USW/ArcelorMittal Negotiations

Update #21

Friday, December 18, 2015

Negotiations Break for 2015; Talks to Resume January 4th

Since June of this year, we have been in continuous bargaining with ArcelorMittal, and although we have made some progress and reached agreement on some issues, the major issues still remain unresolved.

This has been and will continue to be an effort that deserves our close attention and support. It has not been easy on any of you or us, but it is a struggle that is worthwhile in terms of our future.

We should all recognize that the industry is extremely challenged at this time, but we have worked diligently with ArcelorMittal and the rest of the industry to require the government to enforce the trade laws and to provide relief from illegal trade and have been successful in some cases.

We have also offered the company a series of solutions that would reduce the fixed cost of making steel and reduce labor costs while maintaining our economic security, our standards of living and protect the health care benefits of both active and retired employees – including future retirees.

Unfortunately, the company has ignored our good faith efforts and demanded concessions that far exceed their needs. Much of our discussions have centered on combining the Program of Insurance Benefits (PIB) for both active and retired employees.

Our proposals would protect our benefits and save the company millions of dollars per year in administrative costs. We have also offered proposals that would save millions of dollars per year in operational costs, while protecting the jobs and earnings of our members.

We will leave Pittsburgh and adjourn negotiations with ArcelorMittal until January 4th. Be assured that our union will continue its fight to stop unfair trade from further damaging our industry, and we remain united against management's demands for unfair and unnecessary concessions. We need and urge your continued solidarity in our effort to achieve a fair and just contract.

As most of you already know, this week the company announced changes in top management that will take effect early next year. We do not expect these changes to impact our bargaining substantially, and we will continue our good faith efforts to negotiate a fair agreement when we return to Pittsburgh.

In the meantime, we wanted to provide a report on where we stand with ArcelorMittal management on the following disputed issues when bargaining resumes on January 4th.

Benefits Issues	
USW Proposal:	**ArcelorMittal Demands:**
One health insurance plan for all active employees.	Two-tier health care with new hires in a high deductible plan.
No monthly premium for active employees.	Current employee premiums: $150 Single/$204 Family New hires (high deductible plan, much higher deductibles and co-insurance): $50 Single/$100 Family

Drug copays apply to the yearly Medical Out of Pocket Maximum: Medical and Drug $1,000/$2,000 (in-network)	Drug and Medical will have separate Out of Pocket Maximums: Medical $1,000/$2,000; Drug $3,000/$6,000
Flat dollar copayment for retail drugs: $7/$15/$30	Percentage-based coinsurance on retail drugs: 10%/20%/30%
Retain 150-day lag dates.	Eliminate lag dates.
Benefits vendors must be mutually agreed upon as it is currently.	Company selects vendors at its sole discretion.
Medicare retirees will participate in a 90%/10% Medicare Advantage Plan.	Medicare retirees will participate in an 80%/20% Medicare Advantage Plan through a vendor selected by the company.
Maintain monthly premiums of $35/$70 for retirees.	Increase monthly premiums to $95/$190 for retirees.

Other Issues	
USW Proposal:	**ArcelorMittal Demands:**
Improve Pension benefits and 10 year certain provisions.	Minor improvement in SPT contribution and DBP multiplier.
Maintain current vacation rates of pay.	Reduce vacation rates of pay.
Maintain current incentive coverage.	Reduce incentive coverage.
Ratification Bonus and Lump Sum payments.	No payments.
Safety – Union access to electronic and audio/video documentation for training and education.	AMUSA refuses to provide such access or information.
Modification of Layoff Minimization Plan provisions to eliminate 3 year eligibility, allow for training opportunities and shared management sacrifice.	AMUSA refuses to consider.
Partnership – Procurement Proposal	AMUSA refuses to consider.
Maintain current Severance provisions.	Severance modification to limit employee options.
Retain Pension Enhancement Payment.	Modify and restrict PEP.
Investment Commitment Proposal	No response.

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