

THE PROCESS NEWS

By the International Union of Operating Engineers,

Locals 351 & 564

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BOOM AND...BUST? THE OIL FIELDS SLOW DOWN

As everyone knows, in the last couple of years there has been an incredible increase in both oil and natural gas E&P.

There were about 50 rigs operating in the Eagle Ford Shale in 2007, there were 268 in October 2014. The region went from producing about 54,000 barrels of oil per day to about 1.7 million barrels per day during the same time frame. The Utica, Marcellus, Granite Wash, and other shale plays have seen their own rise.

However...you've undoubtedly also noticed that oil prices (and gasoline prices) have plummeted in the last few months. West Texas Crude was trading over \$100 per barrel this time last year, but has been below \$50 for much of the last week.

Obviously, the huge drop affects decisions that the E&P companies are making.

At \$100+, it seemed the drilling companies, the pipelines and the refineries were pretty much gung-ho for anything. There were commonly 24 hour jobsites, projects that needed to be completed ASAP, and lots of permit applications for drilling, pipelines, and refinery expansions. It seemed money was no object.

As reported everywhere (even here), the last few years have been a boom for companies, workers and even whole towns.

So...what is going to happen in the oil fields now? Well, for starters it's not like everyone pulled out of the game overnight. But, the slow-down has definitely begun. In the Eagle Ford, there were 33 fewer rigs operating in January 2015 than in October. Karr Ingham, an economist at the Texas Petro Index recently said that he expects 2/3 of the rigs in the state to

be idled.

And there have been some announced layoffs, with most citing the reduced crude prices. Marathon Oil is cutting 350-400, Halliburton is laying off 5,000, Baker Hughes around 7,000. All in all, it is estimated that 100,000 people will get the pink slip in the industry.

Likewise, some of mega projects slated for the Gulf Coast have been cancelled or postponed. Most prominently, Sasol is putting off its \$14 billion gas-to-liquids project in Louisiana.

Will the price of oil come back up? Will the oil field work grind to a halt? How many worker will be laid off in the coming months? No one knows for sure, but we're keeping our eye on it.



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A FAIRER UNION REPRESENTATION ELECTION...FINALLY

The National Labor Relations Board announced in December that it is putting in place new processes to streamline union elections.

Most notable among the changes: electronic submissions of documents to the NLRB, a much shorter time frame for elections to take place (less time for employers to break the law), and

additional worker contact information.

These changes will make it easier for employees wishing to form a union to do so. It's about time!

See the NLRB.gov website for more information.



MORE TAX PAYER MONEY FOR TRAINING?



Last month, the City Council in Houston approved a proposal to build a \$7.7 million training facility at Bush Intercontinental Airport.

The training center will be used to train construction workers who work on projects at the airport as well as outside construction workers. It will be built at an existing warehouse at the airport and courses will be taught by staff from Houston Community College, San Jacinto Community College and Lone Star College.

The airport will pay for the training for construction workers who are doing projects on the airport grounds and outside contractors will be able to participate in the training for a fee.

This new training center highlights a difference that we've mentioned before...whereas non-union training often relies on tax money to operate, union apprenticeships are funded by our signatory contractors and members. An example of this is the IUOE mobile petrochemical training unit. We saw a

need for petrochemical worker training and instead of asking for taxpayer funds, we partnered with participating companies and made it happen in the private sector.

So, not only is union training usually better than non-union options, we don't even stick the taxpayer with the bill.

FEWER UNION MEMBERS = RICH GET RICHER

ANYONE SEE "THE MEN WHO BUILT AMERICA"? ROCKAFELLER, CARNEGIE, VANDERBILT? THEY MAY HAVE GOTTEN RICH OFF IT, BUT WORKERS BUILT THIS COUNTRY!

A study released in late February by economists at the International Monetary Fund found that lower unionization rates are strongly associated with more income going to the wealthiest.

Florence Jaumotte and Carolina Osorio Buitron said, "*We find strong evidence that lower unionization is associated with an increase in top income shares in advanced economies during the period 1980-2010.*"

The authors explained why this happens in a few ways. First, lower union density rates reduce workers' bargaining power, thus allowing corporate managers and shareholders to keep a bigger share of the pie. Also, with less bargaining power, workers have less influence on corporate decision-making, which can lead to higher executive pay and bonuses. They also point out that if you reduce union density, labor's influence in the politi-

cal process is reduced, therefore making it easier for anti-worker legislation to be implemented (such as "right-to-work").

Previous research from the US based Center for American Progress shows similar findings, noting that the drop in the middle class share of national income coincided with the fall in union density rates.

RIGHT-TO-GET-STUFF-FOR-FREE



With Right-to-Work-for-Less getting rammed through the Wisconsin state legislature right now, we figured we'd address some other things we'd like to see changed.

First off, lets touch on the Chamber of Commerce, since they are a group that really pushes RTW bills. We think that businesses should be able to join the Chamber, attend the meetings, and have the Chamber lobby on their behalf...but not pay any fees or dues. Let's call it a "Right-to-Lobbyist" bill.

Some of us play golf. And lets face it, we should have the right to play golf anywhere we want for free. That exclusive country club that you can't afford...why should they be able exclude non-dues payers from enjoying their courses and services? Call your representative, demand they take up the "Right-to-Golf" issue!

Lastly, here is one the membership will like...what about those fancy duck/deer hunting clubs? The ones that are on private land and require that people become members and

pay fees/dues? How is that possibly fair? Sure, you'd like to be a member, who wouldn't? But lets introduce a bill that would ban the club from *requiring* dues as a condition of using their facilities! Then, just like the RTW bills, you can accept use of the facilities, and pay dues if you want to...but you don't have to! We'll just call this one a "Right-to-Freeload" bill...no, wait that might get confused with the "Right-to-Work" bills.

UNION VS. NON-UNION ON FACEBOOK

There are many online groups, on Facebook or elsewhere, where craft workers congregate to talk about the job. Sometimes the discussion is on who is hiring and where, sometimes it is to post pictures or stories from the jobsite, and sometimes it is just to complain a bit...

So, not surprisingly, if you have an online group where both union and non-union are present, inevitably a union vs. non-union discussion comes up. Well, we'll call it a "discussion"...though a profanity laced, steel-cage death match between keyboard warriors might be a more correct term.

In any case, a couple of things need to be addressed in relation to these discussions. We are going to be rather frank and direct here...

For those of you who are already in a union, you are likely proud of your union, see it as a great thing, and want to make it stronger, right? That is accomplished, in part, by organizing the un-organized and by signing up new companies/contractors. Do you think calling non-union workers scabs or rats is going to accomplish that?

If you grew up in a union

household you learned from an early age why it is important and you may not understand why non-union workers don't "get it". But you have to understand that it is not 1970. Most workers in ANY industry today were not brought up in a union household. All they know about unions is what they hear from big business or their pundits.

Your job as a good union member is not only to explain why unions are a good thing, but to do so in a way that doesn't have the non-union workers think, "why would I join a union, that guy is an..." well you get it.

Non-union workers...if you wonder why we are so passionate about it, it is because we really do want to improve our organization and we REALLY do not understand your reluctance. Pretty much all leading economists, all of the biggest studies on how to turn around the middle class, and all of the top-tier smartest people in the world at Harvard, Yale, etc., say that we need more people in unions. All of the data says that by sticking together, people earn more, have better benefits, and have a safer workplace. In fact, about the only people saying you shouldn't

join a union are big business and their paid lobbyists.

There are two statements often said by the non-union that should be addressed.

1. *Union, non-union, it doesn't matter we are all operators just trying to do our job.*

That is not how union member see it. We are trying to do our job and improve our industry, for ourselves, and for everyone else in it. We are union because we realize that you can not improve an industry (pay, conditions, benefits, etc.) by yourself. That is why we form unions to do it collectively. So when you say it doesn't matter, that we all just "have a job to do", we disagree. A lot.

2. *You've got to take care of yourself and your family first.*

Obviously, you need to take care of you and yours...but is that really the big picture? Should you do something that benefits you but hurts many others? That is how union members see it when people work for a contractor that skimps on wages, benefits or safety. Unfortunately the only thing to call that is selfishness. Sorry.

So, next time you engage in a battle of words online, keep it civil and try to see it from the other person's point of view.



*EVERYONE
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BUT ENLARGED
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MARTIN LUTHER
KING*

1,000+ WALK OUT AT SABINE PASS

The first major LNG export terminal is being built in southwest Louisiana.

Cheniere Energy is the owner of the facility and Bechtel is the general contractor. The mostly non-union job appears to be having problems hiring and keeping workers and there are numerous complaints online about the lack of parking and the long bus rides from Texas.

In the first week of March, it came out that welders on the job were given a \$5 an hour pay raise. Some were apparently not too happy about being left out and asked for more money. When Bechtel refused, somewhere between 1,000-1,200 pipe fitters, electricians, and iron workers walked off the job. It was reported that the workers were told to return to work or go home.

We hope the workers get more

money, as higher wages, union or not helps us all. Though it would probably be easier for them to raise their wages if they joined a union.

Undoubtedly some people on the project get this newsletter. You should remember, the work stoppage meets the NLRB definition of protected concerted activity, and you should not be fired, suspended or penalized for taking part.

\$108K IN BACK WAGES FOR TEXAS WORKERS



The US Department of Labor recently recovered \$108,000 in back wages for 22 workers at Specialty Painting & Wall Covering and M&S Enterprise. The two companies are jointly owned in the Nederland, TX area.

The DOL's investigation found that workers were paid for their first 40 hours a week by Specialty Painting and Wall Covering and were issued a separate check by M&S for any hours worked over 40 at the straight time rate with no taxes held out.

Workers at M&S were misclassified as independent contractors and were paid at the straight time rate, regardless of how many hours they worked.

"Misclassification of employees as independent contractors defrauds workers of wages and benefits, hurting the employees and their families, and the economy as well. It allows unfair competition because businesses that operate legally are at a disadvantage of those that don't," said Cynthia Watson, regional administrator for the Wage and Hour division in

the Southwest.

The companies agreed to pay all back wages, to classify their employees correctly, to maintain accurate payroll records, and to pay overtime wages when appropriate.

"We are aggressively expanding efforts to combat the misclassification of employees as independent contractors and are targeting sectors where we know workers are vulnerable and violations are rampant," said Watson.

US LABOR HISTORY PART IV

During the 60's and 70's the US labor movement stayed on offense, fighting for equal rights at work and better occupational safety. In the late 1960's, the United Mine Workers assisted the Black Lung Association's campaign for compensation for black lung disease. In 1969, Congress passed the Coal Mine Health and Safety Act, which set comprehensive mine safety standards.

The following year, Congress established the Occupational Safety and Health Administration. However, initially OSHA was not up to the task of changing workplace safety. During the first 16 years, OSHA issued only 18 health and safety regulations. Unions and health professionals teamed up to form coalitions of occupational safety and health groups. These groups helped develop local and state workplace safety standards.

The election of Ronald Reagan in 1980 brought a significant shift in the way in which the US government would treat

organized workers. The Professional Air Traffic Controllers Organization had been complaining to the government about the lack of staffing and equipment for years. After the FAA set up a management strike contingency force, 15,000 air traffic controllers went on strike on August 3, 1981.

President Reagan made a public announcement that the workers had 48 hours to return to work or be terminated. Most workers maintained their solidarity, hoping to prove to the FAA and President Reagan that they were serious about the need for reform. Most were fired after the 48 hour deadline.

The Reagan administration also overhauled the tax system. In 1980, the average effective tax paid by corporations on their profits was 35% (the rate they are theoretically supposed to pay now). By 1983, it was down to 18%.

Airlines, oil and gas, banking, savings and loans, broadcasting, cable, and transportation

industries were deregulated. The administration cut the funding for workplace safety, environmental, and consumer protection agencies.

Likewise, Reagan left open two seats on the National Labor Relations Board, creating a backlog of cases filed by workers seeking to enforce their rights.

The way that corporations behaved changed during these years as well. They began consolidating industries and found new ways to structure their huge entities.

Organized Labor had many setbacks during the 1980s and early 1990s. The US government's policy on organized labor definitely shifted. It is as if we went from a country that encouraged collective bargaining as a means of raising up the working class into the middle class to one that mainly sided with big business, regardless of the cost to everyday citizens.

Luckily, like they did in the first half of the 20th century, we can reverse that trend.

A CEO AND TWO WORKERS HAVE 12 COOKIES TOTAL, THE CEO TAKES 11, TURNS TO ONE WORKER AND SAYS, "YOU BETTER WORK HARDER AND FASTER, THAT GUY WANTS YOUR COOKIE."

1,000+ RECORDABLES IN 3.5 YEARS AT ONE FACILITY?

There are about 4,500 workers at the Ashley Furniture facility in Arcadia, Wisconsin. Somehow, in the last 3 and a half years, the facility has had over 1,000 OSHA recordable injuries.

This includes at least 7 amputation injuries and at least 100 injuries occurring on one particular type of machinery.

From Dr. David Michaels, the Assistant Secretary of Labor for OSHA - *"Ashley Furniture intentionally and willfully disregarded OSHA standards and its own corporate safety manuals to encourage workers to increase productivity and meet deadlines. The company apparently blamed the victims for their own injuries, but there is clear evidence that injuries were caused by unsafe conditions created by the company. OSHA is committed to making sure that the total disregard Ashley Furniture has shown to safety stops here and now."*

Following its investigation, OSHA has issued a \$1.76 million fine to the facility for 12 willful, 12 repeated, and 14 serious safety violations.

"We rarely issue a fine that is more than \$1 million. Having 1,000 work injuries in three years is proof positive that safety in this plant needs tremendous improvement," said Dr. Michaels.

The OSHA area director for Northwestern Wisconsin, Mark Hysell said that the violations were "egregious". He further noted that the furniture manufacturer has had numerous previous inspections and has been given every opportunity to come into compliance and protect their employees.

It should be noted that the Ashley Furniture spokesperson has said that they *"strongly disagree with each and every one of the agency's assertions and believes the proposed penalties*

are grossly inappropriate and overzealous".

They have 15 days from the receipt of the citations to choose to accept the penalties, request an information conference or contest the findings before the OSHA Review Commission.

Some will undoubtedly think that we are lucky that Ashley still manufactures some of their furniture in the United States and the workers should feel lucky to have those jobs, even with the safety risks.

Since when is that an acceptable way for Americans to think? Are we really to a point where we are willing to accept any conditions in exchange for a job? No, we are not.

There is no reason we can't make great products in America, while paying workers middle class wages and providing a safe workplace.



COMMON LABOR TERMS

Servicing - The day to day enforcement of the union contract.

Shop Steward - duties vary by union and local union, generally the "eyes and ears" of the union at a jobsite. Stewards ensure the contract is being followed and the workers rights are not violated.

Sit-down Strike - popularized during the 30's by the UAW, workers stop working and "sit down" at their desks or workstations to prevent replacement workers from doing the work.

Solidarity - the basic concept that workers should stick together to fight for better wages, benefits, and working condi-

tions.

Speedup - condition where the employer wants more work or production out of the employee, but without additional compensation.

Strike - a work stoppage normally used to gain concessions from employers. Strikes can happen due to economic (wage) issues, because of unfair or unsafe work conditions, or due to unfair labor practices. The number of strikes occurring in the US has fallen to almost a non-existent number, though when they do happen, they make headlines. Most contracts have a no-strike clause, meaning there will be

no strike while the contract is in effect.

Taft Hartley Act - passed in 1947 by the republican controlled congress, it greatly limited the effectiveness of the 1935 Labor Relations Act. In practice, it put an effective stop to the large scale union organizing that occurred in the previous decade.

Temporary Workers - workers hired for a temporary employment position - one of the fastest growing segments in US employment.

List compiled with assistance from R Emmett Murray's *The Lexicon of Labor*

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PRESIDENT
TRUMAN ON
TAFT-HARTLEY*

USW STRIKE AT REFINERIES AND PLANTS

*IF IT TAKES A
GLOBAL FIGHT
TO WIN SAFE
WORKPLACES,
SO BE IT. -
USW VP
GARY BEEVERS*

On February 1st, United Steelworkers at 9 facilities in Texas, Kentucky, Washington and California went on strike. Since then it has expanded to 15 locations, with facilities in Indiana, Ohio, and Louisiana joining others in the initial states.

"Shell refused to provide us with a counter-offer and left the bargaining table," said USW International President Leo W. Gerard. "We had no choice but to give notice of a work stoppage."

"We told Shell that we were willing to continue bargaining for a fair agreement that would benefit the workers and the industry, but they just refused to return to the table," said USW International Vice President Gary Beevers, who heads the union's National Oil Bargaining Program.

Beevers continued, "This work stoppage is about onerous overtime; unsafe staffing levels; dangerous conditions the industry continues to ignore; the daily occurrences of fires, emissions, leaks and explosions that threaten local com-

munities without the industry doing much about it; the industry's refusal to make opportunities for workers in the trade crafts; the flagrant contracting out that impacts health and safety on the job; and the erosion of our workplace, where qualified and experienced union workers are replaced by contractors when they leave or retire,"

Since the beginning of the strike, there has been some confusion as to what the USW is defining as their work inside refineries. On February 25th, USW President Leo Gerard and Sean McGarvey, President of the Building Trades Unions, issued a joint statement to clarify the issue.

The statement said that the Steelworkers scope of work did not and will not include new construction, turnaround or shutdown work (not currently performed by the USW) or specialty work that requires specialty equipment.

Additionally, they said that the USW is not seeking to bar the subcontracting of work to contractors whose employees are

members of the North American Building Trades Unions. They recognized contractors signatory to a Building Trades union have the safest and most skilled craft workers in the world.

As of today, the facilities included in the USW work stoppage are: LyondellBasell in Houston, Marathon Galveston Bay Refining, Marathon Houston Green Cogeneration, Marathon in Catlettsburg, KY, Shell Deer Park Refinery and Chemical Plants, Tesoro Ana-cortes, Washington, Tesoro Martinez California, Tesoro Carson California, BP Refining in Whiting Indiana and Toledo Ohio, Motiva Port Arthur, Motiva Convent and Norco Louisiana.

"Our members are speaking loud and clear," said Gary Beevers, USW International Vice President who oversees the union's oil sector. "If it takes a global fight to win safe workplaces, so be it."

The USW represents workers at 230 refineries, oil terminals, pipelines, and petrochemical facilities in the US.

MOST ENERGY RICH STATES

It will come as no surprise to most people that Texas is the most energy rich state in the US. According to a report from last year, Texas not only tops the list, but has an overwhelming lead over the rest of the nation.

Texas has approximately 9.6 billion barrels of proved oil reserves and 93.5 trillion cubic feet of natural gas reserves. This is about 3 times as much oil reserves as the next state (ND) and about twice as much natural gas reserves as the next state (PA). In 2012, Texas

accounted for about 1/3 of the nations both oil and gas reserves. If Texas were its own country, it would be the 6th largest oil producer in the world.

Rounding out the top 5, in terms of oil reserves:

#2 North Dakota - 3.8 billion barrels oil and 4 trillion cubic feet of natural gas.

#3 Alaska - 3.3 billion barrels oil and 9.7 trillion cubic feet of natural gas.

#4 California - 3 billion barrels

of oil and 2.1 trillion cubic feet of natural gas.

#5 New Mexico - 965 million barrels of oil and 14.6 trillion cubic feet of natural gas.

Not surprisingly, in addition to having the oil, these states do quite a bit of refining as well. Texas leads the nation with 27 refineries, Louisiana is second with 19, and California has 17.

Just think of how much it would improve local economies if all of these jobs were union.



The Outdoor Corner

UNION OUTDOOR ORGANIZATIONS

It has been a while since we brought up the Union Sportsmen's Alliance or The American Way TV. Both organizations are focused on promoting responsible outdoor activities and conservation to union members.

The Union Sportsmen's Alliance's mission statement is "to unite the union community through conservation to preserve North America's outdoor heritage".

They accomplish this through a variety of programs and events, such as clay shoots, conservation dinners, volunteer activities, and an annual "Get Youth Outdoors Day."

For instance, last fall, union tradespeople from IBEW Local 613 and IUEC Local 32 volunteered through the organization to construct a kayak shed at Hard Labor State Park in Georgia.

Union Sportsmen Alliance puts out a quarterly full-color magazine, "The Union Sportsmen's Journal".

They also host "Brotherhood Outdoors", a TV series that brings together hardworking union members from around the country for once-in-a-lifetime hunting and fishing trips. "Brotherhood Outdoors" is available on the Sportsman Channel.

The American Way is a separate union sportsman program with its own television program of the same name. Hosts Tony (a Local 150 member) and Angie Walker take viewers on incredible outdoor adventures.

The program is sponsored by a host of outdoor companies, as well as over a dozen IUOE local unions.

It airs on the Pursuit Channel on Dish Network and Direct TV.

For more information, check out the organizations websites.

www.unionsportsmen.org

www.theamericanwaytv.com

*THE PERILS OF
DUCK HUNTING
ARE GREAT,
ESPECIALLY FOR
THE DUCK—
WALTER
CRONKITE*

PREPARING YOUR BOAT FOR SPRING

Even if you live in the south and fish year round, warming weather is a good time to ensure that your boat is prepared for the year.

Here are some tips on ensuring that your equipment is in prime shape and ready for safe, hassle free outings on the water.

- Inspect the fuel system. Check for leaks in hoses, around connections, and on tank surfaces. Check all connections are still tight - even if hoses aren't leaking, check them for cracking.
- Belts and cables can become brittle during cold winter months, check them for signs of weakness.
- Check that belts are tight around pulleys.

- Check all fluids and if you did not do it during winterization, change the oil, filter, and drive lubricants.

- Check to make sure your electrical connections are free from corrosion, clean battery terminals, charge your batteries and ensure they take and hold a charge.

- Take a look at your propellers. Look for dents, cracks, dings, etc. Make sure it is property secured.

- Inspect the hull of the boat, looking for blisters, cracks, or discoloration. Double-check the keel of the hull.

- Check the condition of your drain plug and replace if necessary.

- Make sure all of your life jackets are in good condition and replace if necessary.

- Check that your fire extinguisher is charged and operable.

- Make sure you have a functional horn or whistle, a throwable flotation device, and anything else that is required in your state.

These suggestions come from a spring start-up list provided on discoverboating.com.



*SUCCESS
DEPENDS UPON
PREVIOUS
PREPARATION,
AND WITHOUT
SUCH
PREPARATION
THERE IS SURE
TO BE FAILURE -
CONFUCIUS*

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Type address here or use Mail Merge
to automatically address this
publication to multiple recipients.

MORE APPRENTICESHIPS!

Robert Lerman is an economics professor at American University and a fellow at the Urban Institute.

Last month, he told the Labor and Employment Relations Association that the US needs to follow the lead of other countries and expand the use of apprenticeships.

"We can dramatically increase access to rewarding careers by enlarging the number of apprenticeships."

International associations, such as the International Monetary Fund (IMF) and the International Labor Organization (ILO) also promote the use of apprenticeships.

According to Lerman, more apprenticeships could improve productivity, decrease

income inequality, and promote a more satisfied workforce.

In Austria, Denmark, Germany, and Switzerland, between 50% and 80% of young people are in apprenticeship programs. It was noted that England went from 50,000 apprentices in 1993 to over 500,000 today. Currently Canada, with 1/10 the workforce of the US, has more apprentices than we do. .

Apprenticeships are what we do. It is how union Operating Engineers become the best, most qualified, safest workers in our fields. We already have the (non-taxpayer funded) infrastructure to do just what Dr. Lerman suggests. Let's make it happen!

THE PROCESS NEWS

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