



National Oil Bargaining 2008-09

www.oilbargaining.org

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From the Vice President's Desk

2009 National Oil Bargaining: This is Our Time

I want to thank everyone for their involvement so far in the National Oil Bargaining (NOB) process. The oil councils met during the NOB conference in September and discussed, debated and arrived at proposals for the NOB policy. Then your elected representatives to the NOB policy committee examined these proposals and put together the NOB policy, which the delegates to the conference overwhelmingly approved. The NOB policy was taken back to the membership and voted upon. The locals overwhelmingly ratified the proposal and gave authorization to me to call a strike if it becomes necessary over national issues.

Top Bargaining Issues

Our top issues in this round of bargaining will be health and safety, health care, the contract term and wages. Working in conjunction with Kim Nibarger of the USW's Health, Safety and Environment department, the NOB policy committee, District 13 Sub-District 1 Director Jim Lefton and I rewrote our health and safety language to reflect the need for greater process safety. Your councils reviewed this language and added items as well. The result is a policy that we think will create greater worker involvement in health and safety matters and accountability. It should result in a safer workplace.

We must have a change in our health care provisions. These very profitable companies we work for keep putting more of the burden of increasing health care costs onto our shoulders. In the second quarter of this year six of the major international oil companies earned \$51.5 billion in combined profits. With this

kind of money they can afford to pay total coverage for active employees and retirees.

Our contract term should be no more than three years in length because of how fast the market changes for oil prices and demand. Although the economy is in bad shape now, it will rebound. President-elect Barack Obama is bringing in some heavy hitters who are well-equipped to deal with the financial crisis we have on our hands.

Unlike many other industries, the oil sector continues to be profitable. Even if the industry makes less money in the fourth quarter this year, it still will have plenty on hand from previous highly profitable quarters to pay us a substantial wage increase. We deserve to share in their profits because we helped make them happen.

Bargaining Preparation to Date

The NOB locals should have received the National Oil Bargaining Policy book last week or the beginning of this week. It contains the 12 proposals and the justification for them along with negotiating points your local can use during local contract talks and when talking to the media. Be sure to get this book into the hands of the unit chairs engaged in NOB.

So far, to get you prepared for bargaining, we have conducted Communication and Action Training (CAT) for individual locals as well as regionally; held sessions on how to negotiate a contract; mailed out a brochure about NOB; given a copy of Bob Wages's speech on the NOB process to every local; started *The Oil Worker* and

created an oil bargaining website at www.oilbargaining.org. Locals have also voted to increase their dues to participate in the USW's increased strike fund benefits.

If you haven't received the NOB brochure, contact my office at (409) 838-1972 or email my administrative assistant, Julie, at jlidstone@usw.org and she'll send one out to you.

Next Steps

Our next step in the NOB process is to exchange proposals with Shell, the lead company, sometime in December. Many of the local unions will exchange proposals with their facility management as well. The real, heavy-duty bargaining will be in January.

Our focus now needs to be educating our membership about our proposals and the NOB process and engaging them in mobilization activities. We have planned seven mobilization activities, beginning with getting workers to sign a petition for a good contract. The mobilization schedule is elsewhere in this newsletter. Also, *The Oil Worker* will come out every two weeks.

Distributing *The Oil Worker* is becoming increasingly important. When you get your copy, please make enough copies for your membership and distribute it during non-work time and in non-work areas using your CAT teams, steward system or Rapid Response network. Be sure to leave copies in areas like lunchrooms and break rooms.

Gary Beevers
International Vice President
Chair, National Oil Bargaining Program

National Oil Bargaining Policy Covers 12 Items

• **Term of agreement:** All agreements shall expire at 12:01 a.m. on Feb. 1, 2012.

• **Wages:** Substantial wage increase which includes Cost of Living Adjustment.

• **Shift Differential:** 5% for afternoon shift and 10% for night shift of highest rate in contract.

• **Medical:** The company will provide fully paid medical, dental and vision coverage with no reduction in the benefits for the term of the agreement.

• **Retiree Medical:** The company will provide future retirees with comprehensive medical, dental and vision plans at no cost to the employees.

• **Pension:** All pension benefits must meet a minimum \$85 times years of service.

• **Health & Safety:** Includes such items as the right to refuse dangerous work and have a safe and healthful workplace; cooperation between labor and management to eliminate accidents and health hazards, including the reporting of unsafe actions and conditions to supervision; access to protective equipment; periodic air sampling and noise testing; medical assistance at work; establishment of joint labor/management health, safety and environment committees; training; accident report-

ing; creation of union health, safety and environment positions; adequate staffing; mechanical integrity and the elimination of atmospheric vents on process units; and the safe siting of non-essential personnel.

• **Occupational Death:** Increase the benefits payable to the survivors of a worker whose death resulted from an occupational injury to \$2 million.

• **Holidays:** Two additional paid holidays—Martin Luther King, Jr. and one additional holiday. For those groups that already have the Martin Luther King, Jr. holiday, they will choose another day.

• **Successorship:** Renew and expand successorship language to cover partial sales.

• **Neutrality:** Organizing neutrality language.

• **No Retrogression:** There shall be no retrogression in previous terms and conditions including, but not limited to, agreements on no layoffs, rate retention, plant closure, health and safety clauses, pension review, and health and safety review. All letters of agreement including, but not limited to, agreements in rate retention, national health insurance, health and safety review, no layoffs and plant closures shall be made part of the current Articles of Agreement between the parties.

Have any Photos, Video?

If you have any photos you've taken or video you've shot of your local's mobilization events, please send them to Lynne Baker at lbaker@usw.org and they can be placed on the oil bargaining website.

Not Getting *The Oil Worker*?

Email Julie Lidstone at jlidstone@usw.org to get on the mailing list. Only home email addresses will be accepted.

How is Your Local Getting Ready for Bargaining?

The Oil Worker is interested in your stories about how your local is getting ready for bargaining and the activities it is involved in.

Be sure to put your name, local union number and phone number where you can be contacted during the day or evening on your article.

Stories can be emailed to lbaker@usw.org. Or you can mail them to Lynne Baker, 3340 Perimeter Hill Drive, Nashville, TN 37211.

The editor reserves the right to edit contributions for length and clarity.

Mobilization Schedule Provides Much Activism

By now your Communication and Action Team (CAT) should be in place if your local has had Building Power training. For other locals there should be a mobilization committee, Rapid Response Network or steward system in place to engage the membership in these mobilization activities.

It's important that we engage as many members as possible in these actions so that we show management our unity and determination to get a decent contract.

December

Dec. 1-2: Petitions for a good contract go out to the locals for workers to sign.

Dec. 11: Petitions returned to Intl. VP Gary Beevers's office.

Week of Dec. 15: "This is Our Time" sticker distributed and worn or placed on personal property.

Dec. 16: Wages vs. executive compensation handbill.

January 2009

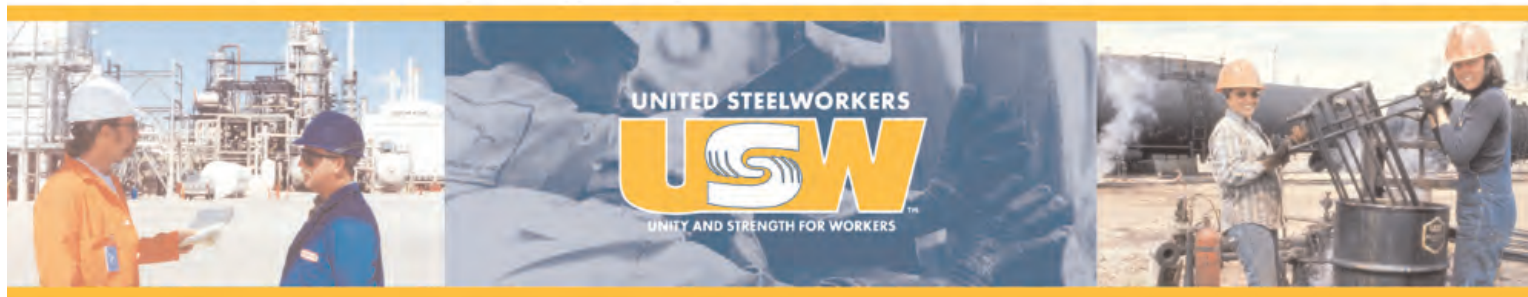
Jan. 6: Health and Safety handbill and sticker.

Jan. 13-15: National Days of Action.

Jan. 20: "This is Our Time" handbill.

Jan. 27: "This is Our Time" sticker.

Embracing Our Past, Engaging Our Future



How National Oil Bargaining Works

The National Oil Bargaining (NOB) program is a modified form of pattern bargaining that is rooted in the power of the rank and file. It has been in existence for 43 years and has served the membership well.

It begins with the National Oil Bargaining conference held four months prior to the expiration of the national pattern agreement. Delegates from the local unions involved in the NOB program gather in their company council meetings at the conference to draft national proposals that will be presented to the National Oil Bargaining Policy Committee. This committee, which is composed of elected rank-and-file members, debates the submitted proposals and creates a proposed oil bargaining policy which it submits to the delegates for adoption. When the delegates adopt the policy it becomes the union's official proposal.

Locals Ratify Policy

The NOB Policy is then submitted to the oil locals in the NOB program, which have 45 days to approve it. Members in these locals vote on the policy during a regular or special meeting.

The locals' ratification of the policy authorizes the international vice president in charge of oil bargaining, in consultation with the international president, to coordinate, administer and direct all activities related to the NOB program and to call any bargaining unit(s) out on strike to establish or spread the pattern.

The locals' ratification of the policy also makes it mandatory for all bargaining units: All units must present the poli-

cy to their company; none may present any other proposal on the same subject, and none may settle for less, unless modified in the course of bargaining by the NOB Policy Committee.

Bargaining on Two Levels

National and local bargaining occurs at the same time. The discussions at the top revolve around the national policy, which is usually limited to major items like wage increases, health care, or health and safety matters. At the local level, discussions include these items, but also normally a wide range of issues having to do with the operation of the particular facility, such as shift schedules and administration of overtime guidelines.

Most of the locals in the NOB program start their bargaining over local issues in December with local oil company refinery and terminal managers. Some local unions are given permission to start earlier if they need more time to settle local issues. The local unions conduct their own vote to authorize their negotiating committee to call a strike if agreement is not reached on local issues.

Negotiating with Lead Company

National bargaining over the policy items also begins in December between the international vice president in charge of oil bargaining and the lead oil company. The lead company tacitly represents the other major oil companies and consults with them about what is happening at the bargaining table.

Reaching a Pattern Settlement

The international vice president in charge of oil bargaining operates in con-

tinuous consultation with the NOB Policy Committee during talks with the lead company.

When a proposal is reached, it goes to the NOB Policy Committee, which determines whether or not it is satisfactory. If the committee determines the proposal to be satisfactory, the international vice president in charge of oil bargaining informs the lead company that a tentative agreement has been reached. This agreement is then put on one of the designated lead company's local bargaining tables.

Once on the table, the tentative agreement must be approved by the international vice president in charge of oil bargaining for content.

Once the tentative agreement is approved at the local table it becomes the minimum the industry must meet in order to be in compliance with the National Oil Bargaining program and establishes a pattern.

No local union can negotiate a contract that is below the pattern. It is possible for a local union to negotiate more than the pattern.

If the pattern is not met, the local union contract is rejected. It is possible for a local union contract to meet the pattern and not be settled because of local issues.

During negotiations the local unions engage in national mobilization activities to show management they are united in wanting a good contract. Bargaining developments at the national and local levels are shared between the international vice president in charge of oil bargaining and the locals via email.

Explosion, Fire Claim Life of USW Brother

Six people, including four USW members, were injured Nov. 20 when an explosion and subsequent fire occurred in the saturates gas plant at the 60,000-barrel-per-day Delek refinery in Tyler, Texas.

One of those injured, 49-year-old Dale Sharman of Tyler, died the next day at Parkland Hospital in Dallas from his burn injuries. Tyler was a saturates gas technician and a member of Local 202's workmen's committee.

USW member James Hammett, 52, was in critical condition at Parkland Hospital as of Nov. 22. He sustained burns over 30 to 40 percent of his body.

Both Sharman and Hammett had to be airlifted to the hospital.

USW members Bret Wells and Tony Simmons were also injured and were treated and released on Nov. 21.

Emergency Response Team representative Duronda Pope is assisting the families and Health, Safety and Environment representative Kim Nibarger is investigating the incident. The cause of the explosion is unknown at this time.

"Our community has banded together during this time of tragic loss," Danny Thomas, chair of the workmen's committee, said in a news release. "In the days and weeks ahead, we will be working to identify the cause and origin of the incident. We extend our deepest sympathies to the families of all those involved."

The explosion and related fire occurred in the saturates gas plant about 2 p.m. on Nov. 20. Most of the refinery remains down, said USW staff representative John Anthony.

A team of investigators from OSHA are on the scene. Steve Boyd, OSHA area director for Texas, told the Tyler Paper that the investigators were possibly days away from being able to begin determining the source of the explosion and subsequent fire. The fire was still burning when the inspectors arrived.

When the Tyler Paper asked if the refinery had any outstanding investigations, Boyd replied, "We did issue citations over process safety management, but I cannot discuss those because they have not been resolved."

"Our community has banded together during this time of tragic loss,"
Danny Thomas,
chair of the workmen's committee

Last April, three refinery employees who came in contact with hot oil while working on a coker unit suffered burns and had to be taken to the hospital.

Delek is based in Brentwood, Tenn., and is an energy company with assets in the petroleum refining, marketing and retail industries. The Tyler refinery employs about 270. The USW represents about 150 production and maintenance workers and approximately 40 employees in the trucking unit.

Local Union Media Gatekeepers Needed Immediately

Each local needs a media gatekeeper who will serve as the contact person for local media requests. This person would not necessarily have to immediately answer all inquiries. Instead, their role would be to field the question(s) and find out the reporter's phone number and deadline. They could then work with the local union president, the bargaining team or me, Lynne Baker from the international's communications department, to develop an appropriate response and get it back to the media representative prior to the deadline.

Our goal here is to coordinate messages so that the local and the international are saying the same thing.

If a reporter is looking for the answer to a policy or negotiations question, he or she would be referred to me. If I get a call

and the reporter is looking for a local perspective, I would direct it to the local gatekeeper. I also would be a resource for the gatekeeper in case they had questions about what and how to say something.

The gatekeeper needs to be someone who is not afraid to talk to the media and people in general and most importantly, stays on message. This person must be easily reachable and not tied up with other obligations.

Please e-mail me back to let me know who will be the local's gatekeeper and their contact numbers and local union/home e-mail addresses. Thanks!

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Check out Oil Bargaining Website

If you go to www.oilbargaining.org, you will find past issues of *The Oil Worker*, photos, articles on oil bargaining that ran in *USW@Work*, press releases, the 2002 national oil bargaining settlement and a history of oil bargaining from 1965 to 2005. A slide show is being developed on the National Oil Bargaining conference that was held last September in Pittsburgh.