

PUBLICATION

Nationwide Refinery Worker Strike Continues to Spread

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The current United Steelworkers strike is the first national strike called by the union since 1980. After contract negotiations with Shell Oil Company failed, 3,800 workers stopped work at nine sites on February 1, 2015. The nine sites, located in Texas, California, Kentucky and Washington, represent ten percent of the United States refining capacity. The strike expanded this week to include two more plants in Indiana and Ohio. All but one of the plants continue to operate with temporary replacement workers, but will be forced to cut operating rates.

The union reports that the dispute is not about wages, but instead health and safety issues. One issue involves the cost of health care premiums and deductibles. Another is the union's position that the refineries should follow the American Petroleum Institute's recommendations for addressing worker fatigue. The proposed contract did not include a provision mandating the adherence to those recommendations.

Some industry experts theorize that there will be at least a short-term impact on gas prices given that there is no indication how long the strike will last or how extended it will be. The union represents 30,000 workers at more than 200 refineries, terminals, pipelines and chemical plants. A complete walkout of United Steelworkers would affect as much as 64 percent of the nation's fuel output.