

Unique Provision in ISG-United Steelworkers Recent Agreement

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In February, members of the United Steelworkers of America overwhelmingly ratified a 6-year collective bargaining agreement that provides for wage increases and improvements in benefits for 3,000 production and maintenance workers at five International Steel Group (ISG) plants in Ohio, Indiana, and Illinois. ISG had purchased the five plants from the LTV Corporation and Acme Steel; all the plants previously had been shut down because of the bankruptcy or liquidation of the two steel companies.¹

As part of the settlement, the parties agreed to establish a benefit trust fund that will "provide a measure of health-care relief" to retirees of LTV and Acme Steel, "the first time in [steel industry] history that a company has agreed to provide such funding for retirees of predecessor companies."² LTV retirees had lost their health insurance when an \$85 million trust fund that paid for these benefits was depleted; the Acme retirees lost their benefits when the company liquidated its assets.

Under terms of the agreement, the benefit trust will be funded by ISG based on the company's profits, with contributions directly tied to the level of profits. Once the benefit trust is funded, retirees will begin to get "at least some kind of medical and/or drug plan."³

Notes

¹ LTV filed for bankruptcy on December 29, 2000 and ceased operations on December 7, 2001; Acme filed for bankruptcy on September 29, 1998, and ceased operations on October 25, 2001. (Source: United Steelworkers of America.)

² United Steelworkers of America, News, "First Contract with New Steelmaker Establishes Substantial Defined-Benefit Pension Plan for ISG Steelworkers," January 29, 2003, p. 1.

³ United Steelworkers, *Summary of the Proposed Agreement Between International Steel Group, Inc. and the Steelworkers of America*, undated, p. 28.