

National Oil Bargaining Program 2007

Section 1
Oil Bargaining History



National Oil Bargaining: 1965-2005

The development of National Oil Bargaining first began in 1965. Six weeks after the election of former Oil, Chemical & Atomic Workers President A.F. "Al" Grospiron in that year, a combination of aggressive action and shrewd timing enabled the union to achieve a common expiration date of December 31, 1966, for collective bargaining agreements covering most workers in the oil industry.

The establishment of the common expiration date and of a mandatory oil policy allowed OCAW to function like an industrial union for all oil workers organized in the industry. Grospiron accomplished his goal of improving industry-wide bargaining within oil despite resistance from the industry, resistance which was fierce and very public as to who held the upper hand in bargaining.

Grospiron told fellow union officers after his election that he felt the efficiencies of company-wide bargaining coupled with discrete industry pressure could be achieved even while engaging the industry in the charade of plant-by-plant bargaining. Grospiron insisted it was a matter of careful and meticulous local-by-local coordination, exercising extreme patience at bargaining tables, and giving authority to the president to call the plays. Democracy was ensured by not only keeping the policy committee fully informed, but also utilizing them in developing and maintaining the strong channels of communication needed.

The purpose was to send a clear message to the companies that the OCAW president had the power and would use it firmly. Oil firms got the message that their chances to play one set of negotiations off against another, one committee against another in a divide-and-conquer strategy wouldn't work.

Once the 1966 round was complete, the union began to set in motion a plan for the next bargaining in 1968. And that plan included formation of a National Oil Conference in which each local sent delegates to discuss issues both in a general group and in company-wide councils. A few months after that, the National Oil Bargaining Policy Committee met to adopt a specific list of contract demands, which was submitted to union members for ratification as required by the union constitution.

Also in 1968, the system of mobilization through rapid communication was improved when local unions installed Telex machines to get accurate and useful information from national headquarters in Denver and to distribute among members. Such written communiqués minimized the false rumors and telephone conversation misunderstandings that plagued local bargaining in the past.

A steady stream of gains and improvements resulted in subsequent talks. Not only did the union fight to establish national standards on wages and benefits, but militant rank-and-file industrial unionism through national oil talks has been the driving force behind other innovative language gains, most namely on the health and safety front.

As we initiate National Oil Bargaining for the first time under our new name, it is important to remember those issues achieved as part of national pattern bargaining since inception when a common expiration date was achieved. It is also important to know the issues and know that these are issues that we do not retreat from as part of our *No Retrogression* language.

Grospiron insisted (National Oil Bargaining) was a matter of careful and meticulous local-by-local coordination...



A. F. "Al" Grospiron
OCAW President
1965-1979

December 31, 1966

First common expiration date for oil contracts established.

1967 Bargaining

Oil firms agreed to give 60 days written notice of layoffs with the union having the right to strike against such job losses. Rate retention language.

1969 Bargaining

Oil companies agreed to eliminate, in two stages, all employee contributions to the cost of pension plans in terms negotiated during second nationwide strike in the oil industry. (First nationwide oil strike in modern era occurred in 1952.)

1971 Bargaining

The union negotiated a clause that provided for at least six months advance notice to the union in the event of planned plant closures, with the company agreeing to negotiate on protection or benefit provisions for laid off employees and the union having the right to strike if agreement could not be reached in such negotiations. Noncontributory pensions also established in this round of bargaining.

1973 Bargaining

Health and safety clauses negotiated, including a joint labor-management committee in each plant. The then distinctive health and safety language was won in a strike and boycott of Shell Oil. Also won: company employment of union-approved industrial health consultants to survey workplace conditions; and appropriate physical examinations and medical tests of all employees under supervision of the joint committee, with company to provide to union all available information on mortality and morbidity among employees. Establishment of a top level union-management pension review committee for bargaining on pension issues was also won in this round of bargaining.

1975 Bargaining

Retirement age generally reduced to age 60 with no reduction in benefits. A minimum pension of \$10-per-month/year-of-service was established—a new concept to the oil industry.

1977 Bargaining

National health insurance language was negotiated, meaning if national health insurance becomes law, a company's present and future contributions toward the present plan premiums will be used toward the cost of the national insurance. Any unused portion of the company's contribution will be used for other benefits as determined by the company and the union. Also, substantial pension improvements were achieved, including a minimum \$12-per-month/year-of-service benefit with appropriate deductions. Improvements also were made to the health and safety language: companies agreed to a high level health and safety review committee and to pay for training of union members of the joint labor-management committees. The union won the right to conduct an independent investigation of all accidents.

1980 Bargaining

A Dental Plan was achieved. And a vacation increase of six weeks for 30 or more years of service was also achieved. Other gains were made in the third nationwide strike in the oil industry.

1984 Bargaining

Check-off language for the union's Political Action Committee (PAC) was won.

1990 Bargaining

Three-year contract terms were negotiated through the industry. A \$250,000 death benefit for workers killed by on-the-job accidents (additional to existing insurance) was negotiated. A minimum benefit for workers suffering occupational-related illness or accidents was won that covered job-related illnesses as well as accidents. The new benefit begins with day one full-time regular employment (unlike normal S&A benefits) and establishes minimum payments of 26 weeks at full pay followed by another 26 weeks at half-pay. Also negotiated: for certain drivers in transportation and marketing segment, companies to provide training to pass Department of Transportation and state licensing tests.

1993 Bargaining

Family leave agreement with guaranteed accrual of credited company service while on leave was won. Company provided training for union-represented health and safety committee members increased two times over term of agreement. Letter of Understanding was achieved over health and safety representatives.

1996 Bargaining

A minimum level pension benefit of \$40-a-month/year-of-service was won in this three-year agreement and in the event of layoffs, a memorandum was agreed to calling on companies to negotiate with the union over a range of issues including employee relocation, retraining, extended benefits and other effects.

1997 Extension

In a five-year contract extension early in 1997, the union won Successorship language in all refineries and chemical plants that historically have been a part of National Oil Bargaining. The important language protecting workers' rights and living conditions through the union couldn't have come at a better time considering the sales, asset spinoffs and mergers that have occurred since. Also, a three percent wage increase that was due in 1998 was changed to 3.5 percent, and oil workers won 3.5 percent hikes in each subsequent year through 2001. The above bargaining gains reflect primarily language and benefit improvements through national oil bargaining. Obviously, dramatic wage gains occurred in each and every bargaining round. In fact, the heritage in achieving above standard wage increases predates national oil bargaining and goes back to the end of World War II. It was then that our predecessor union, the Oil Workers International Union, outpaced fellow CIO workers belonging to the Steelworkers and Auto Workers unions to win lucrative pay hikes through post-war strikes.

And that tradition continued throughout national oil talks when gains of six to nine percent—even 10.5 percent in 1981—were not uncommon leading into the 1990s. Consider that in 1971, an 8.5 percent increase brought the straight time weighted average in the oil industry to \$4.84-an-hour. And 30 years later, when the final 3.5 percent increase of the 1997 Extension kicked in early this year, the weighted average increased from \$22.60-an-hour to \$23.39 which is a whopping 428 percent from that 1971 level. This is a bargaining heritage not only to be extremely proud of, but one that properly motivates us in this and future rounds of national oil bargaining.

2002 Bargaining

The 2002 round of bargaining saw improvement to the Successorship language wherein it offered clarity to the definition of the sale of operations or portions thereof. This coupled with the agreement on Job Security prohibiting involuntary layoffs has continued to prove to be invaluable to those members and their families who have been impacted by sales or planned reductions in force.

In 2002, we successfully increased the two hundred-fifty thousand dollar occupational death benefit to one-half million dollars. While this will not lessen the pain and suffering the family endures when they experience the loss of a loved one it will be beneficial in alleviating financial issues that surround such tragedies.

2002 also saw increases in compensation that were reflected in wage increases from a low of \$0.85 per hour to a high of 4% over the term of the agreement. We were also successful in increasing the shift differential to \$0.75 and \$1.50 respectively for second and third shifts.

This was the first four-year settlement in the modern era of oil bargaining and the first under the National Oil Bargaining Program.

2005 Extension

In 2005, the membership agreed to only the second contract extension in the history of National Oil Bargaining. The extension agreement was for a period of three years and moved the common expiration date to February 1, 2009.

The extension agreement provided for wage increases of 3.5%, 3.5% and 3.7% and a \$1,500 bonus at a point in time when the average nationwide negotiated wage increase in all industries was only 2%.

Health care was a major concern during the 2005 extension discussions and it resulted in the first cooperative agreement with the industry to establish a joint Health Care Strategic Committee. This Committee, comprised of equal numbers of industry and Union participants is charged with the responsibility of exploring means of addressing the rapid rise of health care cost and influencing the national debate around health care issues that impact the worker and the industries long term competitiveness. This is a significant step in addressing healthcare issues that have become the primary topic of discussion at negotiating tables nationwide.