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Uphold Public Right, Not Monopoly Right! **Ontario Court Continues to Attack Steelworkers' Rights**



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- CCAA Court Suspends Essar Steel Algoma Payments into Pension Funds
- Hamilton Day of Action Demands Governments Uphold the Law and Defend Public Right

Uphold Public Right, Not Monopoly Right! **Ontario Court Continues to Attack Steelworkers' Rights**

Once again an Ontario Court has attacked the rights of U.S. Steel (Stelco) steelworkers. The Ontario Court of Appeal on February 1, 2016 denied their union's (USW) appeal to reverse the

decision to cut the medical benefits of retirees. Justice Herman J. Wilton-Siegel acting under the arbitrary authority of the monopoly-controlled Companies' Creditors Arrangement Act (CCAA) ruled last October 9 that retirees of the steel company Stelco, now controlled by U.S. Steel, would no longer receive their benefits. Those benefits were part of long-held legal arrangements between the steelworkers and the company.

The Judge ruled that bankruptcy protection under the CCAA trumps all previous arrangements to guarantee the health and security of workers. The company-controlled process under the CCAA means that whatever the company deems as necessary according to its "Business Preservation Plan" negates the rights of steelworkers and any previous agreements held with the company. No negotiations are allowed and the CCAA court routinely accepts the dictate of the company in violation of existing law.



U.S. Steel is using the CCAA to crush the former Stelco as a viable company, renege on all its responsibilities to pensions, production, suppliers, municipal taxes and environmental cleanup, and to steal any money from the liquidated assets.

The Judge quoted in his rejection the earlier ruling that the U.S. Steel-controlled plan allows its Canadian operations (Stelco) "to continue operations beyond 2015, preserving liquidity in order to provide USSC time to secure new sales volumes and allow as much time and flexibility as possible to locate a purchaser or find a consensual restructuring solution."

This would be considered a joke if the consequences were not so serious and injurious to workers. U.S. Steel has stolen the most lucrative customers from its Canadian operations and done everything to destroy it as a viable steel producer and competitor. Nothing U.S. Steel has done or is planning to with liquidation has anything to do with keeping Stelco producing.

The Judge used the arbitrary nature of CCAA itself to deny the appeal stating, "The starting point is recognition that in CCAA proceedings leave to appeal is to be granted sparingly 'because of their real time dynamic and because of the generally discretionary character underlying many of the orders made by supervising judges in such proceedings.'"

The Judge said in considering the appeal he had to determine whether it was significant to the "practice" and "action" of the CCAA process not whether U.S. Steel is violating the rights of steelworkers and the existing law and legal arrangements and commitments. By ruling against the appeal the Judge declared in practice that the appeal was not "meritorious" but "frivolous" and that it "unduly hinder[ed] the progress of the [CCAA] action."

The Judge agreed with the original CCAA ruling that denying benefits to retirees was "necessary to preserve USSC's liquidity and extend its opportunity to achieve a successful restructuring outcome."

The Judge said that allowing benefits to continue "would serve only to deflect attention away from the parties' shared resolve to try to find a solution to USSC's current financial situation."

The "current financial situation" of the former Stelco is the direct result of the wrecking of its production and theft of its customers by U.S. Steel. All the problems stem from the actions of U.S. Steel since it seized control of Stelco in 2007 and the free trade and other international

arrangements whereby global monopolies can deprive Canadians from building a self-reliant stable economy.

The Judge and the CCAA court refuse to recognize the rights of steelworkers, which renders the court in violation of a modern definition of the rule of law and the necessity of a government of laws. A court cannot deny the rights of the people and then be considered an acceptable authority under a government of laws.

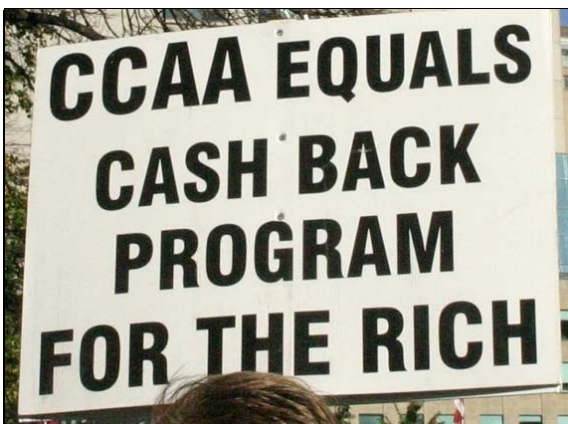
The CCAA process is in violation of a government of laws and should be stripped of all its authority. U.S. Steel is responsible to uphold all the arrangements it agreed to upon the takeover of Stelco including security of production and employment levels, the viability of the pension plans, the post-retirement benefits, municipal taxes, all outstanding bills from suppliers and contractors and environmental cleanup.

This charade of legality under the CCAA must cease. Canada is supposed to be a country with a government of laws not a country controlled by hooligans and thugs who consider might makes right.



CCAA Court Suspends Essar Steel Algoma Payments into Pension Funds

An Ontario court hearing the bankruptcy protection fraud of Essar Steel Algoma ruled in mid-January that the global monopoly no longer needs to put special payments into Essar workers' pension plans. The amount in question is \$3.38 million a month required to make the plans whole and viable. Without the payments the pension plans will fall deeper into a hole that the company is already using as a reason for bankruptcy protection.



Meanwhile, the company is producing steel although with some layoffs. Most observers have said the company's financial problems do not originate in Canada but in other investments such as the billions it has sunk into an iron ore mine and pellet plant in the U.S. that is suffering long delays.

The CCAA judge, as is so often the case in these bankruptcy frauds, expressed sympathy for the steelworkers and salaried employees but suggested his hands were tied by the exceptional rules of the CCAA. Justice Frank Newbould of

the Ontario Superior Court said, "I have sympathy for the employees and in particular for the retirees, who are the most vulnerable." Despite the sympathy, he ordered that the payments into the three defined benefit pension plans may be delayed until the company emerges from the CCAA proceedings.

He said Essar Steel Algoma needs "the certainty of not being subject to having to make the special payments if a request is made in the future. Any such uncertainty would be detrimental to the sales and investment solicitation process (SISP) to be undertaken."

CCAA is subject to a pragmatic process devoid of principles and the existing rule of law. Whatever serves the process, as dictated by the forces in charge, supersedes all agreements and laws, and negates the rights of all those except the most powerful in control.

The judge seemed to express some regret with his decision saying that the process and those with economic interest in the steel company may not consider "the plight of the retirees" as important. "There is not the same economic interest in any lender or buyer in satisfying their concerns as there would be with the United Steelworkers and the current employees," he said. His words described a clash of rights and interests where the interests and monopoly right of those in control of the proceedings dominate the public right and interests of all others, in particular the steelworkers and retirees.

Just last month, the same Justice in the CCAA proceeding found greater sympathy for those in control by approving \$3.47 million in bonuses to 23 Essar Steel Algoma executives to ensure they stay with the company during its current restructuring under the *Companies' Creditors Arrangement Act*, ordering that the names of the executives be kept secret in a sealed court file.

Essar Algoma retirees were understandably upset with the suspension of the pension payments. "I'm not happy with the decision," Robert Grant, president of Steelworkers Organization of Active Retirees (SOAR) Chapter 7 representing steelworkers told a local newspaper. "We have a meeting coming up next week. We have to approach Essar management to make up those payments later on, when they're out of insolvency." Essar Steel Algoma's three registered defined benefit pension plans have an aggregate wind-up deficit of \$527 million. The three pension plans have a combined total of 2,200 active members and 6,451 retired, suspended and deferred vested members including surviving spouses.

The hourly and salaried plans are written into their respective collective agreements, which the CCAA can overrule as it does not respect or follow existing law. The company's monthly payments were ordered as a result of regulations passed by the Ontario Government three years ago to top up underfunded pension plans. The CCAA also negates this law of the Ontario Government.

Essar Algoma is Sault Ste. Marie's largest employer, directly employing nearly 3,000 people. Adding household members and retirees, approximately 54,000 people in Sault Ste. Marie (or 69 percent of the city's total population of approximately 78,000) directly or indirectly depend on Algoma Steel for their livelihood, the court was advised.

The situation demands a solution that upholds the public interest not attacks on steelworkers and the legal agreements they and others have entered into. Bankruptcy protection under the CCAA court is in violation of a government of laws. This cannot continue.

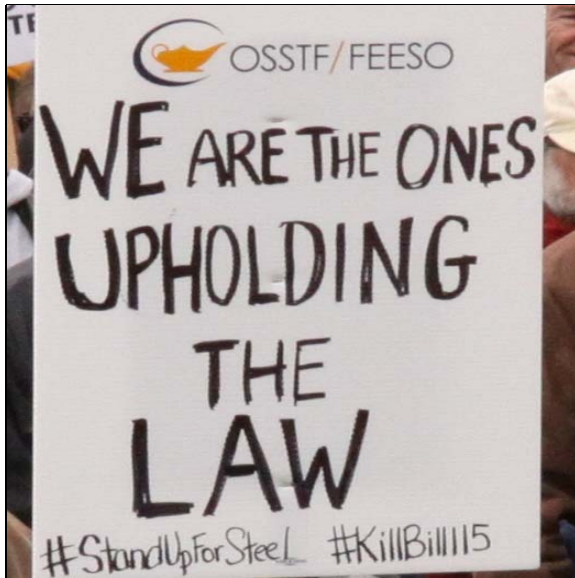
(SooToday)



Hamilton Day of Action Demands Governments Uphold the Law and Defend Public Right

Steelworkers and their families, working people and youth of Hamilton and workers from across Ontario came out 5,000 strong for the January 30 Day of Action in Hamilton. They made a great statement that governments must uphold public right and prevent U.S. Steel from violating all their legal and moral obligations to the people of Canada and specifically to the Hamilton and

Nanticoke steelworkers. The Day of Action spoke with one voice on behalf of Canadians to Keep Stelco Producing! Keep Hamilton Producing! Keep Canada Producing! The working people of Ontario affirmed that the full pension payments and benefits which rightfully belong to those who made steel all their lives, that the U.S. monopoly is hoping to run away with, must be paid and that it must fulfill its obligations to the community. The enthusiasm from the people of Hamilton was such that nearly every passing car honked in support.



Workers came from Windsor, London, the Niagara Region, Oshawa, Mississauga, Toronto, Barrie and as far away as Sudbury and Sault Ste. Marie in Ontario. The Rio Tinto workers from Alma, Quebec sent a delegation, as did U.S. steelworkers and their allies from Lakawanna, New York. A lively group of former Stelco workers, members of the Steelworkers Organization of Active Retirees (SOAR) was present. Among the other labour organizations present were the Canadian Labour Congress, the Ontario Federation of Labour and local Labour Councils such as the Hamilton and District Labour Council. Also represented were the Canadian Union of Postal Workers, the Canadian Union of Public Employees, the United Food and Commercial Workers Union

(UFCW), the Ontario Secondary School Teachers' Federation, the Elementary School Teachers' Federation of Ontario, the Ontario English Catholic Teachers' Association and many other union locals. Delegations from the Communist Party of Canada (Marxist-Leninist), the Ontario Network of Injured Workers' Groups, and South Asian Women's Rights Organization also participated vigorously.

A special edition of *Information Update*, the newspaper of Local 1005, was published for the occasion and enthusiastically received.

The rally was emceed by Tony DePaulo, USW District 6 Director who welcomed everyone and introduced Bill Mahoney, Local 1005's resident poet who recited his powerful poem "U.S. Steal." It set the tone for the rally and underscored the determination of active and retired steelworkers to defend their rights and dignity and that of the community and all working people.

Gary Howe, President of Local 1005 USW welcomed everyone to the rally. He recognized and thanked the workers from Alma, Quebec who traveled to take part. He noted that 2016 marks the 70th anniversary of Local 1005, saying that "now more than ever we need to uphold the dignity of labour." Gary upheld the rights of Local 1005 members at Max Aicher North America (MANA) who have been locked out since June 2013 and denounced the company's use of scabs. "MANA needs to be held accountable as does U.S. Steel," he said. Gary underscored the just demand that the courts and government uphold the law and not permit lawlessness and the workers and the community to be attacked with



impunity.

"We need to hold governments responsible when corporations such as U.S. Steel violate all their legal and moral obligations. U.S. Steel is not only abusing Hamilton and Nanticoke by destroying Stelco's production, jobs and pensions, by running away from paying municipal taxes, government loans, environmental clean-up and other commitments and obligations, the U.S. company is using the bankruptcy courts to shove it all in our faces to make off with \$2.2 billion and Stelco's best steel customers," Gary affirmed. "Standing together as one we are saying that what U.S. Steel is doing is not right; by standing together in public we uphold our dignity and will find a way forward," Gary said.

Bill Ferguson, President of Local 8782 USW also spoke affirming the determination of the steelworkers to see that the plants in Hamilton and Nanticoke continue producing and meet the demand for Canadian steel by domestic and other customers.

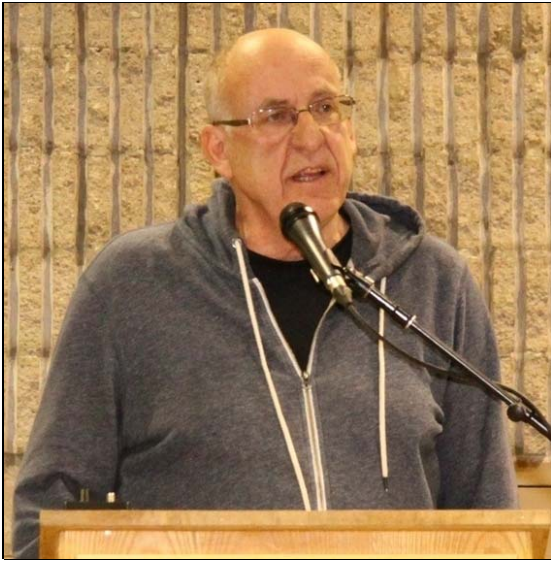
Among the speakers at City Hall were Hamilton Mayor Fred Eisenberger; Director of USW District 6 Marty Warren; federal NDP leader Tom Mulcair; Ontario NDP Leader Andrea Horwath; President of the Canadian Labour Congress Hassan Yussuff; President of the Ontario Federation of Labour Chris Buckley; and USW National Director for Canada Ken Neumann, all of whom pledged to do their utmost to assist the Hamilton steelworkers in their fight for justice. Leo Gerard, President of the Steelworkers International sent a letter of support to the rally.



Speakers at the rally made clear the importance of steel in building a strong and sustainable manufacturing sector which is the key to an independent Canadian economy. They called on the federal and provincial governments to do their duty and intervene to prevent U.S. Steel from abusing the workers and the community, and running back to the U.S. renouncing all its financial responsibilities to the workers, the City of Hamilton and the Province of Ontario.

The role the monopolies like U.S. Steel play in wrecking the Canadian economy was denounced, along with the role of government and the courts to legitimize and enforce these attacks.

Following the speeches at City Hall, the participants marched through the downtown area to the Hamilton Convention Centre. People on the sidewalk and passers-by enthusiastically expressed their support.



At the Convention Centre Rolf Gerstenberger, past President of Local 1005, pointed out that steelworkers in Hamilton have a proud history of affirming their rights from the historic strike of 1946 up to the current struggle. He explained that the union and the workers have always upheld what is legal and their part of the agreements and contracts. Rolf raised the important question: What do you do when a company like U.S. Steel is allowed to break its legal obligations and is permitted by the courts and the governments to act illegally against the workers with impunity? "If the government does not use its authority to uphold the laws and if special CCAA courts can be created to rule that Might can make Right, where does that leave the citizens who are supposed to be

protected by the law? This is a very serious problem that goes way beyond the legalization of the theft of our pensions." This is what we must discuss, Rolf said, and called on everyone participate in finding a solution.

Other speakers at the Convention Centre expressed their support for the cause of the steelworkers. These included NDP MP for Hamilton Mountain Scott Duvall as well as Bob Bratina, Liberal MP for Hamilton East-Stoney Creek; Wayne Gates, NDP MPP for Niagara; and Paul Miller NDP MPP for Hamilton East--Stoney Creek. Anthony Marco, President of the Hamilton and District Labour Council pledged his support, as did Ron McClure, President of the Stelco Salaried Pensioners' Organization.



Left: Local 8782 USW President Bill Ferguson; centre Local 1005 Poet Bill Mahoney; right Tony DePaulo, emcee.



Left: Ken Neumann, USW National Director; centre: Hassan Yussuf, Canadian Labour Congress President; right: Chris Buckley, Ontario Federation of Labour President.



Left: Fred Eisenberg, Mayor of Hamilton; centre: Thomas Mulcair, federal NDP leader; right: Andrea Horwath, Ontario NDP leader.

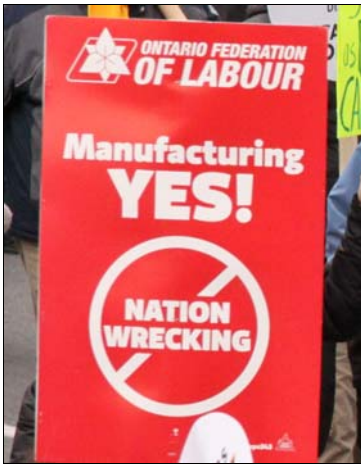


Left: Scott Duvall, MP for Hamilton Mountain; centre: Anthony Marco, Hamilton and District Labour Council President; right: Bob Bratina, MP for Hamilton East-Stoney Creek.









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