is taking a bigger bite out of a steadily shrinking share of Americans' income. Pay from work just ain't what it used to be. As the St. Louis Federal Reserve has documented, income from wages and salaries as of July 2012 constitutes the smallest share of gross domestic product since World War II. The earned-income share of GDP peaked in 1969 at 53.5 percent. In 2012, it was 43.5 percent.

Where did those 10 percentage points of GDP — currently, about

⇒ See RICH, Page 7.

USW Local 8888 Sticker Honors '68 Memphis Strikers on MLK Birthdate

USW Local 8888 members in Newport News, Va., will be sporting a new solidarity sticker on Dr. Martin Luther King, Jr.'s birthdate, January 15, that honors the workers he sacrificed his life for in Memphis, Tenn., in 1968. The Local 8888 sticker slogan, "I AM UNION POWER," is adapted from the defiant declaration of dignity, "I AM A MAN," which was the rallying motto of 1,300 poor black sanitation workers in Memphis who staged a courageous strike in 1968 for union representation and against racism and poor working conditions.

The black community and unions across the nation rallied to support the men and their families during the 65-day strike. Eventually, their struggle so inspired Dr. King that

he embraced their demands for dignity and justice as part of his Poor Peoples Campaign. Dr. King led a massive solidarity march through Memphis, where he delivered his famous last speech, "I've Been to the Mountaintop," before he was tragically murdered on April 4, 1968. In the tumultuous aftermath, the strikers ultimately won their major demand — recognition of their union, AFSCME Local 1733.

USW Local 8888 President Arnold Outlaw said the 8,000-member union issued its "I AM UNION POWER" sticker as the first solidarity action in its contract negotiations with Huntington Ingalls Shipbuilding. USW International Vice President Fred Redmond (Human Affairs), who is the union's chief negotiator,

praised the new sticker slogan as fitting and "self-empowering." □

USW Local 8888 represents about 8,000 hourly employees at Northrop Grumman Newport News Shipyard, Newport News, Virginia.



↳ RICH From Page 6.

\$1.5 trillion every year — go instead of to U.S. workers? It went, in significant part, to corporate profits, whose share of the economy has risen as the share going to wages has diminished. In the third quarter of 2012 — the most recent period for which there are data — after-tax corporate profits constituted the largest share of U.S. GDP since World War II: 11.1 percent.

This shift from wages to profits is called redistribution. It is the central fact of American economic life. And it is the primary reason that economic inequality in the United States has skyrocketed.

Yet wages, which are descending,

are taxed at a higher rate than income derived from corporate profits — capital gains and dividends. Far from mitigating the consequences of this shift, the U.S. tax code reinforces the redistribution from wages to profits. Broadly speaking, it rewards the winners of this epochal shift and penalizes the losers, who are the vast majority of Americans.

The lower tax rates for capital gains and dividends, then, effectively reward offshoring more than work done within the United States, increase economic inequality and deprive the federal government of revenue it will need to support an aging population and meet its other obligations. None of this upsets Republicans, but it would be nice if Democrats real-

ized that these tax breaks undermine everything they stand for. □

Harold Meyerson also is political editor and columnist for the L.A. Weekly, the nation's largest metropolitan weekly, and a regular contributor to The Washington Post. In 2009, Atlantic Monthly named Mr. Meyerson one of 50 Most Influential Columnists. He is the author of Who Put the Rainbow in The Wizard of Oz?, a biography of Broadway lyricist Yip Harburg. From 1991 through 1995, Meyerson hosted the weekly show "Real Politics" on radio station KCRW, the Los Angeles area's leading NPR affiliate. He is a frequent guest on television and radio talk shows.

Maine Labor History Mural Finally Sees Light of Day

Not quite two years ago, Maine Gov. Paul LePage (R) ordered the removal of an 11-panel, 36-foot mural depicting the state's labor history from the Department of Labor.

LePage, who supports "right to work" for less laws and has pushed to weaken child labor laws, claimed the mural was anti-business and akin to North Korean propaganda.

The mural had been held in a secret location while the controversy gained nationwide attention. But it is back on public display after the state Department of Labor and Maine

State Museum reached an agreement to display the mural for three years at the Augusta Museum. It was unveiled at its new location today.



Matt Schlobohm, executive director of the Maine AFL-CIO, told the Augusta Morning Sentinel:

"At last the labor mural will see the

That's the million-dollar question."

The mural, by artist Judy Taylor, was commissioned by former Gov. John Baldacci (D). The scenes

it depicts include a 1986 paper mill strike, "Rosie the Riveter" at the Bath Iron Works, the enactment of child labor laws, the first Labor Day and Frances Perkins, the first female secretary of labor and promoter of New Deal policies that improved workers' rights on the job.

In the fall of 2011, a reproduction of the mural was displayed at AFL-

CIO headquarters in Washington, D.C. The reproduction was exhibited at several sites as the fight over the mural, which made its way through the federal courts, continued. □

CLIFF From Page 3.

of this fiscal drag could still be averted. But it hasn't been yet.

"Permanent enshrinement of low dividend tax rates is bad policy, and looks especially ugly when paired with tax breaks for lower-income households that are not permanent, but sunset in five... And apparently the "middle-class" that Congress is always pledging to protect now starts at \$450,000 in taxable income.

"The verdict on the sequester will be decided just as the nation hits the statutory debt ceiling," Bivens noted. The House GOP "are hop-

ing this will give them leverage to force their own agenda. And it worked before. Which means this time, the Obama administration needs to be deadly serious about not negotiating over the debt ceiling.

Meanwhile, payroll taxes rise for all, taking \$120 billion from workers' paychecks. Restoring that money "just seems completely off the table now," Bivens lamented.

The package also included one specific change the Amalgamated Transit Union strongly lobbied for: Restoring the equal \$240 yearly benefit for workers' transit vouchers. That benefit was cut in

half last year, while a similar benefit for parking vouchers stayed at \$240. Now both benefits will be the same again, ATU says.

"This commuter tax benefit will provide much needed financial assistance to working families," said ATU President Larry Hanley. "The average family devotes nearly 20% of its income to transportation – second only to housing. The increase in this benefit means they have one less expense to worry about, and in today's economy, every dollar counts. When people take public transit, there are fewer cars stuck in traffic, decreased pollution and less dependence on foreign oil." □

Looking for a Mortgage?

A Union Plus Mortgage makes owning a home affordable.

- **Reduced closing costs**—Save up to \$495 on new home purchases or refinances.
- **Mortgage assistance**—Help if you become unemployed, disabled, on strike, or locked out.
- **Grant money**—Hospital care, disaster relief and college savings grants.



Call **1-800-848-6466** or visit
UnionPlus.org/Mortgage



Was Patriot Coal Designed to Fail to Dump Retiree Pensions?

Kenneth Quinnell

In July, Patriot Coal filed for Chapter 11 bankruptcy in the Southern District of New York. Among the reasons for Patriot's financial difficulties were the huge legacy costs related to health care benefits and pensions owed to retirees and widows of former employees. The company's intended goal, it seems, according to the Mine Workers (UMWA), is to get out of obligations to the miners that worked hard for decades, often doing significant damage to their own health.

Patriot was created in late 2007 when Peabody Energy spun off the company to get rid of all of their operations where workers were members of the UMWA. Included in the new company was most of Peabody's long-term health care obligations to retirees. It was clear at the time that the intent was to

relieve Peabody of the costs of the promises it made to the workers who made the corporation profitable:

Greg Boyce, Peabody's CEO, said at the time, "We're reducing our legacy liabilities roughly \$1 billion, and reducing our expense and cash spending in the neighborhood of \$100 million as well." Greg Navarre, Peabody's CFO, said, "Our retiree health care liability and related expense will be reduced by 40%....In total, our legacy liabilities, expenses and cash flows will be nearly cut in half."

In what would become a related move, Arch Coal similarly dumped its obligations into a spinoff company called Magnum Coal. Magnum was eventually purchased by Patriot. In both cases, the new companies were part of a

revolving door of senior personnel between the various companies.

When the coal market collapsed, Patriot's fragile structure fell apart and it "suddenly" found itself unable to cover retiree costs. Meanwhile, Peabody and Arch found themselves to be highly profitable. In 2011, Peabody was the nation's largest coal producer, with profits nearing \$1 billion. Arch Coal was also successful, making profits of \$141 million. Patriot reported losses of \$137 million the same year. Peabody and Arch had profits of \$2.5 billion over the past three years. If it weren't for the spinoffs, the retirees who are now under Patriot's obligation could have easily had their earned benefits funded. Instead, Patriot filed for bankruptcy in New York, far from the workers and retirees they are seeking to abandon.



There are about 2,000 current workers at Patriot represented by UMWA and another 10,000 retirees who receive health care benefits from Patriot. With dependents included, the total number of people on the verge of losing benefits is more than 22,000. More than 90% of the potentially affected retirees never worked a single day for Patriot. They were promised benefits by Peabody and Arch as part of their compensation for helping to make the companies profitable for so many years.

UMWA isn't standing still:

⇒ See FAIL, Page 11.

Unit 00 Rexnord

Hello Union Brothers and Sisters,

Hope everybody had a safe and happy holiday. Just to let everybody know what's been going on, all the machines are here now from Downers Grove and they are being hooked up as we talk. On the grievance load we have 2 grievances that are slated for arbitrations 4 grievances that are the 3rd step level that we just got answers on January 3rd which are at Jim Adcock's level that he and I will discuss.

On the hiring side of things we had 3 new employees start in Dept. 131 the first of December and 2 more employees that are going to start the week of January 7th. I would like to welcome them at this time.

On the negotiations update, the committee has met 2 times so far with Jim, Bruce, Chuck, and Kelly the next meeting is on January 14. We will also have a unit meeting on this day. We will be handing out surveys at each meeting so your concerns on the upcoming contract can be expressed.

Hey just to give everybody a heads up; don't forget Fridays are blue union shirt day from now through negotiations.

Just an update on the work load, talking with Kevin Wise he said the work load looks like it will be about like it was last April through September, which looks like it should be an increase of what we have seen the last two or three months of 2012.

I talked with Kevin about the hiring of a new plant manager and he said there is a good possibility we will have one by the first of February.

Just a reminder to everyone, if anyone has any questions or issues with anything, please come and see me, my office is located down on the west end on the main aisle and my telephone # is 273-5581.

In Solidarity,
Don Zering
Unit President

Unit 13 Diamond Chain

Dear Brothers and Sisters,

Now that the holidays are over and we are all back to work, it's time to get down to business. For those of you at other facilities within the Local, Steelworkers at Diamond Chain have a contract that expires in September of this year. The members are anxious about it because we have only had one tiny raise in the last 4 years. I understand their angst, I could use a pay raise as well. With all the questions about negotiating a new agreement, we have to get over a big hump before we can think about a new contract.

In a previous letter, I explained that without a Union, there is no contract. As we speak, I know for sure there is a petition going around the plant to decertify from the United Steelworkers. There are even rumors that certain members of management are talking to employees about being better off without a union. I don't know exactly what the employees are

being told, but I have seen it many times. Management will promise them that they could make more money without the union because they are restricted by contract language. They tell lies and half-truths about how they tried to offer more money but the leadership for the union rejected any offer of a pay increase. I cannot express how important it is to not believe these things. As I have written before, the only things the company is required to give you without a union in place is minimum wage and time and a half after 40 hours. Time and a half after 40 is not even guaranteed if you are paid every other week. We are all but certain that the company lied about going to Texas in 2009 to force us into a pay cut.

The union is an important tool within the workplace. The purpose of a union is to bargain for a fair wage and benefits. Even if you don't work in a union shop, the chances are that you have paid vacation time, time and a half after 40 hours, some type of medical benefits, paid holidays, and some sort of retirement package. You also have safety measures that must at least meet the requirements that OSHA sets. Did you know that OSHA was formed by the government because the labor organizations lobbied them for a safer workplace. All of those things I have mentioned were due to bargaining by a union. Everyone deserves to make a decent wage in order to raise a family and meet their personal needs. Without a union, you have NO say so in any of those things.

There are a lot of newer employees at Diamond Chain and most of them

⇒ See CHAIN, Page 16.



Goodbye 2012 . . . Bring on 2013!

As the year comes to a close, we want to acknowledge the work that you do to make sure the voices of working people are part of the debate wherever policy is decided. Once again, nobody does it like our union! In 2012, you:

Took on China. This time, you stood up for hundreds of thousands of Steelworkers whose livelihood is threatened by China's predatory, protectionist and illegal tactics to dominate manufacturing in the auto supply sector. You pushed your lawmakers to sign on to a letter to the President and wrote letters to the editor. The result? The President launched a trade case.

Stood up to outsourcing. You supported the Bring Jobs Home Act by calling Congress and taking part in over 90 events nationwide. You rallied to expose outsourcers and highlighted those who are insourcing. You met with lawmakers to build support and protested outside of the offices of opponents. You marched in parades and spoke out in the press. Despite the bill being blocked in both the House and Senate, the issue would resurface in the year-end fiscal negotiations.

Got voters registered. We have reports of over 14,000 voters getting registered through this year's national voter registration drive, while countless others confirmed their registration status. Special thanks goes to Districts 12, 7 and 9 for topping the nation in both numbers registered and the percentage of locals participating.

Stood up to bad cuts. You fought cuts to Social Security, Medicare and Medicaid in the year-end fiscal negotiations and spoke out against more tax breaks for the wealthiest 2%. You participated in multiple call-in days and local events across the country. The most recent reports show this is making a difference.

Fought for workers' rights everywhere. You opposed deceptive "right to work" laws and other anti-worker legislation (and ballot initiatives) in states across the country. You acted proactively to maximize Buy American in state projects and put pro-worker issues on the ballot.

Educated, empowered and engaged. In one year's time, you circulated over 150 different InfoAlerts, ActionCalls, Feedback Reports and Candidate Comparisons. You also joined us on our new facebook page, which hit 1,000 "likes" this fall.

Took part in hundreds of training sessions designed to build local Rapid Response programs. That includes the 700+ attendees taking part in the first-ever Regional Rapid Response Conferences held earlier this year.

We know that our work is far from done, but with great activists like you and a drive to bring back the middle class, we will make a difference. Have a very happy New Year, and we'll see you in 2013!



Live.
Relax.
Enjoy.

40
BENEFITS

help stretch your paycheck
and make life a little easier.

We know you work hard for your money. That's why we've created 50 benefits to help you and your family get more out of life. Visit UnionPlus.org and see how to:

- Save on wireless devices and services available through "Union Proud" AT&T.
- Get discounts and upgrades on rental cars, vans, SUVs and trucks, plus great deals on family vacations.
- Save on theme parks, sporting events, theater, movies, movie rentals, restaurants and more.
- Secure a Union Plus Mortgage with special cost savings and protections against layoff, strikes and hardship.
- Get Union SAFE grants to help weather economic storms.

PLUS EVEN MORE BENEFITS offer you additional financial, health, legal, travel, entertainment and educational savings and services.

For full details, visit UnionPlus.org



How to Easily Find Union-Made Tires

The U.S. Department of Transportation (DOT) has made it very easy to find union-made tires by requiring that each tire carry a code that shows the company and the location of the plant that manufactured the tire. DOT requires that each tire sold in the United States carry a code that looks something like this: DOT BE XX XXX XXX. The two letters or numbers that follow the DOT identify a particular factory as listed below.

BE: B.F. Goodrich, Tuscaloosa, Ala.
 BF: B.F. Goodrich, Woodburn, Ind.
 VE, YE, YU, 8B: Bridgestone/Firestone, Des Moines,
 D2, E3, W1, Y7: Bridgestone/Firestone, La Vergne, Tenn.
 2C, 4D, 5D: Bridgestone/Firestone, Morrison, Tenn.
 UP: Cooper, Findlay, Ohio
 UT: Cooper, Texarkana, Ark.
 JU, PC, UK: Goodyear, Medicine Hat, Alberta
 JJ, MD, PU: Goodyear, Gadsden, Ala.
 DA: Dunlop, Buffalo, N.Y.
 JN, MJ, PY: Goodyear, Topeka, Kan.
 JE, MC, PT: Goodyear, Danville, Va.
 JF, MM, PJ: Kelly-Springfield, Fayetteville, N.C.
 CF: Titan Tire, Des Moines
 JH, MN, PK: Titan Tire, Freeport, Ill.
 B plus serial #: Titan Tire, Bryan, Ohio
 CC: Yokohama Tire, Salem, Va.



All tires made at the above locations are made by members of the **United Steelworkers (USW)**. Make sure you use this easy-to-follow guide to buy union-made tires.

⇨RTW From Page 11.

democratic institution most of us will ever see at work.

Let's be clear. Democracy does not normally extend inside the workplace.

Most employers have near-total authority over employees regarding hiring, firing, transferring and assigning work to employees. The Bill of Rights does not apply to workplace activity. An employer can insist — as a condition of employment — that all workers listen to anti-union speeches. The employer can search your belongings, tap your phone, read your email, tell you when and

where you can eat, prohibit you from smoking and tell you what you can and can't read on the Internet.

State and Federal laws protect certain civil rights for military veterans, women, older workers and certain minorities. Otherwise, work-related issues are protected in a union contract or not at all.

As it happened, my union won agency fee in a strike. OK, That's not true. My union won the opportunity to vote on agency fee in a strike. Well, really, we won the right for all represented employees — members and non-members — to vote on agency fee. That was our choice.

At the time, we had about 60 percent

membership, although participation in the strike was well above that. The "yes" vote for agency fee was about 15-20 percent above the membership percentage at the time. Many non-member voters said they would happily join and pay dues, if everyone paid.

That was the democratic collective decision of our members. And non-members.

We all know that those politicians who would gladly vote for "right to work" in Indiana, Wisconsin and Michigan don't really care about workers' rights. Right to Work takes away the workers democratic right

⇨See WEAK, Page 18.

↳CHAIN From Page 12.

are younger and never worked in a union shop. It is understandable that they don't realize the importance of having one. I ask that if you have questions about what is going on in the plant that you come and ask any of us. I also suggest that you show up to our monthly meetings. There we can take more time to explain our answers to your questions. Here is another challenge to you newer members. If you really think that you would be better off without a union at Diamond Chain, then come to a meeting or stop us on the floor and tell us why. We will be more than happy to listen to your reasoning.

The company may promise you that it would be better without the union, but stop and think about what type of wages and benefits you would have right now if this union hadn't been here since 1943. What would they have done during the recession? You might open your paycheck one Friday, see that it is \$50-\$75 short from what you made last week and wonder what happened. Oh yeah, that's right, I signed a petition and then voted the union out! The company said that I could make MORE money if they were gone. Well, now whom are you going to complain to? Now the company doesn't need a reason to fire you because Indiana is a "work at will" state. With a contract, they need "just cause" to terminate you. You have a grievance procedure in place if you feel you were wrongly terminated. Go through the contract you were given when hired and read it. Do you really think that the company would have just given you all of that without a union here? No way! Look, we don't win every

grievance that we file, but at least the process is there.

There have been several attempts by this company to make this union look bad to the membership. They put letters out that are full of half-truths. They have claimed to want to discuss a productivity incentive plan and formed a committee to do such. The union responded by asking for a seat at the table and never heard back about it. We were never told that working 12-hour days would GUARANTEE weekends off, only make them less likely. They claim the offer of 4-10 hour day schedules was rejected by the union committee without a vote by the members. That is false! We held a meeting at the Union Hall for that very reason in November of 2012 for that very thing and the vote was unanimously against it. They never offered "modifications" to the 21-hour language on page 11. They wanted it gone completely. It is not a loophole! The company had a chance in 2009 to do what they needed with it and passed it up. Even HR called it an "oversight" on their part. It is obvious that these letters are meant as a tool to make the union look bad and ineffective to its members. Again, look through the contract and look at all the benefits you have over and above what the company is required by law to give you and ask yourself, "would they still give those things to me" without the union in place. The answer is a definite NO. If they really wanted to give you money out of the kindness of their heart, they could do it without messing with your contract.

In closing, I again, challenge ANYONE who thinks that they would be better off without the

union to come and tell us why. If you don't, then you are making a decision without having all of the information. Would you do that outside of here? I doubt it. So why start now. Come talk to us and learn the truth about your union.

In Solidarity,
Mike Hensley
Unit Vice President

Unit 17 Alexandria Extrusion Mid America

We finished the year shipping 436,627 pounds of aluminum, which is far short of our potential. The month of January looks to be much better as our sales force has won back some customers in the sign panel business with substantial orders. We also have some new customers that use our product in the solar panel industry. This will be a challenge as we are also preparing to shutdown for intensive upgrades in the extrusion department.

We are currently in contract negotiations which are going well for a first contract. We are also building a new Safety Committee.

The future is looking bright for us here at Alexandria Extrusion Mid America.

In Solidarity,
Howard Davis
Unit President

The Hoax of Entitlement Reform

Robert Reich

It has become accepted economic wisdom, uttered with deadpan certainty by policy pundits and budget scolds on both sides of the aisle, that the only way to get control over America's looming deficits is to "reform entitlements."

But the accepted wisdom is wrong.

Start with the statistics Republicans trot out at the slightest provocation -- federal budget data showing a huge spike in direct payments to individuals since the start of 2009,



shooting up by almost \$600 billion, a 32 percent increase.

And Census data showing 49 percent of Americans living in homes where at least one person is collecting a federal benefit -- food stamps, unemployment insurance, worker's compensation, or subsidized housing -- up from 44 percent in 2008.

But these expenditures aren't driving the federal budget deficit in future years. They're temporary. The reason for the spike is Americans got clobbered in 2008 with the worst economic catastrophe since the Great Depression. They and their families have needed whatever helping hands they could get.

If anything, America's safety nets have been too small and shot through with holes. That's why the number and percentage of Americans in poverty has increased dramatically, including 22 percent of our children.

What about Social Security and Medicare (along with Medicare's poor step-child, Medicaid)?

Social Security won't contribute to future budget deficits. By law, it can only spend money from the Social Security trust fund.

That fund has been in surplus for the better part of two decades, as boomers contributed to it during their working lives. As boomers begin to retire, those current surpluses are disappearing.

But this only means the trust fund will be collecting from the rest of the federal government the IOUs on the surpluses it lent to the rest of the government.

This still leaves a problem for the trust fund about two decades from now.

Yet the way to deal with this isn't to raise the eligibility age for receiving Social Security benefits, as many entitlement reformers are urging. That would put an unfair burden on most laboring people, whose bodies begin wearing out about the same age they did decades ago even though they live longer.

And it's not to reduce cost-of-

living adjustments for inflation, as even the White House seemed ready to propose in recent months. Benefits are already meager for most recipients. The median income of Americans over 65 is less than \$20,000 a year. Nearly 70 percent of them depend on Social Security for more than half of this. The average Social Security benefit is less than \$15,000 a year.

Besides, Social Security's current inflation adjustment actually understates the true impact of inflation on elderly recipients -- who spend far more than anyone else on health care, the costs of which have been rising faster than overall inflation.

That leaves two possibilities that "entitlement reformers" rarely if ever suggest, but are the only fair alternatives: raising the ceiling on income subject to Social Security taxes (in 2013 that ceiling is \$113,700), and means-testing benefits so wealthy retirees receive less. Both should be considered.

What's left to reform? Medicare and Medicaid costs are projected to soar. But here again, look closely and you'll see neither is really the problem.

The underlying problem is the soaring costs of health care -- as evidenced by soaring premiums, co-payments, and deductibles that all of us are bearing -- combined with the aging of the boomer generation. The solution isn't to reduce Medicare

⇒ See **REFORM**, Page 19.

↳ **WEAK From Page 15.**

to decide what terms they want to negotiate into their contract.

If those politicians really cared about workers rights, they'd enforce workers' right to organize without being intimidated or fired. They would respect every worker's right to decline a meeting for anti-union propaganda, and the right to increase their union's strength.

State governments in Wisconsin, and Michigan showed contempt for the democratic process, ramming through legislation using tactics that would be unheard of for any other policy issue. Democracy lost twice — once in the state capitol, and again in the workplace.

When we step back and look at this, it's really about money and political power.

Democracy is already wilting under campaign finance rules that drive candidates to take positions that please millionaire donors.

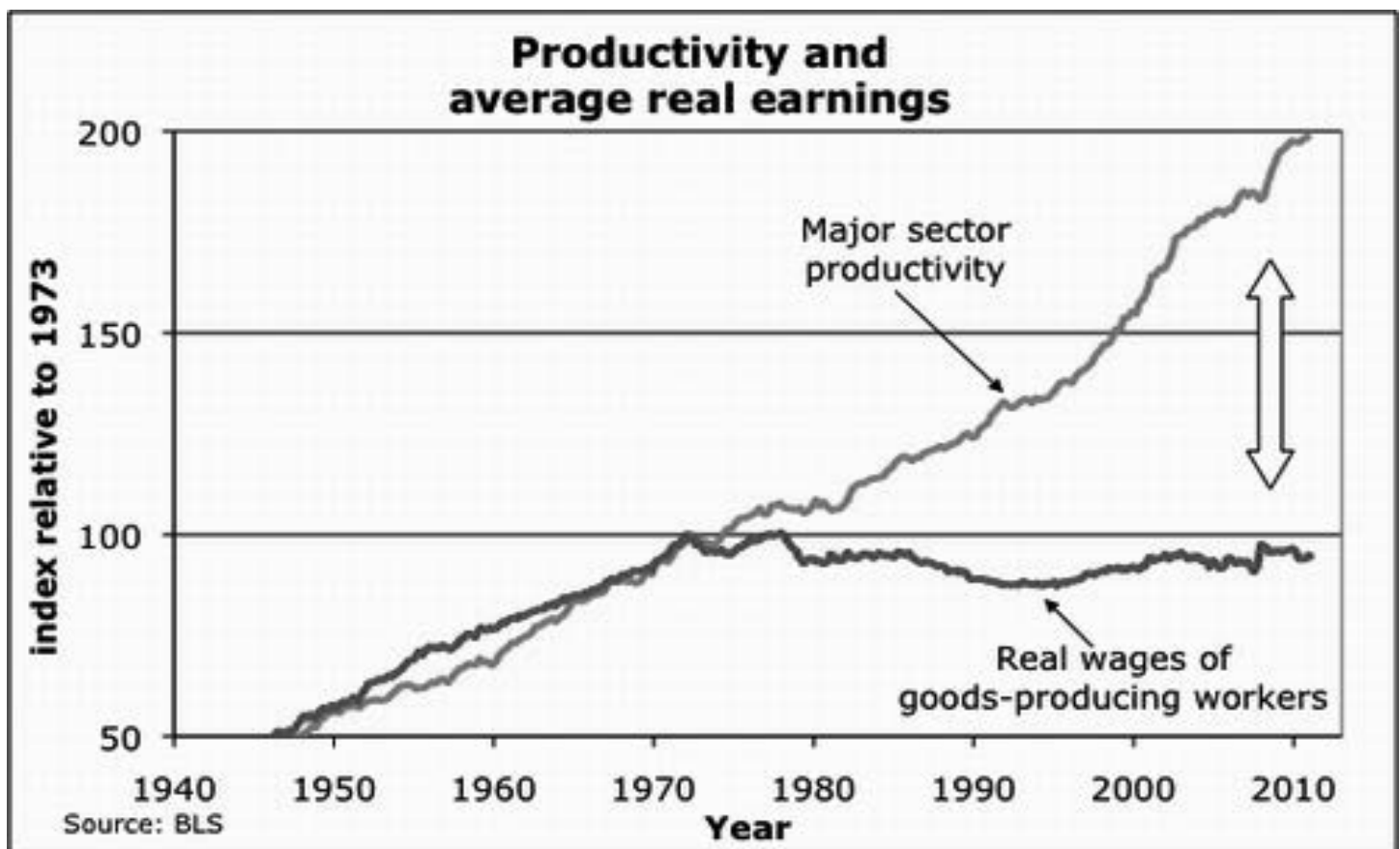
We defend democracy through a strong civil society. Let's think, what institutions of civil society can provide that counterbalance? My list: churches, free press and other media, environmental groups, social justice organizations, advocacy groups... and unions. Unions are organized in every state, and most congressional districts.

Legendary campaign strategist Karl Rove teaches us to attack your opponent's strength. First, attack public employees and teachers, where union density is highest. Then attack stronghold states, like Michigan and Wisconsin. If unions fade as a campaign force, then the counterbalance of civil society shrinks.

I remember a time when the purpose of public policy was to raise my standard of living. I was taught that was the measure of good policy and good economics.

We can see a simple test of that in the figure below. For decades, workers shared gains as productivity increased. That was the result of good public policy and a strong civil society, among other things. For the last three or four decades, those gains eluded most workers, going instead to the few at the top. If workers had continued sharing gains since the 70s, earnings would be twice what they are now.

Michigan's Governor said he could not let Indiana get ahead of Michigan in the race to the bottom. He told us that in the zero-sum game of state policies, we will all do better when we all do worse. I don't think that makes sense in Michigan or anywhere else. □



↳ REFORM From Page 17.

benefits. It's for the nation to contain overall healthcare costs and get more for its healthcare dollars.

We're already spending nearly 18 percent of our entire economy on health care, compared to an average of 9.6 percent in all other rich countries.

Yet we're no healthier than their citizens are. In fact, our life expectancy at birth (78.2 years) is shorter than theirs (averaging 79.5 years), and our infant mortality (6.5 deaths per 1000 live births) is higher (theirs is 4.4).

Why? Doctors and hospitals in the U.S. have every incentive to spend on unnecessary tests, drugs, and procedures.

For example, almost 95 percent of cases of lower back pain are best relieved by physical therapy. But American doctors and hospitals routinely do expensive MRI's, and then refer patients to orthopedic surgeons who often do even more costly surgery. There's not much money in physical therapy.

Another example: American doctors typically hospitalize people whose diabetes, asthma, or heart conditions act up. Twenty percent of these people are hospitalized again within a month. In other rich nations nurses make home visits to ensure that people with such problems are taking their medications. Nurses don't make home visits to Americans with acute conditions because hospitals aren't paid for such visits.

An estimated 30 percent of all healthcare spending in the United

States is pure waste, according to the Institute of Medicine.

We keep patient records on computers that can't share data, requiring that they be continuously rewritten on pieces of paper and then reentered on different computers, resulting in costly errors.

And our balkanized healthcare system spends huge sums collecting money from different pieces of itself: Doctors collect from hospitals and insurers, hospitals collect from insurers, insurers collect from companies or from policy holders.

A major occupational category at most hospitals is "billing clerk." A third of nursing hours are devoted to documenting what's happened so insurers have proof.

Cutting or limiting Medicare and Medicaid costs, as entitlement reformers want to do, won't reform any of this. It would just result in less care.

In fact, we'd do better to open Medicare to everyone. Medicare's administrative costs are in the range of 3 percent.

That's well below the 5 to 10 percent costs borne by large companies that self-insure. It's even further below the administrative costs of companies in the small-group market (amounting to 25 to 27 percent of premiums). And it's way, way lower than the administrative costs of individual insurance (40 percent). It's even far below the 11 percent costs of private plans under Medicare Advantage, the current private-insurance option under Medicare.

Healthcare costs would be further contained if Medicare and Medicaid could use their huge bargaining leverage over healthcare providers to shift away from a "fee-for-the-most-costly-service" system to a system focused on achieving healthy outcomes.

Medicare isn't the problem. It may be the solution.

"Entitlement reform" sounds like a noble endeavor. But it has little or nothing to do with reducing future budget deficits.

Taming future deficits requires three steps having nothing to do with entitlements: Limiting the growth of overall healthcare costs, cutting our bloated military, and ending corporate welfare (tax breaks and subsidies targeted to particular firms and industries).

Obsessing about "entitlement reform" only serves to distract us from these more important endeavors. □

ROBERT B. REICH, Chancellor's Professor of Public Policy at the University of California at Berkeley, was Secretary of Labor in the Clinton administration. Time Magazine named him one of the ten most effective cabinet secretaries of the last century. He has written thirteen books, including the best sellers "Aftershock" and "The Work of Nations." His latest is an e-book, "Beyond Outrage," now available in paperback. He is also a founding editor of the American Prospect magazine and chairman of Common Cause.

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

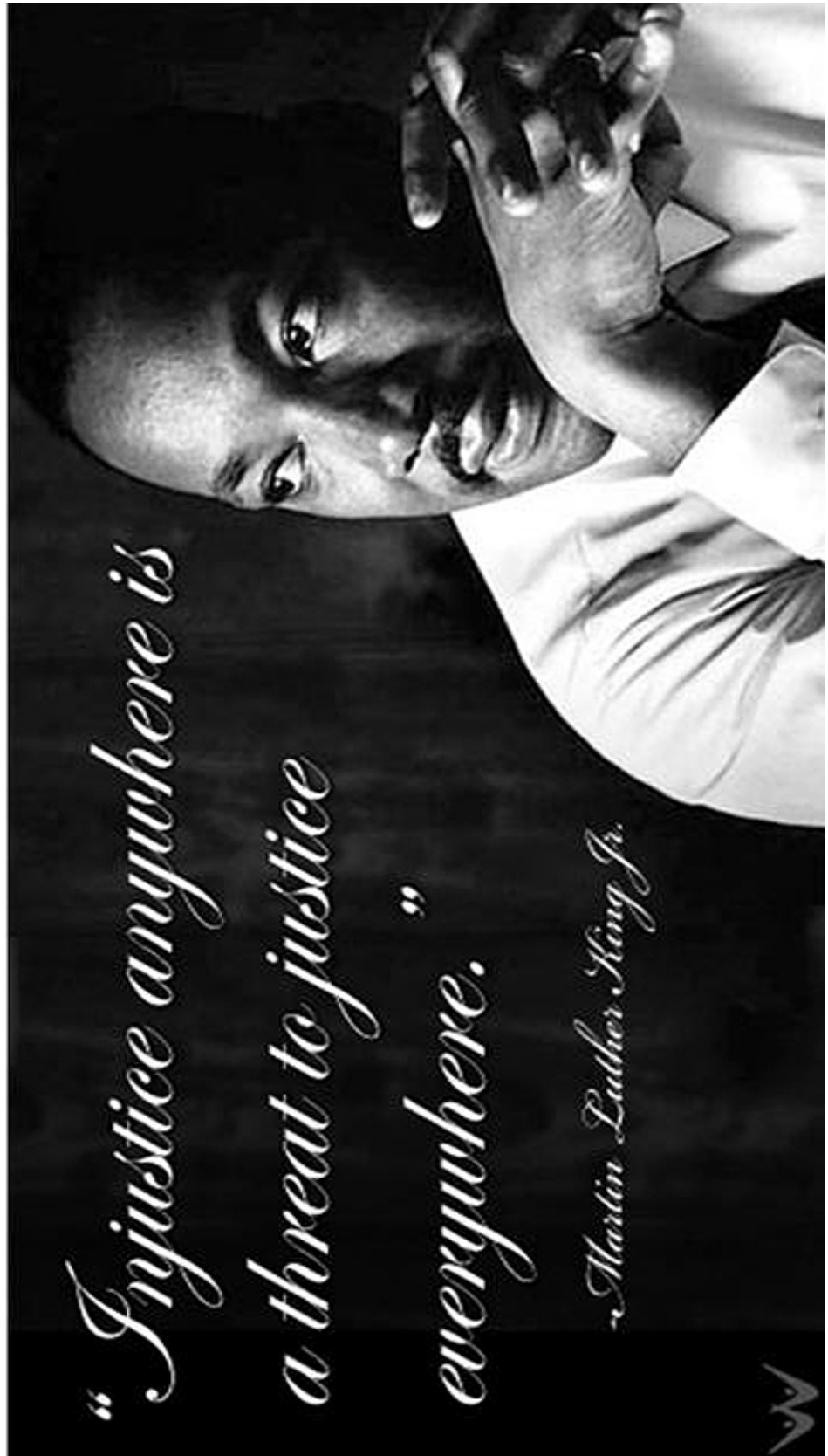
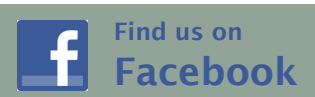
STEEL VOICE is an official
publication of the United
Steelworkers, Local 1999,
AFL-CIO, CLC.



Proud member of the
United Steelworkers
Press Association

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



January 15, 1929 - April 4, 1968