



Thursday, March 2, 2006

## Hardball: AK Steel has used lockout tactic before

By Terry Kinney  
Associated Press

MIDDLETOWN, Ohio - AK Steel Holding Corp. - relying on hardball tactics used in other labor standoffs - operated its Middletown Works plant Wednesday with salaried and replacement workers after locking out nearly 2,700 union employees.

Both sides said they want to negotiate a new deal to replace the one that expired at midnight Tuesday, but the company said the union must accept that the independent steelmaker needs to cut labor costs to survive in the increasingly global industry.

Union members, picketing outside plant gates, said they've already made sacrifices and that the company has been antagonistic by bringing in replacement workers.

"We are operating in a manner that we unfortunately must do, under the circumstances," AK Steel spokesman Alan McCoy said.

He wouldn't comment on the replacement workers. He said the plant has a stockpile of steel to meet customer demands for an unspecified time.

"This is not chest-thumping. This is not done to intimidate," McCoy said. "It is about serving our customers."

Some union members doubt that, saying quality will suffer.

"You'll see coils (of steel) within a week coming back in here," said John Million, 49, a crane operator who called the replacement workers "professional scabs."

"It will not be the quality our customers expect. It's going to be inferior steel," he said, adding that replacement workers were at a higher risk of getting hurt and damaging company equipment.

The union, whose members recently had voted overwhelmingly to authorize a strike, said it had offered to keep working under the old contract.

McCoy said AK has been telling the union for 2 ½ years that changes must be made in the contract and that the company had a contingency plan if a new deal couldn't be hammered out, although it would have preferred not to use it.



ZOOM DAVID KOHL/Associated Press

**Rolls of steel** on a train leave the grounds of AK Steel past union members picketing Wednesday near a gate at the plant in Middletown. The company locked out its hourly workers after failing to reach a new contract with the union.

### AK SALES

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**Sales totaled** \$5.65 billion in 2005.

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ZOOM GARY STELZER/Middletown Journal

"I also have a spare tire in my car, but I don't go around looking for nails to run over," he said.

Joe, owned by AK Steel worker Joe Bogan, wears a symbol of his owner's opinion.

The union's president estimates the company has "hundreds" of replacement workers from various sources, but didn't know details. Brian Daley, president of the Armco Employees Independent Federation, said in an interview that union members are frustrated and skeptical about how well the plant can operate with the new workers.

"It's a major concern for us because we care a lot about this mill," he said.

Union workers helped the plant set records for productivity and quality, and take pride in the plant's operations and its importance to this southwest Ohio city of some 50,000 people, he said.

"Unfortunately, the company decided to do something like this," Daley said.

**New York-based labor consultant Michael Locker**, who has worked for the AEIF in the past, said he was puzzled by AK's unwillingness to allow the AEIF to continue to work under the old contract. "They (AK) have such a deep history of troubling labor relations, that this is just going to add to that."

The company went through a heated 39-month standoff with workers at its Mansfield, Ohio, plant. AK Steel's predecessor, Armco Inc., locked out some 620 hourly workers belonging to the United Steelworkers of America on Sept. 1, 1999. AK Steel acquired Armco and continued to operate the plant with replacement workers. There were numerous clashes and arrests before the lockout ended in 2002.

Usually, when a union offers to work under current terms, companies accept that offer, **Locker said**. "They're feeding into an old concept, an old mold, which they were trying to break out of."

Both the union and the company say they want workers back on the job.

The company said its last offer would give raises to most workers, freeze the existing pension plan, force workers to pick up a greater share of health care costs, and streamline job classifications so that workers can handle more duties. AK Steel also wants to reduce the work force and says the union's last proposal would have increased AK Steel's employment costs by \$150 million over the length of the three-year, two-month proposal.

The company said some 80 percent of the union members made between \$55,000 and \$100,000 in 2005 - money union workers say they earned by working weekends, holidays and double shifts in addition to their regular hours.

"I work 56 hours a week on average," said Bill Leforce, an 11-year employee. "That's time away from home; you miss your kids' ballgames and all that."

"I don't feel particularly overpaid," added Bob Hauser, a 29-year employee.

He said most workers understand the competitive situation, worsened by some companies that went into bankruptcy and shed labor obligations. "It's rough. They are sweeping changes. It's a lot to ask at one shot."

While unions have the right to strike, companies for decades could use replacement workers, said Josh Schwarz, a Miami University management professor. Major league baseball and the National Football League have used replacement players, for example.

He said lockouts and use of replacement workers have become more common since the 1980s. With a lower percentage of American workers now in unions, the stigma of crossing picket lines is not as strong as it once was, he said.

*Middletown Journal reporter Thomas Gnau and Associated Press writers Dan Sewell and Lisa Cornwell contributed to this report.*