



Volume 3, Issue 2
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IUOE Local Unions 351
and 564



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**Find more information to
organize at your
workplace at
workers-united351.org
and
workers-united564.org**

The Process News

By the International Union of Operating
Engineers, Locals 351 and 564

\$1.44 Trillion Infrastructure Shortfall

It was reported last month that the United States will fall \$1.44 trillion short over the next decade on what it would take to shore up our nation's infrastructure. If we **were** to allocate that money to infrastructure, it would create an additional 2.5 million well-paying jobs and increase our gross domestic product by an estimated \$4 trillion.

The report from the American Society of Civil Engineers stated that the US has only funded about 56% of what is needed for infrastructure spending. Their report states

that the \$1.88 trillion allocated for ports, highways, bridges, trains, and water and electric facilities is well short of the \$3.32 trillion that is actually needed.

Failing to make these needed improvements and repairs not only puts millions of people in danger, it hurts the overall economy.

Crumbling infrastructure “has a cascading impact on our nation's economy, impacting business productivity, gross domestic product, employment, personal income and international competitive-

ness,” said the ASCE report.

These are some of the reasons why the IUOE is constantly advocating for increased spending on infrastructure. It is good for our members, American businesses, the US population as a whole, and the overall economy.

Several of the candidates who are or were running for President of the United States have indicated their intention to increase infrastructure spending. Read more about Hillary Clinton's proposal on page four of this issue.

Possible Expansions in Texas

ExxonMobil is considering an expansion that would constitute one of the largest industrial developments in the city's history.

The proposal is actually two projects that would total about \$1.5 billion in capital investment. City Manager Kyle Hayes said that ExxonMobil is considering a new 300-acre polyethylene plant which would produce containers, electrical insulation and packaging items. They are also possibly expanding their refinery operations with recycled compressors, reactors, a cooling tower, drums, scrubbers, pumps, analyzers, instrumentation, controls,

fractionation units and utility upgrades.

In their attempt to encourage the projects, the Beaumont City Council voted to amend an industrial agreement to abate payments to the city for 10 years after the projects are fully operational.

Hayes noted that if the company goes through with the expansions it could provide as many as 2,200 construction jobs between the two projects.

Magellan Midstream Partners, in a joint venture with Belgium's **LBC Tank Terminals**, recently announced its intent to expand its presence

in the Houston Gulf Coast area.

The proposal includes constructing up to 4 million barrels of additional crude oil storage near Seabrook, TX and a 24 inch pipeline connected to their Houston crude oil distribution system.

The JV, called Seabrook Logistics, will also construct one additional ship dock near the existing docks.

The project has been approved by the board of directors for each parent company and must now obtain the required permits and regulatory approvals. It could be operational by the end of 2017.

Employers and employees alike have learned that in union there is strength - Franklin D. Roosevelt

There's been a war on unions in general. Breaking up unions, paying less and providing less rights is definitely not the answer - Matt Damon

Uber Drivers in NY Form a Union...Sort of.

Uber, the pseudo-taxi service that utilizes smart phone technology and independent drivers, has agreed to a five-year labor contract with the International Association of Machinists (IAM) in New York. The agreement will allow the union to represent more than 35,000 drivers in New York through a newly formed "Independent Driver's Guild".

The drivers will gain access to discounted legal services,

life and disability insurance, education courses and roadside assistance and an online driver assistance and resource hub.

However, the agreement does not allow for the drivers or the union to bargain collectively for changes in fares. The drivers will be able to meet with Uber management on a "regular basis" and appeal deactivations.

The IAM is also working

with Uber to get the tax rate reduced for Uber rides to what it is for regular taxi rides.

Not everyone is happy about the agreement. Taxi drivers and their associations generally disapprove of Uber, as they see the service and its independent driver model undercutting what they have fought for over the years. The New York Taxi Workers Alliance called the deal a "historic betrayal".

Tank Cleaning Contractor Fined

Dedicated TCS was fined \$226,310 by OSHA for two willful, three repeat, and four serious violations for exposing workers to hazardous health conditions last October, which resulted in the death of one and the hospitalization of two other employees.

On October 8th, 2015, three Dedicated TCS employees entered a tanker to perform cleaning services without testing the atmosphere inside the tank or securing a lifeline to their harnesses. The three workers were overcome by the lack of oxygen inside the tank.

The company was cited for not testing the atmospheric

conditions in a confined space before allowing workers to enter, for not evaluating a rescuer's ability to respond in a timely manner, for failing to have a complete respiratory protection program, for not medically evaluating and fit testing employees before allowing them to use respirators, for failing to take all necessary safety steps prior to allowing employees into a confined space, for not providing fixed points or mechanical devices for retrieving workers from a permit requiring space and for not verifying and checking for appropriate conditions prior to employees entering a confined space.

"Dedicated TCS continues to ignore crucial safety procedures for working in confined spaces. This is the fourth time OSHA has found this employer in violation of federal safety standards. Sadly, the company's inaction has cost a man his life," said OSHA area director Dorinda Folse.

Dedicated TCS LLC is a tank cleaning service in Louisiana and Illinois. They have previously been cited for similar violations three times in their Illinois locations.

They have 15 days from receipt of the citations to comply, request an informal conference, or contest the citations and penalties.

60,000 Union Members Protest in Belgium

More than 60,000 union members marched in the streets of Brussels on May 24th, protesting some proposed labor-market reforms. The proposed changes would include longer working hours and a higher retirement age.

"It's always in the same purses that they come to find money," said protester Marie-Claire Legros.

Specifically, the protest are centered around proposals that do not include a wage increase, include a higher VAT (Value Added Tax) on electricity, increasing the retirement age to 67, and extending the maximum work week from 38 hours to 45 hours.

The march is just one of a series of planned protest from

Belgium's unionized workers. There is a national strike planned on June 24th and a day of national demonstrations set for October 7th.

The May 24th march caused a temporary shutdown in some transport tunnels and train stations. Twenty three were arrested as the protestors clashed with riot police.

CEO Pay in S&P 500 is 335X Higher than Average Worker

According to the AFL-CIO's Executive Paywatch, the average S&P 500 company CEO made about \$12.4 million in 2015, or 335 times what the average rank-and-file worker earned (\$36,875).

The Executive Paywatch website is the most comprehensive searchable database available tracking CEO pay.

"The income inequality that exists in this country is a disgrace. We must stop Wall Street CEO's from continuing to profit on the backs of working people. Last month, when I stood with the Carrier workers in Indianapolis whose jobs making home heating furnaces are being shipped to northern Mexico, I saw firsthand how corporate greed destroys communities. Carrier is a subsidiary of

United Technologies and its CEO Gregory Hays made nearly \$10.8 million in 2015. It's shameful that a CEO can make that type of money and still destroy the livelihood of the hardworking people who make the company profitable," said Richard Trumka, President of the AFL-CIO.

In another example of corporate greed, Mondelez International, owner of Nabisco (Oreos, Chips Ahoy, Ritz Crackers, etc.), recently shipped 600 good paying jobs from Illinois to Mexico. Mondelez CEO Irene Rosenfeld pulled in \$19.7 million last year....which is approaching \$10,000 per hour.

"It seems that hard work doesn't matter anymore. This is the corporate attitude," said former Nabisco worker

Mary Willis. *"They quit me. I didn't quit them. It used to be that places like Nabisco were proud places to work, but now workers like me are tossed to the curb despite years of dedication."*

Lastly, Verizon has made a record \$39 billion in profits over the last three years. It's CEO made \$18.3 million last year, close to 500X the average worker pay, yet they are still seeking to move jobs overseas, outsource work to low-wage contractors, and transfer workers away from their families for months at a time to save money. These are some of the reasons why 39,000 Verizon workers are currently out on strike for a more fair contract (a tentative deal has been reached - see page 4).

Federal Contractor Benefit Changes

The Department of Labor is expected to issue a final rule by September 30th requiring that federal contractors provide employees with at least seven days of paid sick leave annually.

This new rule is the result of a September 2015 executive order signed by President Obama.

According to the DOL, the rule *"would apply to employees entering into new contracts (meaning the solicitation was issued or contract was awarded on or after Jan. 1 2017) covered by the Ser-*

vice Contract Act or the Davis Bacon Act, concessions contracts and service contracts in connection with federal property or lands."

Employees will be allowed to use the sick leave during their own illnesses or injuries and to care for relatives. They will be able to carry over unused paid sick leave from one year to the next, but would not be allowed to "cash out" unused leave.

An addition change is being sought by democrats in the House of Representatives related to federal contractor

benefits. On May 5th, the House Democratic Caucus sent a letter to President Obama asking that he issue an executive order that federal contractors be required to enroll all employees in a retirement plan. According to the Investment News, *"Targeting contractors would build on efforts in several states to expand retirement coverage by establishing state-run auto-IRAs and retirement plan marketplaces."*

The proposal would also allow contractors to set up employees on myRA, the Treasury Department's retirement savings account.

The problem of social organization is how to set up an arrangement under which greed will do the least harm, capitalism is that kind of system - economist Milton Friedman



Local 564 is in ongoing negotiations with Univar in Dallas. The workers need to make sure they stick together and present a unified front so that we can get a great contract!



Union Reaches Possible Deal with Verizon

In late May it was reported that there is a possible agreement between Verizon and unions representing 40,000 workers.

When a suitable contract could not be agreed upon, the 40,000 members of the Communication Workers of America (CWA) walked off the job on April 13th. It was about 7 weeks later that the tentative deal was reached.

The proposal includes pay raises of close to 11% for workers. The CWA said 10.9%, Verizon said 10.5%...the CWA said both numbers are correct, depending on how the calculation is done. The proposal also

calls for the creation of about 1,300 new jobs in call centers on the east coast.

Verizon will withdraw its proposed cuts to pensions and reductions in accident and disability benefits. However, the company did win some cost savings on healthcare plans and limits on post retirement health benefits.

Now that the tentative agreement is on the table, it goes to a membership for a vote. CWA members will vote by mail, at mass membership meetings, and at walk-in balloting sites. The results from the vote are due back by June 17th.

Bob Master, assistant to the Vice President at CWA said, *"We're pretty confident the members will be supportive of the agreement."*

Fitzgerald Boyce, a Verizon worker and union member was also supportive, *"Of course I am extremely relieved that we have a good contract from what I am reading. To be able to keep our benefits and actually increase the number of union jobs is a great thing."*

If the membership ratifies the contract, it will be in effect for four years, running through August 2019.

Clinton Pledges \$275 Million for Infrastructure

Hillary Clinton has promised to send a \$275 million infrastructure plan to Congress in her first 100 days in office (if elected).

Speaking in front of the United Food and Commercial Workers, Clinton called her plan the largest infrastructure investment since President Eisenhower.

Secretary Clinton tied her infrastructure investment to her intended immigration reform.

"If we do comprehensive reform and infrastructure investment, we are going to have more than enough jobs for everyone," she said.

"That is what we want in America because I want eve-

ryone to have jobs with purpose and dignity."

As noted many times by the IUOE, more money for infrastructure means additional good paying jobs for our members and an improved overall economy.

The labor movement was the principal force that transformed misery and despair into hope and progress -
Martin Luther King, Jr.

Midland Still Going Strong

Tens of thousands have been laid off from oil and natural gas E&P companies and tax revenues are down considerably...but despite that, Midland Texas is still doing quite well, according to a recent article in the Texas Tribune.

Several oil companies have built office complexes in the area and the city is moving forward with plans for a new convention center. Additionally, more hotels, apartment complexes and restaurants are expected to be completed this

year. Midland is even adding a second H-E-B Grocery store.

"People from outside come in expecting to see boarded up windows, "for sale" signs everywhere, just, the city come to a standstill, and in fact it's really the opposite," said Mayor Jerry Morales.

And it is not like the oil in the area has disappeared. It is still there...and eventually the price will go back up and it will become economically profitable to again utilizing

hydraulic fracturing and horizontal drilling to obtain it.

A local oil producer, Don McClure shared in that optimism. *"Nowhere in the United States is there another oil province as prolific and substantial"*.

And even in the downturn, there are still over 130 active rigs in the Permian Basin, almost 1/3 of the total nationwide.

The Outdoor Corner

TPWD Urges Boaters to be Vigilant Against Zebra Mussels

The Texas Parks and Wildlife Division is campaigning to increase awareness about the dangers of the invasive Zebra Mussel.

With record funding (\$6.6 million) from the legislature and a coalition of river authorities, cities and non-profits, the TPWD is telling boaters to “**clean, drain, and dry.**”

About \$375K has been allocated for a May-August media campaign that will include online and radio ads, billboards and advertising at gas stations.

Zebra Mussels can have a huge impact on our waterways and even our infrastructure. They can damage boats, harm other aquatic life and clog water pipes.

“*This is a significant economic as well as environmental issue for all of us,*” said Janet Rummel with the North Tex-

as Municipal Water District. “*We all need to do our part to keep this invasive species in check.*”

The campaign urges boaters to ensure they **clean, drain and dry** their boats, trailers and gear before they travel from one lake or river to another.

Since the invasive species was first noticed in 2009, six Texas lakes and three rivers have become fully infested, with an occasional sighting at five other lakes.

The infested lakes are Texoma, Ray Roberts, Lewisville, Bridgeport, Dean Gilbert, and Belton. Lakes Waco and Lavon are also currently classified as “positive” for Zebra mussels.

The Red River below Texoma, the Elm Fork of the Trinity below Ray Roberts, the Leon River below Belton and the Sister Grove Creek are also known to have the mussels

present.

So how do you identify the critters? They sort of look like clams in their adult state. However, their larvae may not be visible to the naked eye and can survive for days in water trapped in a boat. So, in order to ensure you are not transporting live zebra mussels from one lake to another, you must ensure that you **clean, drain, and dry** your boat trailer and gear every time you leave the water.

Not only will you be helping keep Texas waterways in good shape...you’ll be staying out of trouble with the law. Transporting Zebra Mussels is a Class C misdemeanor that carries a fine of up to \$500. As of July 1st, boaters are required to drain all the water from their vessels, including live wells, bilges, motors, and any other receptacles before approaching or leaving a body of water.

Summer Heat Stress

Whether you are at work, mowing the grass, or out on the lake heat related illnesses can sneak up on you.

OSHA provides a great deal of information about staying healthy in the summer sun.

There are several types of heat related illnesses, with the most severe being heat stroke. Other possibilities are heat exhaustion, heat cramps, and heat rash.

Here are some factors that contribute to heat related illness in people:

- high temperatures and humidity, direct sunlight exposure, no breeze or wind.

- Low liquid intake
- Heavy physical labor
- Wearing waterproof clothing
- Not being accustomed to hot environments.

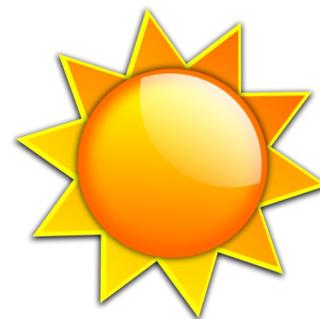
Someone who is suffering from heat stroke may be confused, or unable to think clearly, they may pass out or collapse or have seizures. They may have stopped sweating.

If you encounter someone who may be experiencing heat stroke, you should recognize it as a life-threatening condition and contact 911. Until help arrives, you can move the person into a cooler/shaded place, remove their

outer clothing, fan them or cool them down with a mist of water, apply ice bags or ice towels and provide them with cool drinking water.

Even if someone is suffering from a less serious heat related illness, such as heat exhaustion or rash, you should treat that seriously as well and do what you can to cool them down. Heat exhaustion can quickly turn into heat stroke, so if the person is not alert or begins to seem confused, call 911!

Democracy, with its myriad personalities and increasing sophistication, must be fibred and vitalized by regular contact with outdoor growths — animals, trees, sun warmth and free skies — or it will dwindle and pale - Walt Whitman



New Disclosure Rule Related to Union-Avoidance Consultants

Union Membership is like a gym membership. Dues are necessary for it to operate...and if you don't show up and participate, you will not get stronger.

When workers decide to form a union at their workplace, it is not uncommon for the company to seek the advice of an outside union-avoidance firm. The DOL estimates that employers hire these outside consultants in between 71 and 87% of organizing efforts.

A new rule from the Department of Labor now requires the company to disclose any talks with outside consultants about how to craft their message to workers during union organizing drives. Previously, the rule was that employers had to disclose their relationship to union avoidance firms only if the outside consultants directly spoke to workers.

"That created a huge loophole where employers could hire consultants to create materials, strategies and policies for organizing campaigns - and could even script managers' communications with employees - without disclosing anything," said the Department of Labor.

The new rule requires em-

ployers to report any time *"actions, conduct or communications that are undertaken with an object, explicitly or implicitly, directly or indirectly, to affect an employee's decisions regarding his or her representation or collective bargaining rights."*

Secretary of Labor Thomas Perez added, *"This new rule will allow workers to know whether the messages they're hearing are coming directly from their employer or from a paid, third-party consultant."*

The disclosure rule will also require employers to reveal how much money they spend with the union avoidance firms.

Not surprisingly, big business groups are opposed to the new rule. Kelly Kolb, a VP for the Retail Industry Leaders Association said, *"Labor law is complex, and many businesses rely on the support of outside counsel to ensure that their actions during an organizing cam-*

paign comply with the morass of rules and regulations."

Hmm...in previous research on anti-union tactics during organizing campaigns from Kate Broffenbrenner at Cornell University, it was noted that at least 75% of companies in the sample were alleged to have committed at least one illegal tactic.

So...if 71-87% of companies use these consultants and 75% of companies are alleged to have used at least one illegal tactic to avoid unionization, are we sure that these consultants are ensuring *"that their actions during an organizing campaign comply with the morass of rules and regulations"?* Draw your own conclusions.

It should be noted that republicans in the House of Representatives took the first step in May to overturn the new rule. In addition to lobbying congress, business groups have filed a lawsuit related to the new rule.

Solidarity is what we want. We do not want to find fault with each other, but to solidify our forces and say to each other: We must be together, our masters are joined together and we must do the same -
Mother Jones

Local 351 News

Congrats to new union members at Technica/AECOM! A majority of the 54 workers in three units voted to join IUOE Local 351. They'll have the opportunity to make their union as great as possible in the coming years.

Local 351 members have recently negotiated and ratified new collective bargaining agreements at the following facilities. Congratulations to these units on their new contracts!

Holly Frontier – 6 year agreement

Artesia, NM Refinery and Lea Refinery – 6 year agreement

Valero – Ardmore OK – 4 year agreement

Phillips 66, Borger, TX – 5 year agreement

Solvay, Borger, TX – 3 year agreement

Chevron Phillips Chemical, Borger, TX – 4 year agreement

Sid Richardson Carbon Black, Borger, TX – 1 year agreement

Houston may Overtake Chicago as Third Largest

The city of Houston saw the second largest increase in population in 2015, gaining 40,032 residents between 2014 and 2015. This increase puts Houston at about 2.3 million, about 424,000 less than Chicago. However, Chicago actually experienced a slight decline in the last year. Experts believe that if the trend continues, Houston will overtake Chicago in about a decade.

“That’s the trend” said Rob

Paral, a Chicago demographer. “*Even if Chicago stays fairly steady for a period, Houston would pass us up in about 10 years. It’s not inconceivable.*”

However, it was noted by William Frey of the Brookings Institute that 10 year predictions are not entirely reliable. He said that Texas’ economy has been thriving as a result of the oil and gas industry and it is difficult to predict future economic

shifts.

A total of five Texas cities are currently experiencing large population growths, mostly due to influx of people from the Midwest.

San Antonio is the 7th largest city in the US with about 1.46 million. Dallas is 9th with 1.3 million, Austin comes in at 11th at 931K. All saw growths of between 20,000 and 40,000 in 2015.

ConocoPhillips Predictions

The Motley Fool recently made a few predictions for what to expect from ConocoPhillips in the coming years. They noted that like most companies, ConocoPhillips has had to adjust its operations due to the extended downturn in the oil market.

The Motley Fool says that the company has shifted away from focusing on long-term growth to a strategy that is centered on three distinct time

horizons: Short, Medium, and Long Term goals.

Some of the highlights from each include:

In the short term, they will protect against a protracted downturn, set dividends for lower end of cycle, efficiently execute capital plans, complete major projects and focus on lowering their breakeven price.

Medium term goals include a

continued focus on execution, being prudent with activity ramp up and sustaining a low cost structure.

In the long term, they hope to achieve target debt levels, (currently at \$29.5 billion, hopefully lowering to \$25 billion or less. repurchase shares, execute portfolio high-grading and have predictable performance through various cycles.

\$2.5 Billion Transmission Project Approved by DOE

Clean Line Energy’s Plains and Eastern Line \$2.5 billion transmission project has obtained approval from the Department of Energy.

The project seeks to build transmission lines that will bring electricity generated by wind farms in Oklahoma and the Texas Panhandle to a wide section of the southeastern United States.

DOE approval means that the agency will be able to assist in the development of the project, including assisting with securing rights of way. This is the first time the DOE has participated in this way

since the authority was granted in the Energy Policy Act of 2005, which sought to promote transmission development.

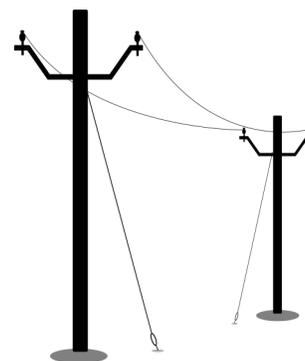
The plan calls for delivery of up to 4,000 megawatts of wind electricity from Oklahoma through a 705 mile direct current transmission line. That capacity equals about four times what comes out of the Hoover Dam.

New customers for wind energy is expected to generate an additional \$7 billion in wind farm development in the Oklahoma/Texas Panhandle region in the coming years.

“*This approval exemplifies DOE’s strong leadership in supporting a clean, affordable and reliable energy future. Over 99% of all installed utility-scale wind capacity is located in rural areas. By building more projects like this, we’ll be putting America’s abundant untapped wind resources to use,*” said CEO of the Wind Energy Association Tom Kiernan.

The transmission line project is expected to begin construction in late 2016 or early 2017.

The story of the labor movement needs to be taught in every school in this land.... America is a living testimonial to what free men and women, organized in free democratic trade unions, can do to make a better life. We ought to be proud of it. -
Hubert Humphrey



Local 351

111 East Coolidge St.
Borger, TX 79007

THE PROCESS NEWS

Local 351

111 East Coolidge St.
Borger, TX 79007
806-274-4501

Local 564

2120 N Brazosport Blvd
Richwood, TX 77531
979-480-0003



NLRB Sets New Rule on Permanent Replacements

In a recent divided NLRB ruling, the federal agency made it easier for unions to challenge the use of permanent replacement workers during strikes.

The case centered around a California continuing care facility and its use of replacement workers, which the NLRB ruled unlawfully discriminated against union members.

In 2010, American Baptist Homes of the West replaced some striking SEIU members. Apparently the company kept some workers based on their belief that they would be willing to work during any potential future strike.

"I assumed that because these people were willing to work during this strike, they'd be willing to work during the next strike," said an executive who testified.

Companies are given a pretty wide berth when it comes to the use of replacement workers dur-

ing work stoppages, and an NLRB judge initially determined that in this case, the company's decision to hire permanent replacements was lawful.

However, the full NLRB board in Washington DC overturned that ruling, finding that the use of permanent replacements is unlawful if evidence shows that the employer was trying to discriminate against union members.

"We conclude that the phrase 'independent unlawful purpose' includes an employer's intent to discriminate or to encourage or discourage union membership," said the board ruling.

This ruling will likely make it more difficult for employers to hire permanent replacements during strikes.

Republican member Miscimarra dissented in the ruling.