

# If we don't get rid of 2-tier, we will all be 2nd tier one day.

In 2007, when permanent 2-tier jobs were negotiated at Ford, GM and Chrysler, it may have been the biggest pay cut in this country's history. \$28-an-hour jobs instantly became \$14-an-hour jobs. For the next generation of autoworkers, 2-tier means no chance to raise a family decently, no chance to buy a house or even buy the products that we build.

But it's not just the next generation that is at risk. Does anyone really believe that if we allow 2-tier to continue, it is going to stop with the new hires?

If you think that 2-tier wages can't happen to everyone, just ask the workers at GM's Orion Assembly plant. They were told that 40 per cent of the workforce would be working for \$14-an-hour. Many first tier workers were told -- either cut your wages in half, or transfer to Lordstown, Ohio, 250 miles away. UAW President Bob King has said he would be willing to do the same kind of deal in other plants.

The UAW leadership says that 2-tier means that Ford, GM and Chrysler will now in-source some work. The auto companies out-sourced a lot of subassembly work in order to have companies like Johnson Controls pay people \$14 to do work that we used to do for \$28. If Ford, GM and Chrysler now can pay people \$14, they may bring back some work. But who does that really benefit? A \$14-an-hour job is a \$14-an-hour job. Does it really matter who signs your check?

The UAW top leadership says 2nd-tier workers just need a small raise. But a small raise still leaves their income near the poverty level for a family of four.

There were supposed to be limits on how many 2-tier employees could be hired. But these limits are filled with loopholes, just like at Orion. What do you think will happen when the majority of the workforce is 2nd-tier?

As long as we are divided between 1st and 2nd tier, we are all at risk. It is hard to get a raise when our co-workers are working for less. If we want to make more than \$28, then we need everyone to be brought up to \$28.

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Our retirement is also at risk if nothing is done to address the VEBA, which now pays for retiree health care. According to AARP's Public Policy Institute, when the VEBAs were negotiated in 2007 the liabilities for current and future retirees at Ford, GM and Chrysler totaled \$88.7 Billion. But the companies only paid in \$56.5 Billion, which meant the VEBAs were severely underfunded. In 2009, the companies were allowed to use stock in place of cash for over one third what they owed, further putting the VEBAs at risk. We were told the VEBAs would last for 80 years. But in the very first year of the VEBA, retirees had to pay higher co-pays, premiums and deductibles. GM and Chrysler retirees lost their dental and vision.

We have earned the right to a secure retirement. Mulally and his friends who profit from our sweat and hard work have no right to take it away.

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