



INFORMATION UPDATE #37

October 18, 2011

Tentative Agreement Ratified



On Saturday October 15, members of Local 1005 USW ratified a three-year contract with U.S. Steel. With 612 of 733 eligible voters casting a ballot, 61 per cent voted in favour of the contract and 39 per cent were opposed.

Local 1005 pointed out after the vote that all members were well informed about the contract. "We wanted to make sure all our members were fully aware of the situation they face and of the responsibilities towards not just themselves and their families, but also towards the retirees, the future generation of workers, their union and their community," Local 1005 President Rolf Gerstenberger pointed out.

It is also clear that practically nobody was pleased with the contract which contains the two major concessions U.S. Steel would not budge on – it gives up indexing on pensions and deprives new hires of a defined benefit pension plan. Despite this, to the best of their ability and for as long as it still had meaning, active and retired members of Local 1005 showed U.S. Steel in no uncertain terms that Hamilton steelworkers will kow-tow to noone.

Information Update asked Rolf what he thought of the view of the *Spectator* in particular which seems to be going out of its way to say that this contract is virtually the same contract we would have gotten 11 months ago.

"Despite the setback, there is no reason to be disheartened," Rolf emphasized. "The *Spectator* and some side-line commentators who never believed in the fight in the first place are the ones saying that what the company offered today is virtually the same as it offered eleven months ago. This is simply not true but their aim in making these meaningless evaluations is to say that we should not have resisted, we should not have organized

to get another outcome.

"Not only 11 months ago, but as recently as a couple of weeks ago, the Company still thought it could get away with dictating whatever it wanted. It found out it could not. There is nothing virtual about the difference between now and eleven months ago. It is only when a union takes a militant stand in defence of the rights of its members and its own role as their bargaining agent in the context of defending the rights of all, that it becomes clear how matters really stand. Everyone saw what it takes to defend what belongs to us by right. In the case of the Company, everyone saw what it means to defend the most narrow self-serving money-grubbing interests of a few big shots. They saw how dangerous it is to put Canada in foreign hands and we got an inkling of the fight which lies ahead to hold not only these companies like U.S. Steel to account but also governments.

"As a result of the militant stand taken by the active and retired members of Local 1005 and the community, everyone is now fully aware of what U.S. Steel is and how its word means nothing.

"Right from the beginning we said our security lies in the fight for the rights of all. This whole process has taught all of us the necessity to stand together. We not only upheld our dignity which the company sought to trample underfoot, but we understood first hand that this is the only way forward in the future as well.

"You can see how the Company tried to break its promises under the *Investment Canada Act* with impunity and that it thinks that there is one law for them, the law of getting away with whatever serves their momentary .../ 2

interests, and another law for the rest of us, who lose our houses if we don't pay our mortgages.

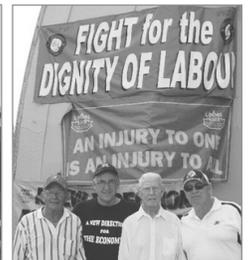
"Because the workers fought they were able to show the entire community how cynical and self-serving a company like U.S. Steel is, and the dangers Canada faces in foreign hands.

"Far from this fight being to no avail, it will stand us in good stead to deal with the serious challenges facing us going forward.

"The truth of the matter is that the workers' security lies in the fight for the rights of all. Did we break new ground? Yes, certainly. In a very practical manner we understood that we have to fight all over again to establish a regime which favours those who work and create the wealth Canada depends on for its well-being. The new regime of labour relations the Government of Canada wants to impose on the entire country, and the concerted attacks which are being escalated against unions are just the tip of the iceberg of what lies ahead. Even as workers thought they would be enjoying their retirement in security

or providing for their families with security, we now have a better idea of the fight this country faces. Workers across the country have to join forces in a very real way like we did in this fight. We have broken new ground by defining our fight. Now we have to carry it forward. Together we worked out what was to be done and what could be achieved at this time. We have to do no less in the future as well. And we will become better at it. The refusal of U.S. Steel to publicly commit to making the pension fund solvent and its constant repetition of a decontextualized interpretation of the law which tries to distort its intent tells us something about the fight facing us going forward. We will make sure it is held to account."

On behalf of Local 1005 USW, Rolf expressed profound gratitude to the community for its support throughout the lockout, especially to the workers' families and pensioners, the many union locals and businesses, city councillors, the Mayor and many others. "We will continue to stand with all the pensioners who deserved better. We will continue to fight for a strong union," Rolf concluded.



For Your Information

Hamilton Works Pension Plan 2010 Actuarial Report

The 2010 Actuarial Report states that as of December 31, 2010, the Hamilton Works pension plan has assets (Market Value of Assets) of \$1.45 billion covering 8,844 retired members and beneficiaries and 855 active members. Along with the 128 transferred members and 295 deferred pensioners there are a total of 10,122 members of the pension plan.

It is also reported that the Solvency Liability of the plan is \$2.236 billion, with a Solvency Deficiency of \$779 million. The transfer ratio is 65.2 per cent. This means that if the Company were to declare bankruptcy today, the workers would only receive 65 cents on the dollar.

The Union will continue to insist that the pension plan be fully funded on a solvency basis by December 15, 2015 according to the intent of the law. The spirit and the letter of the law of the *Pension Benefits Act* is to protect the integrity of pension plans, and the solvency legislation is designed to protect workers in the case where a company files for bankruptcy. The special Stelco regulations, effective March 31, 2006, were drafted to make sure that the four Stelco pension plans would be solvent by December 15, 2015. When U.S. Steel purchased Stelco on October 31, 2007 it assumed those obligations in a very public manner.

Announcement

The company will start returning members to the plant as early as Tuesday, Oct. 18, 2011 for Health & Safety training for a week. This training will take place over the course of three weeks. Once your safety training has been completed you will

be placed in the plant. The company started making phone calls to all active members on Oct. 16, to advise them of their return to work date. Benefits became effective on Oct. 16, 2011.

If you have changed your phone number since the lockout of Nov. 7,

2010, you need to call the company and inform them of your current phone number. If you intend to retire, you can pick up an Intent to Retire form at the Union Hall. Any other questions can be answered by calling the Union Hall at 905-547-1417.

To contact USW Local 1005: Call 905-547-1417 or e-mail info@uswa1005.ca.
Visit the website: www.uswa1005.ca