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Crisis of Ownership -- U.S. Steel Declares It No Longer Owns Stelco



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The People vs. U.S. Steel

Crisis of Ownership -- U.S. Steel Declares It No Longer Owns Stelco

At this point in time, who owns Stelco? The Stelco productive property includes mills, material, machinery and land. U.S. Steel bought Stelco in 2007, but declares it voluntarily relinquished

ownership of the property a few years ago.

Ownership of productive forces necessarily comes with responsibilities. These responsibilities include outstanding debts on the property, the responsibilities to produce social product and meet commitments on employment, taxes and social issues such as pensions, post-retirement benefits and environmental cleanup.

Responsibilities of ownership of productive forces arise in part due to the social nature of the concept of ownership. Ownership is necessarily rooted in community as otherwise ownership makes no sense. Without a community acknowledging ownership of property and establishing it within a government of laws then ownership evaporates. If the community does not agree to recognize ownership of a certain property, then the person or persons declaring ownership would have to defend their ownership against the community in one way or another such as warfare.



To serve their own narrow private interests, those in control of U.S. Steel say they decided to relinquish ownership of Stelco eight years after acquiring the productive property. Those who control USS say that the Stelco property they say they have relinquished owes them \$2.2 billion and should be liquidated to pay the debt.

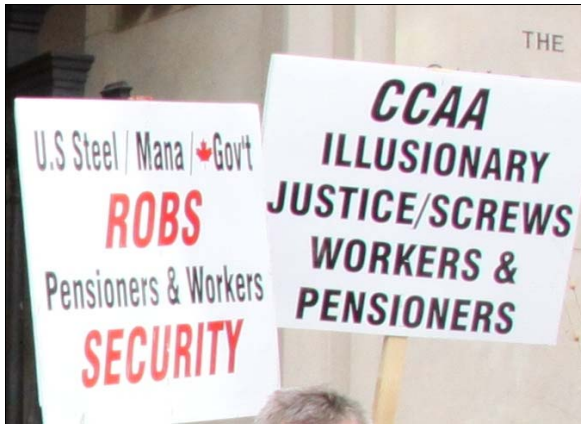
To accomplish their aim of liquidation and payment of debt, those who control USS put the property Stelco into bankruptcy protection of the *Companies' Creditors Arrangement Act* (CCAA). CCAA acts to serve monopoly right outside the commercial laws governing ownership and responsibilities. CCAA is similar to a Wild West Show where might makes right and those in control dictate what is what and that is that, outside any established rule of law, collective agreements and contracts.

If not in CCAA, those in control of USS would have to prove they legally relinquished ownership of the property Stelco to some other owners who purchased or were given it, and who now appear as the registered owners in law. Deeds and other proof of registered ownership dating back decades would have to be supplied showing the actual transactions leading to the current crisis of ownership.

The Stelco debt USS claims to own would have to be proven with the proper registration of the debt with the signatures and independent agreements of those who accepted the debt, who would have to be the current owners of Stelco or acting legally on their behalf. Otherwise, if they cannot prove legally what they are saying with actual documentation dating back years if not decades, the position of those who control USS disintegrates into a complete farce or worse.

Outside the confines of the CCAA, the fairy tale advanced by those in control of U.S. Steel would soon explode in their faces and be laughed out of commercial court as a self-serving fabrication with no justification in law. A legitimate process would have to be undertaken to transfer the

property to a proper owner, which would include all the rights and responsibilities of ownership such as certain levels of production and employment, payment of taxes, outstanding debts and bills, environmental cleanup and commitments regarding collective agreements, pensions and post-retirement benefits, and to governments and public institutions.



The arguments of those who control U.S. Steel that the property they own called Stelco owes them money would be laughed out of commercial court or possibly taken more seriously as a criminal conspiracy to commit fraud. At any rate a new direction for the productive property Stelco would have to arise with the governments taking a more responsible position to defend the public interest and the rights of Stelco workers and salaried employees, and all those in the community and beyond with legitimate claims on the value steelworkers

produce.

Nothing good can come from the Wild West show in CCAA. The Stelco and other CCAA cases have brought the government of laws into disrepute. The workers and their communities affected by U.S. Steel's deliberate wrecking of the productive property Stelco are in no mood to sit idly by while this travesty unfolds without stern intervention to keep Stelco producing and to hold all those responsible to account for their crimes wherever they may live.

The federal and Ontario governments must intervene on behalf of the people to oppose monopoly right in this matter and open a path forward to resolve the crisis in a just and positive way. Stelco can and must keep producing so that productive value is available to meet the claims of retirees, active workers and all others with legitimate claims, and to meet the Canadian economy's apparent demand for steel.

***Down with the CCAA Farce!
Keep Stelco Producing!***



Neo-Liberal Free Trade Is the Problem, Not Cheap Steel from China

Those who control U.S. Steel are also engaged in a chauvinist hypocritical campaign to blame the steel crisis on cheap imported steel from China and elsewhere. This campaign refuses to address the fact that the U.S. ruling elite are the most ardent proponents of neoliberal free trade and all the other practices that cause recurring economic crises. In fact, they attack any country that dares to develop an independent economy outside the U.S.-led imperialist system of states such as Cuba, the DPRK, Venezuela and others. Just this week,



the U.S. government imposed a fine on a French company for the so-called crime of engaging in business with Cuba.

The U.S. ruling elite want hegemony over others and refuse to allow any attempt to develop a new direction for any economy including the U.S. economy. Those in control of the U.S. block all attempts to build an economy based on self-reliance which does not resort to stealing from others around the world and trample on rights such as the rights of Canadian steelworkers. The U.S. ruling elite are adamantly opposed to building a U.S. economy that can stand on its own without exploiting other countries and demanding tribute from them and waging constant wars. Such a modern pro-social economy befits the advanced modern forces of production, and could guarantee the rights and well-being of all its members if only freed from the domination of the rich and monopoly right.

The complaints of the U.S. ruling elite against cheap Chinese steel ring hollow indeed because they are the biggest opponents of any nation that wishes to free itself from the domination and control of the global monopolies. The U.S. imperialists have unleashed predatory war after predatory war and violent regime change everywhere to ensure others such as Iraq, Syria, and Libya do not pursue an independent path free from U.S. domination and its unjust trading and other practices.



Just in the past few years, the U.S. ruling elite deliberately flooded the world with fracked oil to wreck the economies of Russia, Venezuela and others including Canada. Those who control U.S. Steel were very happy to ride the U.S. oil fracking hysteria selling the oil sector millions of tons of tubular and other types of steel. Now that the 3.5 million barrels per day of new fracked oil is wrecking havoc around the world including the U.S. oil sector and depressing the steel it requires, the great masters of industry deny any responsibility. It's all the fault of others, they cry, refusing to look squarely at the mess they have caused or allow any new pro-social direction.

They prefer to do everything possible to defend their class privilege, attack the working class and cry foul against others engaged in the same neoliberal free trade and other destructive practices.

It's time for a change! It's time for a new direction! Neoliberal free trade dominated by monopoly right has caused this crisis. It's time for something different that upholds public right and guarantees the rights and well-being of the people and their collective economy.



Concessions Are Not Solutions

The U.S. Department of Labor has accused U.S. Steel that its overriding "time and cost concerns" led directly to the death of two steelworkers and serious burns to another. "Time and cost concerns" are a focal point of U.S. Steel's brutal anti-worker "Carnegie Way" campaign to degrade working conditions and lower the wages, benefits and pensions of steelworkers and salaried

employees. These attacks are such in Canada that the U.S. monopoly has placed its wholly-owned facilities in Hamilton and Nanticoke into bankruptcy protection of the *Companies' Creditors Arrangement Act* in a reckless attempt to deprive workers of their full pensions and benefits, and deny the legitimate claims of others in the community. USS has absconded with lucrative Canadian steel contracts and plans to leave behind its former competitor Stelco wrecked and near collapse.



The Carnegie Way campaign was launched under the guise of dealing with the current crisis in the steel industry throughout the world. In practice the Carnegie Way proposes no solution to the crisis but merely shifts the burden of it onto the working class.

Severe Violator Enforcement Program

TML Daily notes that because of unresolved issues involving workplace injuries and deaths, the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) proposed last year to place U.S. Steel Corp. in the "Severe Violator Enforcement Program for demonstrating indifference to its OSH Act obligations to provide a safe and healthful workplace for employees."

According to the OSHA, the purpose of the program is to concentrate "resources on inspecting employers who have demonstrated indifference to their OSH Act obligations by willful, repeated, or failure-to-abate violations."

The OSHA said in a March 2015 report, "U.S. Steel Corp. has been inspected 14 times by OSHA since 2009 and issued citations for amputation hazards, unsafe crane operation, violations associated with flammable liquids and other hazards. The company has 15 business days from receipt of its citations and proposed penalties to comply, request a conference with OSHA's area director, or contest the findings before the independent Occupational Safety and Health Review Commission. Proposed penalties total \$107,900."

In an incident report last year entitled "U.S. Steel Corp.'s safety shortcuts lead to fatal explosion," OSHA blamed USS for the death of two workers and serious burns to another citing the company's overriding "time and cost concerns."

Deaths and Injuries in Alabama

Leo Bridges and Edward Bryant were burned to death in a fiery explosion in September 2014, in the USS Flux Building, which OSHA inspectors said, "occurred because U.S. Steel Corp. put workers at risk, so as not to slow production at its Fairfield (Alabama) facility.

"The three men were opening and closing a malfunctioning valve on a furnace at the Fairfield Works when it erupted, and sent Bridges, Bryant and a third co-worker to the hospital. Bridges, 61, and Bryant, 53, died later due to their injuries. The third man was rushed to a burn trauma unit in critical condition. Fairfield Works is comprised of both steelmaking and finishing facilities.

"OSHA inspectors determined that the explosion was caused by opening and closing a high-pressure valve that contained oxygen and hydrated lime. The men were doing the work

while the furnace was operating, as directed by the department's management."



In the report Ramona Morris, OSHA's area director in Birmingham wrote, "Management knew that attempting to operate the valve while the furnace was still running placed workers at risk, yet they allowed them to do it because they didn't want the production line down for hours. This employer chose productivity over the safety of its workers, and two people died as a result of this decision."

The OSHA issued U.S. Steel, "a willful citation for not developing and using a procedure to control the hazardous energy to allow workers to operate the valves on the furnace while it is in operation. A willful violation is one committed with intentional, knowing or voluntary disregard

for the law's requirement, or with plain indifference to worker safety and health."

The OSHA also issued U.S. Steel seven serious citations, "for not developing a procedure to prevent the furnace from releasing hazardous energy while workers performed maintenance; missing exit signs; an improperly installed exit gate; and not training workers to recognize hazardous conditions with the oxygen system. A serious violation occurs when there is substantial probability that death or serious physical harm could result from a hazard about which the employer knew or should have known."

(<http://www.osha.gov>)



U.S. Labor Department Launches Lawsuit against U.S. Steel Corporation

The U.S. Department of Labor announced in a press release on February 22, 2016 the initiation of a lawsuit against U.S. Steel "for retaliating against workers reporting workplace injuries."

Government inspectors have charged USS with sanctioning two workers for reporting "injuries that may have resulted from worksite incidents occurring a few days earlier. At the time of the incidents, the employees were unaware they had suffered injuries, as symptoms did not develop until later. When the workers realized and reported their injuries, U.S. Steel suspended both workers without pay for violating the company's immediate reporting policy."

The U.S. Department of Labor lawsuit against U.S. Steel, "Is seeking to reverse the disciplinary action taken against these employees and amend the company's immediate reporting policy."

The Labor Department said the lawsuit is necessary because U.S. Steel has refused to rescind its discipline of the workers or alter or amend its policy to give workers time to report injuries.

"U.S. Steel's policy discourages employees from reporting injuries for fear of retaliation," said

Richard Mendelson, regional administrator in Philadelphia for the Occupational Safety and Health Administration (OSHA). "Because workers don't always recognize injuries at the time they occur, the policy provides an incentive for employees to not report injuries once they realize they should, since they are concerned that the timing of their report would violate the company's policy and result in some kind of reprimand," he added.

The press release explains: "Both workers suffered injuries in February 2014. On Feb. 12, a full-time utility technician at U.S. Steel's Clairton Plant, in Clairton, Pennsylvania, found a small splinter lodged in his thumb and extracted it himself. He completed his shift without further incident. Two days later, his thumb and hand were swollen noticeably, and he received medical treatment for an infection. When he reported the incident to his supervisor, the company imposed a five-day suspension without pay for his violating the company's policy. U.S. Steel later reduced the suspension to two days.

"On Feb. 15, a full-time laborer at the company's Irvin Plant in West Mifflin, Pa., bumped his head on a low beam. The employee was wearing a hardhat and didn't feel any pain or notice any discomfort at the time. However, several days later, he experienced stiffness in his right shoulder and sought medical treatment, which his representative reported to U.S. Steel as a possible worksite injury. When he met with U.S. Steel's representative to discuss the issue, the company suspended him for five days without pay.

"Both workers filed complaints with the department's Occupational Safety and Health Administration alleging that U.S. Steel had suspended them in retaliation for reporting workplace injuries. The agency found that in both cases, the company violated the anti-discrimination provision of the *Occupational Safety and Health Act*, or Section 11(c), when the company used its immediate reporting policy as a basis for sanctioning employees who reported injuries 'late.'

"To date, U.S. Steel has failed to rescind its discipline of either worker in addition to refusing to alter or amend its immediate reporting policy to allow for a reasonable period of time for employees to report worksite injuries.

"Filed in the U.S. District Court for the District of Delaware, the suit seeks the following:

- Enjoining U.S. Steel from violating Section 11(c)(1) of the Act.
- Directing the company to rescind and nullify its immediate reporting policy.
- Permanently enjoining the company from enforcing an injury or illness reporting policy that requires employees to report their workplace injuries or illnesses earlier than seven calendar days after the injured or ill employee becomes aware of his or her injury or illness.
- Rescinding the discipline and sanction of the two employees.
- Directing the company to compensate the complainants for any, and all lost wages and benefits including interest, as well as compensatory damages.
- Directing the company to post notices at all of its work sites for 60 days stating that it will not discriminate or retaliate against employees involved in activities protected by Section 11 (c) of the Act."

(All quotations from OSHA press release — <http://www.osha.gov>)



Iron Ore Company Suspends Workers for Being Sick Company Blames Workers for Problems in Iron and Steel Sector

**- Interview, Ron Thomas, President, USW Local 5795,
Iron Ore Company of Canada, Labrador City -**

Steelworkers at Iron Ore Company of Canada in Labrador report that close to 100 workers received a 3-day suspension for missing shifts over the holiday season. In mid-December, the company issued a memo that stated in part:

"In supporting IOC's survival during the most challenging time we've seen in decades, you are supporting the livelihoods of an entire community of family and friends [...] Employees who miss a shift at this critical time of year must understand that this choice will have an even greater negative impact on the business given the peak vacation at this time. Employees who miss shifts will be subject to disciplinary measures which, more likely than not, will result in a minimum of a three-day suspension."

The IOC operation is managed by Rio Tinto Iron Ore and is a joint venture between Rio Tinto (58.7 per cent), Mitsubishi (26.2 per cent) and the Labrador Iron Ore Royalty Income Corp. (15.1 per cent).

TML Daily is publishing below an interview conducted by *Workers' Forum*, its supplement, with Ron Thomas, President of USW Local 5795 which represents these workers.

Workers' Forum: The Local reports that close to 100 workers got a 3-day suspension for missing shifts over holiday season. Can you tell us more about it?

Ron Thomas: Just before Christmas, the President of the company came in with a statement stating that anybody missing any time during Christmas at all for whatever reason will get a 3-day suspension. That goes against the company's own policy on discipline, it goes against the *Labour Standards Act*, which allows you to have 7 sick or family responsibility days a year, and it goes against our collective agreement as well because we have got processes on what you do when you are sick.

Up here in Labrador City, we had a bad bout of gastro that went around the town and we had some of our people who got it. Anybody that missed any shift at all, they were given a 3-day suspension. I can give you an example. We had one worker that was working and she got an allergic reaction to something. They brought her



to the hospital up here in town, they put her off for 3 days and then the company gave her a 3-day suspension.

We filed a policy grievance as soon as we got the memo and every individual that is getting the suspension has filed their own separate grievance. We have our lawyers looking into it. We are also filing an unfair labour practice.

Recently we have been meeting with members of the government. We got the government involved. I met with the Premier, with the Minister responsible for the Labour Relations Agency and the CEO of the Labour Relations Agency. We are telling the government that now is the time to step in and to actually enforce the *Labour Standards Act* on this company. There has not been a response yet, we are still in the process. Our International has been doing a lot of work. Our international President Leo Gerard got in touch with officials from Rio Tinto. We are going to have a meeting soon with all our executives and all the company's executives.

WF: That kind of harassment of workers on a spurious basis has been going on for quite a while now at IOC.

RT: Absolutely. They do not have any communication with anybody, they just do what they want to do. The company says it is all part of cost savings and that we need to make sure that everybody is working and yet if somebody is legitimately sick and has to go to the hospital then they give them a 3-day suspension on top of that. It does not make any sense. They come out saying we have a huge problem of absenteeism but our numbers have not changed since I started working here 25 years ago. The only difference is that in early 2000 they hired a lot of female workers and with that you get maternity leave and they are including that in the figures.

We got so many grievances referred to arbitration, it is hard to get the cases heard. Almost every single article of the collective agreement is getting violated. They do not even look at the collective agreement, they just go ahead and do what they want to do. I met recently with the Vice-President of Labour Relations with IOC. He told me "we can run this company without the union."

In 2015, I have never seen this in the almost 26 years I have been working here, we had 38 people retire, we had 12 people fired and we had 54 people quit. That is telling you something about the problems we are having up here.

When the Occupational Health and Safety officers came in to do their tours, they issued directives to the company on cleanliness and on dust levels, two big problems there with the health and safety at the plants. We had another one of our members die of silicosis on January 18 this year.

WF: In its memo, IOC is suggesting you are putting the company and the community at risk with some kind of irresponsible behaviour. What is your take on that ?

RT: They are blaming the workers for what is happening. Even though we are treated poorly, our workers are pushing as hard as they can and even on Christmas we broke a record in one of the areas. Our members know how bad the markets are and we want that this company survives but safety is on the back burner, they are not doing much maintenance and our members are being treated very poorly.

It is frustrating. Then they keep coming back to us that we are going to end up like Wabush Mines, they are threatening everybody (Wabush Mines, also in Labrador, was closed by U.S. monopoly Cliffs Natural Resources in 2014 — *Ed Note*). In fact, Rio Tinto is the one with other

companies that actually drives down the price of iron which we have no control over but Rio Tinto does.

We still want to work with this company and if they need to do cost savings we are willing to work with them but they have got to turn around and start treating our members fairly. They may be preparing to shut us down but they can't treat our workers unfairly and put everything else on the back burner.



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