

UAW-Chrysler 2007 Lowlights

Rather than compare what we got to what we had, the UAW-Chrysler “NEWSGRAM” makes bread crumbs look like meat and potatoes by comparing what bargainiers gave away to what the company wished to take away — “Chrysler had an agenda that was nothing but cutbacks.”

“Your bargaining team successfully resisted the company’s demand to cut your pay.”

Ignore the sales pitch and study the numbers. Not only will .10 cents per quarter be deducted from COLA raises but an additional \$1.01 will also be deducted. As a result “your bargaining team successfully” cut \$2.51 per hour over the life of the agreement. That is \$100 per 40 hour week.

Lump sum payments are here today, gone tomorrow. Raises and cost of living adjustments are here today, and grow tomorrow. COLA and annual raises compound quarterly and pay dividends, week after week after week. COLA diversions compound deductions, month after month after month.

On top of that, new hires will start at \$14 per hour, a standard well below the nonunion manufacturing average of \$19.62 as cited by the UAW Research Department [www.uaw.org/facts/index.cfm]. Wages will be frozen for the next four years, but in 2011 everyone will be degraded.

Are you “core” or “non-core”? First class or second class? And what is the value of seniority if you can never transfer to a better job? The parties agreed “to consolidate classifications” [pg 121].

There will be two classifications among “core” workers: Team Member or Team Leader. “Every employee is a Team Member; there are no specialty job classifications.” [pgs 227-228]

Core workers will not be allowed to transfer to the better “non-core” jobs. If a worker is currently in a non-core job, they will be “red circled”. Management will have a powerful motivation to remove you and replace you with someone who will earn half as much.

“The parties have identified Non-Core product and process work totaling 8,000 jobs represented by the UAW that will be retained through a moratorium on outsourcing” [pg 159]. BUT in an “UNPUBLISHED LETTER” the parties agree “to meet and establish initial guidelines and parameters within 120 days of ratification that will be used to determine the application of the MOU” [pg 308]

In other words, we haven’t heard the last word. There’s more to come, including, “The parties will also determine appropriate application of core/non-core provisions to future Temporary Part Time (TPT) employees” [pg 308]. The future is increasingly temporary [see pg143].

Three facilities— Toledo Machining, Detroit Axle, and Marysville Axle — will be designated entirely non-core [pgs 154-155]. Nineteen Parts depots will be designated entirely non-core [pg 168]. All transport workers will be designated non-core [pg 151].

Despite the job security brouhaha in the “Newsgram”, all insourcing is “dependent upon a favorable business case” [pgs 159-160]. And despite the so called moratorium on outsourcing, the parties have “agreed to exit” janitorial, cardboard disposal, trash handling, ground, lawn care, snow removal, line sweepers, booth cleaning, machine cleaning, and chip handlers [pg 302]. But that’s just the beginning.

Skilled trades will be systematically reduced [pgs. 274-280]. “...any given classification may perform work normally belonging to another classification” [pg 275]

Forty-eight skilled classifications “will be incorporated into the Work Group Model based upon plant needs” [pgs 276-277].

“Implementation of the basic trade classifications into the Natural Work Groups is expected to occur no later than the end of the 2nd quarter, 2008” [pg 279].

Retirees were not spared. The VEBA is less than 50% funded. “*In reality, the \$11 billion you paid to get the health-benefit liabilities off your books will soon look outrageously cheap*” [www.portfolio.com/executives/features/2007/10/11/Rescue-Memo]. But in reality, it’s \$7.1 billion cash for \$19 billion in liability. What’s a “debenture” to a private equity company? They can print stock at Kinkos. A seventeen year old prom queen wouldn’t buy that line from a quarterback in a tux.

According to Newsgram: “The company will pay an additional \$1.5 billion to pay for retiree benefits from now until 2010 when the VEBA becomes operational.”

The company was already legally obligated to pay for retiree health care as a result of previous contracts. There was nothing “additional” about it.

If \$1.5 billion is needed to cover retiree health care for the next two years, \$8.8 billion will not last more than twelve years. Hence, the repeated phrases, “provide benefits at modified levels,” and “trustees will have the authority to make benefit adjustments” predict further rollbacks.

Stand your ground. There’s nowhere to run.