



# AUTOWORKER CARAVAN

SEPTEMBER 2011

## Lowlights

- Tiered wages become permanent; No percentage cap, this increases the threat that everyone will be reduced to tier 2 in the future -No way for tier 2 to become tier 1 -Tier 2 wage increase to \$19 is not a raise, temps prior to 2007 were paid this much.

- Trades “lines-of-demarcation” removed. [Pg. 343] -Trades functions “exited” in this agreement: Construction, Painting, Carpentry, Building Maintenance, High Voltage Electrical Distribution, Building Electrical, Certified Welder, Building Mechanical, and Crane Hoist repair/inspection. [386-387] -Skilled trades will continue to be consolidated and reduced. [Pg. 551-555] - Skilled Trades classification “Pipefitter” eliminated. [Pg. 307]

- No seniority restoration for Delphi transfers. -4 GMCH (former Delphi locations) will be “red circled” meaning no tier 1 GM employee may transfer into them. The plants will be all “Entry Level.” [Pgs. 439, 443]

- Health Care PPO (Preferred Provider Organization) option eliminated. [Pgs. 26-27, Sup. Exhibit C] -Integration into the National Health Insurance Act (aka: “Obamacare”). “the benefits under the program shall be modified in whole or in part, so as to integrate or so as to eliminate any duplication of such benefits with the benefits provided by such federal law.” [Pg. 238, 294-300 Sup. Ex. C]

- COLA is not restored [Pg. 413] -Legal Services Plan Eliminated [pgs. 173, 328, 343] -No holiday pay for the day after Easter, or the Friday before Memorial Day [pg. 66] -No more paper pay-stubs mailed to your residence. -Dependent Scholarship Program suspended (Doc. 130). [Pg. 413]

- 10% of your profit sharing could be diverted into the VEBA [Pg. 433] -Job Security Program (JOBS) eliminated, replaced with a plan to add jobs at “competitive cost levels.” [pg. 105, 243] The “foundation” for future job commitments everywhere “was set in the 2009 Addendum Agreement” (aka: Lake Orion – Small Car Agreement). [Pgs. 181-186] -“**Innovative staffing arrangements** will be required,” at Spring Hill. [Pg. 427] -Shreveport will be closing. [Pg. 423]

- Doc. 8, the “three strikes and you’re out” attendance policy is not improved. -Your national bargaining committee utterly failed to fix the present forced transfer situation. -Nothing was done to restore time and a half after eight hours. -The July 4 shutdown situation is still a mess.

- Retiree health benefits now to be determined by an unelected board of trustees. Current rank and file members will not have a vote on retiree benefits. [UAW-GM 2007 Highlight Report] -Retirees do not get their dental and vision back. -No Christmas bonus for retirees, Grandkids will have to settle for something hand knitted by Grandma this year!

## Is this Agreement really a Win-Win?

It is nice to be able to go online and read the tentative UAW-General Motors contract, not just the “highlights.” There is certainly a lot of public interest surrounding the contents of the deal. Although the media is selling it as a win-win, let’s take a closer look.

For tier-two workers, the contract provides for a \$3.50 raise over four years—less than a dollar a year, which barely keeps up with the rate of inflation. For many tier-two workers, this isn’t even a raise! Prior to 2007, temps started out at around \$18.60 an hour, so all this does is give back what they lost. Now there are two categories of second-tier: “B” and “C,” with “C” earning a dollar less. Further, there is no cap on the percentage of tier-two workers. The proposed contract does not provide a path for second tier to graduate to top tier wages. This increases the likelihood that all will become tier-two eventually.

For temps, there is no promise of a permanent job. Instead there is language about flexibility in how and where they can be assigned. Some temps have been working five years or more at GM!

Stranded transfers are left marooned hundreds of miles away from their families, with no possibility of return to their home communities; even when GM plants back home put in area hire requests.

Workers at the four GM-owned Delphi plants (GM Components Holdings) have been brought back into the GM contract, but at second tier wages and benefits. GMCH skilled trades will also take a hit in their wages and benefits. Anyone hired prior to October 18, 1999 with “valid flow back applications” may go to GM as tier-one, but carrying no seniority. This contract does not restore seniority for existing Delphi transfers either.

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## Where's the money?

For this agreement GM wanted to maintain concessions won since 2009, and avoid increasing fixed costs. Since the Company made \$6.17 billion last year and \$6.36 billion the first half of 2011, their strategy was to offer lump sum payments and do a little tweaking. They met their objective.

The contract doesn't reinstate COLA or provide a wage hike for tier 1 workers. Instead there is a \$5,000 signing bonus, three lump sum "inflation protection" payments of \$1,000 (for a tier-one worker, that is equivalent to only half the annual inflation rate of 3.8%), a yearly "quality performance bonus" of \$250 *if certain targets are met*, and the promise of a yearly and more transparent "profit-sharing bonus" with a "maximum" but no minimum payout.

Our COLA was frozen in 2009, just before the bankruptcy. If you take into account that the inflation rate is 3.8%, the value of \$28.12 has been eroding since 2009 at a compounded rate. The spending power of \$28.12 by 2015 will be worth what \$21.17 was worth in 2009. By default we are getting a pay cut every year by not having our wages adjusted for inflation.

Automotive News reporter David Barkholz reports that, because workers at GM haven't had an increase in the base rate since the 2003 contract, their wage is worth 20% less today than in 2003. The bonuses don't change that because they are one-time payments. Without COLA workers will be taking an annual pay cut for the next four years.

Retirees lost dental and vision coverage during the bailout. However, the tentative agreement sets 10% of the profit sharing aside for the VEBA. The VEBA board of trustees *could* reinstate coverage. Meanwhile the Christmas bonus retirees received in lieu of any COLA would be canceled. The pension funding is low—but it is low because the UAW continues to allow money for the buy-out packages to be taken from the fund!

## Where are the jobs?

The media claims that...6,400 jobs will be added by GM's new product commitments and investments. Even if that comes true, that's still only a quarter of the 24,500 jobs lost since 2007. Frankly, we are worried about what the UAW is willing to negotiate away (tier-one) in order to reopen Spring Hill or the still-to-be-determined plant for a new compact. The agreement states "innovative staffing arrangement will be required" and that "specific exceptions and modifications" will be agreed upon by national parties. There will not be a vote by the Spring Hill workers on the details of the deal.

*Lake Orion is presented as the model*, but this is the same language they used at Orion in 2010. Without any ratification vote, GM and the UAW agreed it would become a 100% tier-two plant! Currently 40% of the work force is tier-two, skilled trades have been cut by two-thirds and work such as kitting and sequencing has been outsourced at wage rates of \$10 an hour. Skilled trades, when called out to service a machine, are instructed to teach the team leader their job. The team leader is then supposed to teach the operator. This process will mean placing more stress on the operator and reducing the pathway to good, skilled jobs.

Shreveport assembly is still slated to close, Janesville assembly remains on "stand-by" status and stamping plants in Mansfield, Ohio and Indianapolis are shuttered. Shifting work from one plant to another isn't "new" work! Laying off autoworkers in Mexico is not "creating jobs" Talk about new work, why didn't the Union challenge the corporation to make fuel-efficient buses that every U.S. city could purchase?

During the bankruptcy the SUB fund was limited to 52 weeks; this time around the cap should have been removed. Indefinitely laid-off employees are forced to transfer out of the area or lose SUB and health benefits. There is no such thing as "protected status," anymore.

Legal services will be phased out with no new cases taken after December 2013. At a time when the company is reporting growing profits, why is the UAW agreeing to phase out the Legal Plan, which costs the company a pittance?

## What about working conditions?

Speed up and "flexibility" on the shop floor continues. GM can impose, with the International's okay, "alternative work schedules" like the horrendous one that caused Chrysler workers in Dundee to take a strike vote. Overtime begins only after 40 hours of work or on a holiday. The attendance policy is still draconian; relief time remains at 40 minutes. The Easter Monday holiday is gone with only two Election Days off over the four years. Of course there is still no bereavement for same-sex partners—the idea of compassion doesn't quite square with the drive for profitability.

Once assembly workers could work up to better jobs or even get into the trades. But in the 2007 UAW-GM Agreement, Document 157, "Production Maintenance Partnership," provided for skilled trades workers to teach production workers how to do their jobs! This process is called the "Tasking Logic Tree"; it is to be fully implemented by June 1, 2012. GM is offering buyout packages to 10,000 skilled trades workers so that they can be replaced with second-tier workers, "saving" the corporation \$30 an hour, according to Kristin Diczek at Center for Automotive Research.

UAW President Bob King pointed out that autoworkers had lost between \$7,000-30,000 over the life of the contract, and now that GM is profitable there should be gains. In their letter Bob King and Joe Ashton say that equal work for equal pay is "our ultimate goal." We believe it should be the *immediate* goal, it's the basis of unionism and our solidarity. The agreement pits workers against each other for a reduced piece of the pie. Labor costs are 8% or less of the vehicle's total cost. Why not send the negotiators back to the table to carry through on their promise to have autoworkers share in the company's success?

## Contact us

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