



## Is the Tentative Agreement a Win-Win?

It's good to be able to go on line and read the tentative GM-UAW contract the UAW posted, not just the "highlights." Although the media is selling it as a win-win, let's take a close look.

- For second-tier workers, the contract provides for a \$3.50 raise over four years—less than a dollar a year! For many two-tier workers, this isn't even a raise! Before 2007 temps started out at \$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 second-tier workers. Two-tier wages and inferior benefits have brought down the labor cost at GM. Expand that percentage and the "savings" for GM dramatically rises.
- 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 at GM!
- Stranded transfers are left stranded, with no possibility of return to their communities even when GM plants close to home need more staffing.
- Workers at the four GM-owned Delphi plants (GM Components Holdings) have been brought back into the GM contract. While this is a good thing, all production workers are to be at second tier wages and benefits. 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 first tier but carrying no seniority.

### Where's the money?

- The contract doesn't reinstate COLA or provide a wage hike. Instead there's a \$5,000 signing bonus, three lump sum "inflation protection" payments of \$1,000, 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.
- A bonus doesn't add anything to the base wage. It's just a one-time deal. Of the current base wage, fully one third is the result of COLA being folded in over the years. Yet *Automotive News* reporter David Barkholz recently noted that because workers at GM haven't had an increase in the base rate since the 2003 contract, the wage is worth 20% less today than it was. What will it be worth in 2015? 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.
- Retirees lost dental and eye health coverage during the bailout. However the tentative agreement sets 10% of the profit sharing aside for their VEBA and the VEBA board of trustees could reinstate coverage. Retirees are assured that the VEBA board "will keep you informed as progress is made toward finding solutions to health care concerns." 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 agree that money for the buy-out packages are to be taken from the fund!

- The tentative agreement claims 6,400 jobs will be added by GM's new product commitments and investments. The GM workforce in 2007 was 73,000 and now it's been reduced to 48,500 so another 6,400 is still lower than what it was even as productivity climbs. Frankly, we are worried about what the UAW is willing to negotiate away 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 (only).

*Lake Orion is presented as the model*, but in 2010, without any ratification vote, GM and the UAW agreed it would become a 100% second-tier plant! Currently 40% of the work force is two tier, 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"—the UAW should unite with autoworkers in other countries for more jobs and better wages. Talk about new work, why shouldn't the corporation be making fuel-efficient buses 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.

### **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. Legal services will be phased out with no new cases taken after December 2013. 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."

- 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 Dziczek at Center for Automotive Research.

For this agreement General Motors' management wanted to maintain the concessions won since 2007 and avoid any fixed costs. Since the corporation 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.

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's the *immediate goal*, the basis of unionism and our solidarity. The agreement seems to pit workers against each other for a reduced pie—yet 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?

Web: [www.AutoworkerCaravan.org](http://www.AutoworkerCaravan.org)  
Phone: 313-863-3219

Email: [autoworkercaravan@gmail.com](mailto:autoworkercaravan@gmail.com)

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