

NEWS



from the United Steelworkers of America

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USWA Says President's Tariff Decision Sets Stage For Aiding Victims Of Unfair Trade

Union hails outcome as "victory for grassroots activism"; says it creates "a moral imperative" for Congress to protect health care benefits of retirees

Pittsburgh - The United Steelworkers of America (USWA) said today that President Bush's decision to impose significant tariffs on many steel imports for three years "raises our hopes that America's steel industry can be saved and sets the stage for legislation necessary to protect the health care benefits of 600,000 steelworker retirees whose benefits remain at risk."

"The grassroots activism of literally tens of thousands of citizens from steel communities throughout the nation's industrial heartland," said USWA President Leo W. Gerard, "made it crystal clear that the day is done when American workers will stand for being victimized by violations of our trade laws. We congratulate President Bush for hearing that urgent message and on taking another crucial step toward leveling the playing field in steel trade."

"It's not as comprehensive as we had hoped," he said, "but it certainly is the first time we've seen some light at the end of a long dark tunnel."

Gerard added that "the bold action taken by the President, as well as the Senate Finance Committee, in initiating a 201 investigation was the first step in a three stage process. With broad bipartisan support from the Congressional Steel Caucus, the President has now taken this historic step, which leaves to Congress the crucial challenge of passing legislation that secures the health care benefits of hundreds of thousands of retirees."

In addition to acknowledging the President's leadership, the union cited the critical support of Steel Caucus Senators Jay Rockefeller (D-WV) and Arlen Specter (R-PA); Congressmen Peter J. Visclosky (D-IN) and Phil English (R-PA), as well as House Minority Leader Richard Gephardt and the more than 220 House members who supported HR808, legislation advanced by the Steelworkers to join the debate over import restraints and the security of retiree health care benefits.

Gerard also hailed the instrumental role Senator Paul Wellstone played in preventing the iron ore and coking industries from being devastated by unrestrained levels of imports of semi finished steel.

Gerard was especially pleased, he said, that Canada was one of the nation's exempted from the tariff, a position that the USWA had forcefully advanced, both during the International Trade Commission (ITC) hearings and throughout President Bush's deliberations.

Most importantly, Gerard said, "the President's action creates a moral imperative for Congress to take the final crucial step of restoring the health care benefits of tens of thousands of steelworker retirees and their surviving spouses. They're the real victims of unfair trade, and they're being victimized at the most vulnerable time in their lives.

"The last thing this country needs right now," he said, " is to have hundreds of thousands more retirees subjected to choosing between paying for food and the skyrocketing cost of health care."

The current steel crisis, which began late in 1997, has forced 31 American steel companies into bankruptcy, 17 of which have shut down completely. A portion of steelworker retirees' pensions resulting from shutdowns are guaranteed by the federal government's Pension Benefit Guarantee Corporation (PBGC), but the health care benefits of retirees and their surviving spouses are completely wiped out when a company liquidates.

For example, the health care benefits of some 85,000 LTV retirees, their surviving spouses and dependents will stop being paid after March 31. Even when the assets of a liquidated company are purchased, as is the case with LTV, the health care liabilities, or so-called "legacy costs," are usually not assumed by the purchasing company.

Most steelworker retirees have already been paying from 25 to 40 percent of the cost of their modest health care coverage, despite limited pensions in many instances. In fact, a majority of surviving spouses average less than \$100 a month in pensions, far less than what it will cost them to purchase insurance coverage if the company their spouses worked for shuts down.

"These retirees and surviving spouses, many of whom were forced into retirement prematurely by the downsizing of the Eighties," Gerard said, "are being doubly jeopardized now by the unfair trading practices that threaten to destroy the American steel industry.

"These are the working citizens who built this country into the great and powerful nation that it is today," he added, "and we will be coming to Congress very soon with legislation that prevents their health and retirement security from being sacrificed on the altar of unfair trade.