

# Minority Report to the Members of the UAW Chrysler Council

From Bill Parker, Chair of the 2007 UAW Chrysler National Negotiating Committee

Although your Bargaining Team worked very hard to achieve our objectives in these negotiations, the pattern set at General Motors undermines years of gains by our union and breaks faith with our own traditions. The 2007 GM pattern agreement effectively ends many of the principles established 70 years ago in the UAW's birth during the historic development of the CIO. For years, the UAW embodied industrial unionism and the gains of the New Deal. So goes the UAW, so goes the American middle class.

*As a result, the National Negotiating Committee had a split vote on the contract. I am asking that you read this minority report carefully, before voting on the tentative agreement. I am asking the Council to step up to our responsibilities and reject the offer as it stands, and return us to the bargaining table.* In taking this position, I want to make it very clear that this is, in no way, a reflection on the leadership of Vice President General Holiefield. I am very appreciative of the changes and integrity he has brought to the Chrysler Department since his election. He has "given us our voice" and asked us to be honest with him.

## What's Wrong With the GM Pattern Agreement?

The GM Pattern contains a number of items that concern all of us. These are:

- The establishment of a two-tier wage and benefit package for "entry level" employees. Two tiers of workers create divisions within the union, pressure to reduce the top tier in the direction of the second tier, and efforts to drive the second tier even lower.
- The division of our facilities into core and non-core jobs. Many of the best jobs in the plants – *currently held by high seniority employees* – will be filled in the future with entry level employees.
- The elimination of all janitors throughout the company.
- The elimination of any general wage increase throughout the life of the agreement, along with COLA diversions to a degree never seen before. In the worst years of the 1980s we always had at least one 3% raise. The COLA diversions projected in this contract will far exceed the sum of all previous COLA diversions combined.
- A two-year limitation on receiving job bank funds if an open job exists anywhere in the company. After that, you could be forced to move anywhere in the country to the open job, wherever it is.
- The failure to provide any sort of equality of sacrifice or to provide for a catch-up if the company turns around in the future.

Naturally, there are also many aspects of the GM pattern that were significant improvements. The most noticeable of these was the moratorium on outsourcing and the plant-by-plant commitment of current *and replacement* product. We had a right to expect that, in Chrysler-izing the GM pattern, we would seek "pattern plus" just as each second and third contract settlement has sought to improve on the pattern in every previous round of UAW bargaining.

## The Chrysler Agreement Amounts to Pattern Minus

In addition to the above-listed items from the GM pattern, the Chrysler Agreement contains additional areas of concern for this Council. These are:

- 1) **NO COMMITMENT BEYOND CURRENT PRODUCT.** Virtually no Chrysler plant received commitment beyond the scope of their current product. This is far more significant than it may sound. For the last 8 years, Council members have been held hostage by management during local negotiations. We have been confronted with company demands for concessions and outsourcing in exchange for future product. Left to deal with Chrysler's threats on a single plant basis, locals have felt forced to make all types of givebacks. These negotiations were critical to put an end to the

company's use of economic terrorism. The GM contract actually did this by committing to product past the current lifecycle being built today. When GM locals seek to negotiate local agreements, they will not be confronted with the threat of no new product, because it is locked into their national agreement. Unbelievably, the Chrysler agreement does not give us the same protection. As a result, the plant-by-plant threats we've experienced in the past will continue in the future. For those of us on the Chrysler Council who have the responsibility for negotiating future local agreements, this is a devastating break from the pattern.

Beyond this, it is important to understand that the GM agreement brought back to the United States several products that were slated for production elsewhere. Our agreement fails to do that and several of the next products will be built exclusively in Mexico, Canada, or China. Finally, a major issue at GM was the production of new types of vehicles such as an electric car, which will now be built in Ohio. We received no commitment for the U.S. production of alternative propulsion vehicles.

- 2) **FOUR FACILITIES TO BE 100% ENTRY LEVEL.** The establishment of permanent two-tier relations is bad enough. It will be a threat to the unity and solidarity within our union. But unlike the GM contract, we will have facilities that are 100% entry level, once red-circled traditional employees leave. Where do those entry level employees go to move up? They will have signed up for entry level wages for life. Under the tentative agreement, this will be the case at Toledo Machining, Marysville Axle, Chrysler Transport, and all Mopar facilities. We will have "saved" these facilities by restricting all future employees to half pay.
- 3) **REDUCED SENIORITY OPPORTUNITIES.** Classifications are being totally eliminated from production jobs on Smart teams. In many places we have successfully implemented teams within our existing classification structure. Now, in exchange for a few pennies an hour, we are giving up any classification variation for team members. There are already few enough opportunities to exercise seniority, without giving up classifications for team members. The side letter allowing the LEPC to request an exemption is meaningless; not many Plant Managers will side with their local union against clear direction from CTC.
- 4) **NO ROLL-OVER OF TEMPORARIES.** The GM agreement rolled over 3,000 temporary employees to permanent, full time, Traditional status. At Chrysler, none were rolled over. This means the shameful hiring of extended temporaries at Belvidere was not corrected. In addition, it means that long service Temporary Part Time employees remain in that status, still lacking a commitment of permanent employment.
- 5) **ADDED COSTS FOR RETIREES.** Pattern for Chrysler in 2007 also means accepting the 2005 concessions made at GM and Ford. This means for active workers, that the dollar an hour we held on to will be eaten away by future COLA diversions (after the first ten cents is snatched each quarter) until we have "caught down" to the GM pattern. In 2005 and 2006, however, this Council was loud and clear that it wanted no health care costs passed onto our retirees. The 2007 Chrysler agreement ignores the Council's position, and places those earlier GM costs onto the backs of our retired members.
- 6) **SKILLED TRADES ISSUES.** The trades avoided many of the issues facing production; however, retiree pensions and benefits for new hires will be different than for traditional employees. The effort to reduce the number of trades will continue through annual packages – something not offered to production workers. New, under this contract, is that skilled trades employees on layoff or in the job bank can be called to take open jobs in production, *though they will keep their skilled wages.* Although separate trades are protected under the "trades consolidation" language, the door is now open for management to expect one trade to do the work of other trades.

*For these reasons, I voted against the tentative agreement, causing a split vote. Today, I ask that you consider the terms of the tentative contract carefully – as well as the content of my report – and that the Council reject the agreement with clear instructions to return to the bargaining table.*