

More Information about Take-aways in the GM Contract

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If you did not get the first letter we circulated about the major take-aways in the GM contract, contact me. My cell phone: 313-737-3166. You can also download the actual contract pages with most of the changes at: www.soldiersofsolidarity.com .

In 4 years, half the jobs could be low-wage, few-benefit jobs.

-- Almost 20,000 jobs will be changed to “non-core” jobs, paying \$14.00 to \$16.

A letter on “Sourcing” says there will be “in excess” of 16,766 “non-core” jobs at the end of the contract, plus another 3,000 to be brought in at low pay. These jobs include material handling, inspection, sub-assembly, environmental, driving, 10 others, plus a category called “OTHER,” without specifying what this “other” means.

-- Other production jobs can be filled by “long-term temporary” workers, paid \$17.

One part of the contract says they can be worked for up to one year. But another part says they will get full vision benefits after 5 years of work. There is no limit set in the contract on the number of “long-term temps” who can be hired.

-- All janitorial and other clean-up jobs are to be “exited.”

These jobs will be done in plant by workers hired by some other company, paying much lower wages.

By the end of this contract, more than half the production jobs could be paying \$17 an hour, or \$14.50, or even less. If we don't vote to protect the wages of new hires now, why would they vote to protect us in the future? This same two-tier scheme was used at Delphi to cut the wages on ALL jobs in half – first for new hires, then for the seniority workers who were left.

The Retirees' VEBA Fund is NOT Protected Against Bankruptcy.

15% of the VEBA will be tied up for five years in one GM-issued security for 4.4 billion dollars. Federal regulations to protect retiree benefits require that no more than 10% be in company stock. But GM is asking for an exemption from this law – and not only for the 4.4 billion dollar note, but for other holdings. Perhaps as much as 20% to 25% of the money could be tied to GM. If GM did go bankrupt, GM securities and promises to pay would be worthless.

Funded at only 59%, the VEBA Is Not Protected against Running Out.

The newspapers reported that the VEBA would be funded at 70% of the 51 billion necessary to pay retiree benefits. That would have been almost 36 billion dollars. But, the “Highlights” said that GM is funding it at only 29.9 billion. That's only 59% -- not much more than half of what's needed. And GM doesn't have to put all of that in right away. Some could be paid off in 5 years, some in 13 years and some in 20 years.

Losing Doctors, Hospitals, Dentists and other Health Care Providers.

Everyone will have to go into one Dental Plan, which will exclude some dentists people now use. Everyone will have to go into the basic TCN Network, or one of three HMO's, cutting off some doctors, dentists and hospitals that people now use.

Many Small Health Care Take-Aways. Here are Some of Them:

-- In the basic plan network, there will be a \$25 co-pay for the first five office visits per year, per family. In any PPO, a 50% co-pay. After that, you pay full charge.

-- Premiums (so-called monthly contributions), co-pays, co-insurance, annual deductibles and annual out of pocket maximums can be raised 3% a year.

-- Prescription co-pays on mail order go up to \$10, generic, and \$15, brand name. Each year after this, prescription co-pays will go up 3% a year or "industry trends."

-- New age and other limits set on coverage for children and legal dependents. Even children who are totally and permanently disabled can be cut off the plan.

-- Someone on disability leave who doesn't go back to work when the plan arbitrator overrules their own doctor will not only lose disability payments but will lose ALL medical coverage.

Here Are Some of the Cutbacks in Skilled Trades:

-- Alternative Work Schedules:

Skilled tradespersons can be scheduled to regularly work Saturday and Sunday as part of a 40-hour-a-week schedule -- at straight time pay.

-- Skilled Trades Jobs to Be "Exited"

The new contract states that these "work elements" and others can be eliminated as skilled trades work: Building Construction including interior remodeling; Painting and Glazing; Carpentry; Building Envelope Maintenance; Specialty Maintenance such as elevators, sprinkler systems, re-lamping; Certified Welder Maintenance; Hi Voltage Electrical Distribution; Building Mechanical; Building Electrical; Crane Hoist Repair/Inspection. This is only a partial list. See the letter titled "Exiting Non-Strategic Skilled Trades Work" for the whole list. This letter also says: "As the workload requirements exceed the remaining resources, the work will be exited and not subject to the subcontracting provisions of the UAW-GM National Agreement".

Full Utilization Is Undercut:

Another letter on "full utilization" says that "excessive overtime" will be eliminated. This only allows more outsourcing without penalty.

-- Skilled Trades Jobs to be Combined:

"Lines of Demarcation" are to be reviewed "to eliminate situations that cause unnecessary delays or inefficiencies". "Self-managed skilled trades teams" to be set up, "without restrictions on how the teams would interact".

-- Skilled Trades Work Pushed onto Production Workers:

The new contract says: "Production Operators/Team Members/Leaders are first point-of-response to deal with out-of-standard conditions with machinery and equipment including quality, material, or maintenance." In other words, skilled trades work will be added onto production workers along with their other responsibilities.