



Comité Fronterizo de Obrer@s CFO

**For the labor rights and all human
rights of the maquiladora workers**



[Home](#) > [Workers & Maquiladoras](#) > [Workers & Alcoa](#) > [Alcoa 2006](#)

[Spanish Version](#)

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Julia Quiñonez speaks out before Alcoa's shareholders and Alain Belda responded

Invited by the Steelworkers Union (USW) District 7, Julia Quiñonez took the floor during the Q&A session at the Annual Shareholders Meeting of the largest aluminum company in the world last Friday, April 21 in Pittsburgh, PA. The Chairman and CEO of Alcoa, Alain Belda, responded to Julia's comments by saying: " We have nothing against unions. We will not do anything against unionization."



Julia Quiñonez with USW District 7 at Alcoa's 2006 shareholders meetings.

The alliance between the CFO and the Steelworkers is solidifying to defend the rights of the workers in the U.S., Mexico and Canada equally. What follows is a transcript of the statements made by Jim Robinson from the United Steelworkers and Julia Quiñonez on behalf of the Alcoa maquiladora workers, as well as Mr. Belda's responses. Laura Winter from USW and interpreting for Julia made also a brief comment at the end. The transcript by CFOmaquiladoras.org was based on the live webcast that Alcoa made available to the public .

**Alcoa Annual Shareholders Meeting
Pittsburgh, PA, April 21, 2006
[Excerpts from the Q&A session]**

Julia Quiñonez, Coordinator, Comité Fronterizo de Obreras (CFO): "Good morning, I appreciate the opportunity to speak and I'm going to be speaking on behalf of the Alcoa workers in Mexico. I'm really surprised to see the profit levels Alcoa has had within the past few years, and I'd like to call on the shareholders to investigate whether some of these profits have been made on the backs of the Mexican workers and at the cost of their standard of living. The workers in Mexico make on an average of \$50 dollars a week for a work week of 48 hours. Over the past three years the employees have felt a great deal of uncertainty and instability, because whenever they ask for any type of raise or an improvement in their benefits, or even to maintain their present benefits, they are always threatened with the possibility of their plant moving to Honduras or China. We believe that the workers in Mexico deserve a company like Alcoa to work for. They have shown that they are able to do the work, and they've have won prizes for the work that they've done. And it's important that the good work that they do be recognized and that they deserve a just salary. We've been having discussions with the workers and with Mr. Alain Belda over the past ten years and we've brought to his attention different issues that need to be resolved. What we would like to do is to put together an effective mechanism in

Mexico, something local so that when the workers have problems or issues that ought to be discussed that they are able to do that.

When I talk about a mechanism for the workers to discuss issues and problems, what I'm referring to is the presence of 8500 workers in Ciudad Acuña who have been unable to form their own union. They've tried various times and one way or another it has been broken. Our organization supports the workers; they trust us and bring us their concerns. We are not always successful, however, in putting these issues on the table, whether with local managers or executive management. Many workers have lost their jobs in retaliation for trying to exercise their rights, with the result that their families have lost their only source of support. These anti-union activities are in direct contradiction to Alcoa's Values and Principles."

Jim Robinson, USW District Director: "My name is Jim Robinson and I am elected district director and member of the executive board of the United Steel Workers and I have been appointed by International President Leo Girard to share the union side of the upcoming Alcoa USW negotiations.

Chairman Belda, I appreciate your comments that you are not looking for a confrontation or a work stoppage, neither are we. It's not in the best interest of your employees, our members, or the stock expiration of this company. But I'd like to share some comments on our view of the issues that face us. We have negotiations covering about 9,000 members of the USW employees of Alcoa with a contract expiration of midnight, May 31. And Alcoa, of course, is the largest aluminum company in the world and as your comments indicate, a very profitable company. And Chairman Belda you and the board and the management of the company certainly deserve a great deal of credit for the recent accomplishments and profitability.

But Alcoa employees working in the Alcoa plants across the country also deserve credit for that accomplishment. Obviously, Alcoa would not make aluminum or any of the other products to generate that profit without those workers doing the jobs they do every day. These highly skilled, hard working steel workers, as a rule, are committed to making Alcoa the best company in the aluminum industry. They are committed to making a class product day in and day out as they have done, in many cases, for decades. They understand the importance of continued profitability to their economic welfare. That said, steelworkers employed by Alcoa, believe in the importance of mutual respect. I am convinced that mutual respect between a company and it's workforce is in the interest of the long term economic viability of the company.

As we approach the main negotiations, we are guided by what we regard as basic values and one of those is equality. We believe that workers at the same Alcoa operations, doing the same work with the same amount of experience should receive the same pay and benefits. Two tier benefit programs that divide workers on the basis of when they were hired violate that principle. We believe that workers doing the same work today as they were doing yesterday should not receive less pay than they were before. This is what happens when our members jobs are contracted out to non union, sub-standard contractors. We're opposed to this practice.

Much of our time spending with negotiating with Alcoa will revolve around healthcare issues. It is no secret that we have a healthcare crisis in this country. However, the burden of this crisis can not be born by workers and retirees alone. Workers, and especially retirees are, in fact, less able to bear this burden than large companies are. We believe that all steelworkers employed by Alcoa deserve good healthcare benefits in exchange for their handwork and contribution to Alcoa's profitability. The level of healthcare benefits for these workers and their families should not depend on their ability to pay. Alcoa retirees especially have made this company what it is today. Now, after a lifetime of hard work, they are on fixed incomes and often very vulnerable to cost increases. We all know that retiree's healthcare costs are skyrocketing in Alcoa and in the rest of corporate America. These increasing costs cannot, and should not, be born by retirees alone. A fair and equitable share of these increasing costs must be born by the company.

The steelworkers are not alone in advocating for fair treatment of workers employed by Alcoa. I recently had the opportunity to get to know a number of union leaders representing workers employed by Alcoa in Latin America, Europe, Africa, and Australia. I am here today, not only with my brother and sister steelworker Alcoans, but with representatives of Alcoa employees in Mexico and Brazil. As we look forward toward our upcoming negotiations we offer discussions based on values of fairness, equity, equality, and mutual respect. We believe that the worlds largest aluminum company can and should provide good jobs with good wages and good benefits for workers around the globe that do so much to make this such a profitable company. Thank you Mr. Belda."

Alain Belda, Chairman and CEO of Alcoa Inc. : "Thank you Jim. I think we will both be successful in the negotiations because we have the same view of how we should treat people. What are the issues, what are the long term impacts of either addressing or not addressing those issues. I think we both have Alcoans at heart, so thank you for your words."

Laura Winter, USW : "I'd like to introduce Julia Quiñonez, she comes from the CFO in Mexico and I'm going to interpret for her."

Alain Belda, Chairman and CEO of Alcoa Inc. : "Thank you for coming. As usual the discussion we have is the unionization problem in Piedras Negras, Ciudad Juárez and (Ciudad Acuña). The issue goes like this, first thing is we pay better wages than the average company in the region in which we operate; and this is true for the world, by the way. It is not only true in the U.S. We would look in Davenport for people operating in those kind of jobs . and will look at total comp which includes benefits. and that's the kind of wage we will pay in Davenport because that's the way to attract and retain good, productive workers. We treat them with respect and attention because we want them to stay with us and be productive for many years. We do the same thing in Mexico, Brazil, Australia, Rusia, China, Korea, where ever we go. That is the principle. Salaries are defined by many things. Compensation is defined by market. Normally you'll find us paying higher salaries than the market at the location. This is one of the ways to

retain people. Usually our types of jobs require experience, experience comes with time and exposure and that's what we are trying to do.

We have nothing against unions. In fact I worked for 25 years in my life and was unionized. In Brazil everybody is. I contributed one day of my wages per year to the union. I have no problem, we have unions all over the world, mandated or not. We will not be doing anything against unionization, we will follow the law in each location and in Mexico whatever is the system. we will have a union or will not have a union. You have to work and organize yourselves to get it done. I cannot do it. Certainly we do not want to be perceived as fighting the union in either Mexico or anywhere else. We will communicate clearly about our points of view, we cannot avoid doing that. Is important that you make and our employees make a decision with full information from all sides of the deal. We do that. That's what it is.

In Mexico we have been reducing the number of jobs, it's a function of the order log that we have from the U.S. and Mexican car manufactures, the job has been adjusted, the volume of work in those plants has been adjusted on the basis of the volume of orders we have."

Laura Winter, USW: "I actually was down in Mexico two or three years ago interpreting so I've known Julia for many years and it's interesting for me to hear you say that you are not against unions. And it may as well be true that you are not against unions but I can tell you from my experience there that the management at the plants in Mexico ARE against unions. And they say that "We're just doing,we're just listening to what comes from above." So I can tell you for someone who has been done there and has interpreted for both sides that there's a miscommunication somewhere. Thank You."

[Top](#)

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Comité Fronterizo de Obrer@s (CFO)
Monterrey #1103, Col. Las Fuentes
Piedras Negras, Coahuila
C.P. 26010, México