

## DowDuPont Board Approves Break-Up Plan Revision

Two weeks after the DowDuPont merger finalized on Aug. 31, the company announced changes in the split-up plan of its combined businesses.

The division into three companies will remain, but the allocation of operations will change. Some of the former Dow Corning operations will move from Materials Science to the Specialty Products Division. This will appease the corporate raiders who disagreed publicly with Dow and DuPont's CEOs over the original split.

"Everyone should realize that what is being done is not for employees' benefit, but for the profitability of these hedge fund managers and their investors," said Dow North American Labor Council (DNALC) and USW Local 12075 President Kent Holsing. "Employees will be subject to whatever outcome this merger and subsequent spin-off provides. These decisions aren't made in a vacuum, but the effect on the employees and the communities they reside in are afterthoughts to what those in the corporate boardrooms and Wall Street suites ultimately wish to achieve."

In an announcement to employees, DowDuPont said: "It is important to remember that nothing about the way that we are operating today has changed as a result of this news. We will continue to sell our products and services to customers under our heritage brand names, and each of you will continue to receive your paychecks and benefits from your heritage company. The role you have today is the role we need you to play today."

"We know we can count on you to continue to work to meet the needs of our customers and to deliver on our business commitments. Above all else, we need you to continue to work safely and live the core values of our heritage companies."

### The Shake-Out

The Materials Science Division will be named Dow and house the legacy Dow operations. Its products will concern packaging and specialty plastics, industrial intermediates and



infrastructure, and performance materials and coatings. Net sales are expected to be around \$40 billion.

The Specialty Products Division will focus on electronics and imaging, transportation and advanced polymers, safety and construction, nutrition and health, industrial biosciences and sustainable solutions. Net sales are projected to be around \$21 billion.

The Agriculture Division remains unchanged with agricultural chemicals and seeds. The company said it "combines the strengths of DuPont Pioneer, DuPont Crop Protection, and Dow AgroSciences."

### Moved Operations

These businesses will move from the Materials Science Division to the Specialty Products Division:

- Dow's Automotive Systems' adhesives and fluids platforms
- Dow's Building Solutions business
- Dow's Water and Process Solutions business
- Dow's Pharma and Food Solutions business
- Dow's Microbial Control business
- DuPont's Performance Polymers business
- Several silicones-based businesses aligned with applications in industrial LED, semiconductors, and medical
- Molykote® brand lubricants for automotive and industrial equipment and Multibase Inc., which provides solutions for the thermoplastic compounding industry.

"Currently, we are not expecting immediate impact to the membership," Holsing said. "This announcement may extend

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# DowDuPont CEO Says Future Split-Offs Likely

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the time before any spin-off occurs.

“While some unionized manufacturing locations will not experience change from the original de-merger plan, it will impact others greatly. For example, most of the USW Local 12075 membership at the Midland, Mich., site will be spun off to the new agriculture and specialty products companies. Before the additional split, the majority of the membership was to remain in Dow Material Sciences.”

## Why the Additional Split?

Before the additional split-off, major shareholders were concerned that the Materials Science Division would not be focused on plastics and petrochemicals if other specialty operations were thrown into the mix.

After the former Dow and DuPont boards of directors and consultants at McKinsey & Co. spoke with 25 of the biggest shareholders and gathered other input, both companies’ CEOs jumped on the bandwagon in support of the further split-offs from the Materials Science Division.

“If you follow the timeline since 2014, you will see that Dow Chemical’s transformation closely mirrors what Third Point LLC, Trian Fund Management LP, Glenview Capital Management LLC, Jana Partners LLC and other shareholders pressured the company into doing,” Holsing said. “I believe the distinction here is that Dow Chemical has done it to make it seem as if it was the company’s idea and on its timeline.”

## The Future

Investors and analysts have suggested breaking up the specialty business further, and DowDuPont CEO Edward Breen did not rule that out on a conference call with analysts. He said the new structure, based on customers, will set up businesses with a lot of “optionality.”

In the letter to employees, the company said it would provide answers to employees’ questions as information becomes available in the coming weeks and months.

“The DNALC and participating locals will be keeping abreast of these developments,” Holsing said. “The DowDuPont merger and split-offs will consume most of the agenda for the DNALC conference in two weeks.”

# International Labor Organization Calls for Coalition to Address Occupational Safety and Health

More than 85 percent of all work-related injuries and illnesses worldwide each year can be attributed to occupational disease, according to figures compiled by Finland, Singapore, the European Union and the International Commission on Occupational Health, with the support of the International Labor Organization (ILO).

In human lives, this amounts to 2.4 million deaths each year from work-related disease. A total of 2.78 million workers die each year from work-related injuries and illnesses.

Economically, these global estimates on work-related injuries and illnesses represent almost 4 percent of global GDP (Gross Domestic Product), or \$2.99 trillion in U.S. dollars.

“The global economic impact of the failure to adequately invest in occupational safety and health is roughly equal to the total GDP of the poorest 130 countries in the world,” said ILO Director-General Guy Ryder on Sept. 3, 2017 to delegates attending the World Congress on Safety and Health at Work. “Clearly, there is recognition that certain occupational safety and health challenges are global challenges that require global solutions.”

Ryder said the ILO is ready to develop a global coalition with key partners.

The four-day World Congress focused on the need for reliable occupational safety and health data; improving occupational safety and health in global supply chains; creating mechanisms for the exchange of occupational safety and health data, knowledge and expertise globally; and fostering proactive occupational safety and health compliance strategies at the national level.

The ILO said that engaging youth around the world is key to addressing these challenges.

“How the future of work is forged will, of course, have the greatest impact on this and the next generation, and they must have a voice in the process including on occupational safety

and health,” Ryder said.



Photo: Earl Dotter



# White House Proposes to Eliminate Chemical Safety Board

Over eight years and 10,000-plus accidents, chemical and oil workers and their unions pressed Congress hard for an investigative board that would search relentlessly for the root causes of oil and chemical incidents. Their work paid off when Congress funded the U.S. Chemical Safety Board (CSB) on Nov. 1, 1997.

Now, the White House wants to defund it.

Congress set up the CSB to investigate chemical accidents resulting in death, serious injury or substantial property damage. Its purpose was to determine the root cause(s) of incidents, and make recommendations for reducing the likelihood and consequences of accidental releases and for improving the safety of chemical production, handling and storage.

Two notable industrial accidents moved Congress to establish the CSB under the Clean Air Act Amendments of 1990: the Oct. 23, 1989 explosion at the Phillips Petroleum Chemical plant in Pasadena, Texas, that killed 23 workers and injured 314 others and the July 7, 1990 explosion at the Atlantic Richfield chemical plant in Channelview, Texas, that killed 17 and hurt five.

## Determining What Went Wrong

“For those of us who work in the industry, findings from the CSB are a great learning tool,” said Barbara Hammett Turner on the USW Oil Workers Facebook page. “The CSB asks, ‘What went wrong? How do we prevent it from happening again?’ If you do not work in refining or any sort of chemical/manufacturing, then I do not believe you understand what we go through every day to keep our plants in safe conditions. CSB does help and it does have value.”

For over 20 years the CSB has investigated hundreds of incidents of high consequence, and made a total of 804 recommendations, according to its website, [www.csb.gov](http://www.csb.gov).

The chemical accidents investigated included the May 2017 Freedom Industries chemical release in Charleston, W. Va., that contaminated the drinking water supply for hundreds of thousands of West Virginia residents; the 2014 toxic chemical release at DuPont’s LaPorte, Texas, facility that killed four workers; the 2013 West fertilizer plant explosion and fire in Texas that killed 15 people and injured 226, and the 2012 fatal hot work explosion at DuPont’s Buffalo, N.Y., plant that killed one contractor and seriously injured another.

## Recommending Solutions

Despite having only recommendation powers, the CSB is influential. Industry, labor, government officials, the U.S. Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA) often adopt the agency’s recommendations. Consequently, workers and the public are safer and the environment is cleaner.

Examples of the agency’s effectiveness include the ban of natural gas blows in Connecticut; an improved fire code in New York City, and increased public safety at oil and gas sites across the State of Mississippi.

Additionally, the CSB’s reviews of major incidents have led to industry standards on worker fatigue and greater reporting of hazardous chemicals to first responders—although Environmental Protection Agency (EPA) Administrator Scott Pruitt delayed the Obama-era rule that required companies that store large quantities of dangerous chemicals to make public the types and quantities of chemicals stored on site.



A CSB recommendation also led to a new industry practice: removing nonessential personnel from areas where there is a possibility of harm during a unit start-up or shutdown.

## Saving Workers’ Lives

“Through its in-depth investigations, analysis and recommendations about chemical incidents, the CSB creates a safer workplace for our members so they can return home in the same condition they arrived to work,” said USW International Vice President Carol Landry, who heads the union’s chemical sector.

“Workers need an independent body like the CSB to investigate accidents, especially when some chemical companies look no further than blaming their employees when an incident happens,” she added.

The chemical and oil industries have not commented much on the defunding of the agency, and their trade organizations issued generic statements about working with Congress and the administration during the budget process.

USW Director Mike Wright of the Health, Safety and Environment Department told the media that the CSB “is one of the best bargains in Washington. If it has prevented even one accident, it has saved far more money than its budget over its entire history.”

The agency has an annual budget of about \$12 million for conducting investigations—which can take six months to a year or more—travel to accident sites, salaries and other expenses. It has a staff of 48 employees and five board members.

## Helping Communities Stay Safe

Investigators spend months interviewing workers, staff and management; reading company documents; examining the site of the incident and equipment, and undertaking other actions to search for the root cause or causes of accidents.

CSB investigators write preliminary and final reports, present their findings and recommendations at public meetings, and publish their work and safety videos on the Web and social media.

The agency’s investigations bring much publicity to incidents and keep them in the public eye for a long time through media stories and later through investigative news articles.

“The CSB contributes not only to the safety of workers, but also to the communities around these facilities. This agency’s far-reaching influence on safety affects many people. Defunding it would be a great disservice to many of our members as well as the communities where these processes are located,” Landry said.

# Worker-Driven Triangle of Prevention Program Helps Improve Workplace Health and Safety

When there is a health and safety incident, management's first reaction after conducting an investigation is to pinpoint blame on employees and discipline or terminate them. No attempt is made to investigate contributing causes of the event. Lessons are not learned, and the incident repeats itself.

Other companies' approach to health and safety is for employees to observe other employees for unsafe behavior. This ignores other factors that cause incidents: inadequate design and engineering of systems; delayed maintenance and inspection; mitigation and warning devices that do not work; lack of or inadequate training; pressure to take shortcuts and ignore procedures in order to reach production goals; lack of documentation when a change in procedures is made; inadequate personal protective equipment; management's decision to ignore safety warnings and reports; and other aspects of the Process Safety Management standard.

Tired of this reactive approach to health and safety that did not make the workplace safer, our union and its activist members created the Triangle of Prevention (TOP) program. It is a proactive tool to prevent incidents. There are three sides to TOP: union design and leadership; systems of safety training and investigations; and comprehensive tracking of results.

## Employee Participation

Union-led and driven, TOP gives workers ownership over health and safety conditions at their workplace. Employees work as partners with management in identifying hazards, investigating incidents and near miss events that could become catastrophic, devising solutions using the systems of safety approach, tracking events, and ensuring solutions are implemented on a timely basis.

TOP is not, however, a substitute for a comprehensive health and safety program; a health and safety process; health and safety contract language; worker job-specific training, or required safety training.

It requires buy-in from the local union, workers and, especially, management. By having union and worker participation in health and safety matters, corporate managers at some companies feel they will lose control over workplace safety and their ability to operate their facilities as they see fit.

In reality, the people who work at these plants, day in and day out, understand operations and equipment in detail. They know when something is not running correctly and what could

cause a catastrophic event. By being involved in the TOP program, workers help management operate safely to avoid catastrophic incidents that cost lives, injuries, disabilities, lawsuits and regulatory fines.

The TOP program has its own structure, which includes for each site a TOP representative, TOP leadership team, worker-trainers and TOP investigators. All of the positions receive training, and the entire plant, including managers and non-represented staff employees, are given an 8-hour initial TOP awareness training and annual 4-hour refresher training.

## Systems of Safety Training and Investigation

Systems of safety training focuses on seven major safety systems: design and engineering, mitigation devices, maintenance and inspection, warning devices, training, procedures, and personal protective equipment.

Accidents, near misses and process upsets are investigated to find the root cause(s). Workers are encouraged to report these events because in the TOP program, the employer agrees to a no-discipline policy for reporting or being involved in a near miss. The goal is to prevent worker injuries and deaths from happening, not punish workers for making mistakes.

## Measuring and Tracking Incidents

Focusing on worker behavior alone is a one-sided approach and misses all the system and process safety factors that can cause an incident.

A low OSHA rate does not mean a workplace is safe. Tracking broad measures of safety system performance, near misses, process upsets and incidents identifies system failures. TOP personnel recommend solutions to eliminate or control hazards.

TOP also tracks recommendations to completion, and lessons learned are shared with workers at the facility, at all of a company's sites and across the industry to prevent incident reoccurrence. This preventative action creates a safer industry for workers and the communities surrounding these plants.

## For More Information

If your local would like to get more information about the USW's TOP program, please contact Steve Doherty with the Tony Mazzocchi Center at [sdoherty@uswtmc.org](mailto:sdoherty@uswtmc.org), 920-664-9845 (Mobile) or 412-562-2561 (Office).



**Our Brothers and Sisters Impacted by Hurricanes Need Our Help**

Our brothers and sisters in the South and Caribbean have seen their lives torn apart by Hurricanes Harvey and Irma.

While some members and their families were blessed to have their homes and property spared, many others were not so fortunate. They lost everything, and need our help to get back on their feet.

Please donate what you can to the United Steelworkers Charitable and Educational Fund. Every dollar donated goes directly to those impacted by the storms.

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Or, you can make checks payable to **United Steelworkers Charitable and Educational Organization** and mail it to the following address.

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**Thank you so much for your solidarity  
with your brothers and sisters!**