



USW/ATI Bargaining Bulletin #17 – April 22, 2021

History of Bargaining with ATI and Strike Issues

We began bargaining with ATI for a successor contract in January of 2020, and after two months of bargaining, it was clear that they were determined to force a concessionary contract on the membership. They refused to provide certain information, and the information they did send was in a form that created challenges and delays for the USW to analyze. Even though the company caused a hindrance to bargaining, the union still engaged management in a good faith effort to reach an agreement. Then, when we were close to reaching an agreement, the pandemic hit and ATI withdrew their offer and demanded an extension. With all the unknown impacts of the pandemic, the USW agreed to the extension. In retrospect, it was the responsible and most reasonable course of action.

The 2020 extension required the parties to begin negotiations to reach a new agreement in January of 2021, and from the very start of the 2021 negotiations, ATI again illegally refused to send pertinent information, ignored many of our requests for information and even refused to supply the needed information to calculate the 2020 profit sharing results unless we agreed to a new system using independent auditors. The process they insisted upon required the union not to share information with the local unions and prevented us from filing grievances if we disagreed with the independent auditors. When we objected and insisted upon inspecting their books, they still refused to provide the documents. They did admit there were errors in the calculations and corrected the mistakes.

Throughout the January and February 2021 bargaining, and up to and after the strike began, ATI has bargained in bad faith and committed unfair labor practices, all of which was an impediment to the parties negotiating a fair agreement. In addition, from the outset ATI told us that they were predicting not to be profitable until 2022 and future years, and although the company was cash positive, they still needed to reduce costs and shut down certain facilities as they realigned their business. As bargaining continued, ATI has over \$650 million dollars in cash, and by their own admission will be profitable next year—yet their demands were based on offering a contract to employees that only provided wage increases in exchange for what we gave up in concessions.

Throughout the bargaining and after the strike began, the USW has made multiple offers both in writing and verbally in an effort to reach a fair agreement. The membership has not had a wage

increase since 2014, yet the executives of the company and the Board of Directors have had compensation increases and make millions of dollars a year. However, the employees that make and process steel are expected to forgo any wage increases until and unless we agree to give up profit sharing and start to pay premiums for our health care along with a long list of other concessions.

The USW recognized the challenges to profitability over the last couple of years, and we have tried to work with ATI, even after the 2015-16 lockout. Clearly, part of the problem has been management's refusal to work cooperatively with employees and implement the partnership provisions of the contract. Their attitude has been "do what we tell you to do and leave your brain at the gate."

They talk a lot about being "part of the team," but in reality, they leave us off the field and ignore our suggestions/ideas. Then they want to make up excuse after excuse for their failures and shortcomings. The management solution is to reduce our compensation as they increase management's compensation and to protect and improve the ATI stock price.

Bargaining has been difficult and frustrating, but we deal with hundreds of companies where the union works with employers who recognize the value of the employees and we mutually resolve problems and negotiate fair contracts without labor disputes. Why not at ATI? ATI has been on a path to weaken the collective voices of USW members since before 2016. ATI's proposals are designed to reduce our economic and employment security. We fought for months over their demand to unilaterally implement 12-hour shifts without daily overtime and their desire to be able to contract out work that we have historically performed, even while union members are laid off. They wanted to reduce our contract resources and weaken other provisions of the contract.

As has been stated, we recognize the market challenges, and the union has indicated our willingness to accept a lump sum payment in the first year of the contract and delay wage increases until the second, third and fourth years of the contract. Of course, in order to achieve the first wage increases since 2014, management will only agree to do so if we give up profit sharing. ATI also insists we contribute to the cost of health care. Fully paid health care is part of our compensation and is one of the reasons we have not received wage increases since 2014, so now ATI insists as part of any wage increase that we must give up our premium free health care.

What is the ULP Strike About?

We have reached tentative agreements, subject to the approval of the Local Union Presidents and the ratification by the membership, on many local and master contract issues. Some are beneficial to USW employees and some could be considered concessionary, but in all cases, they have all been tentatively agreed to in an attempt to reach a contract. ATI has withdrawn their demands for unilateral implementation of 12-hour schedules, and they have withdrawn the demand for the unlimited right to contract out certain bargaining unit work.

However, they refuse to address their overt and obvious attempts to replace the unionized Office and Technical employees with non-represented employees.

With approval of the Local Union Presidents, we could accept ATI's wage proposal. In addition, we have offered the company a health care proposal (including the O&T and Lockport units) that would reduce ATI's costs and would provide for a cost containment system that has been successful at maintaining or even reducing costs at other companies.

ATI continues to propose a two-tier health care program that requires new hires pay twice the premium that they want you to pay, or as an option, any employee, may opt to join the salary non-represented high deductible plan, without premiums, but the company retains the right to change, modify and reduce coverage at any time. And they tell us they could in fact also implement premiums at a future date. Our rejection of ATI's two-tier health care proposal is to maintain generational solidarity. In the future, new hires that would be impacted by such a scheme, could be the same future leaders who may be sitting at the bargaining table when those of us who are depending on a well-funded VEBA for our retiree health care, want the future union bargainers to remember we stood up for them and they will need to stand up for us.

ATI's last proposal regressively changed the fixed premium amount to a percent of the cost of health care, which is designed to extract higher premiums without regard to the overall cost containment effort and appears to have been made in an effort to make it more difficult to reach an agreement. Obviously, ATI has a plan to eventually move all employees into the substandard health care plan.

The company is holding the employees hostage who are otherwise entitled and want to accept their shutdown pensions at Waterbury, #3 Finishing at Brackenridge and at Louisville by denying them their pensions unless we ratify the contract and agree to their proposal on shutdowns.

Now ATI Makes Threats

Last week the union offered the company an opportunity to participate in continuous bargaining. Although management showed up, they continued their demand for concessions and made little movement on the key issues. When the union provided them with a counter offer on Tuesday, they refused to respond, they thanked us for our proposal and told us we had until close of business on Monday April 26th to accept their offer and left the room, with the threat to make a lesser offer after Monday.

They are again escalating their bully tactics and ignoring the employees, their most valuable asset. They are now taking steps to drive the parties farther away from an agreement and to punish you for exercising your legal right to strike. This dispute could have been avoided had they had invested the money in a fair contract rather than trying to break our solidarity through threats and other unlawful actions aimed at intimidating the membership and deny our reasonable contract improvements.

ATI recognizes the Strike and Defense Funds are beginning to be distributed to the locals, the possibility of unemployment being approved and the new law requiring COBRA health care continuation being paid for by the company, ATI must think that now is their best opportunity to threaten the membership and the bargaining committee.

We will not be divided, and ATI is only prolonging this dispute with its disrespectful and bad faith ultimatums.

Stay strong! Stay united! Our solidarity and determination will prevail!

Your USW/ATI Negotiating Committee

Sign up to receive USW/ATI text updates - text ATI to 47486

