

96 percent vote in favor at Detroit area mass meeting

DTE Energy workers authorize strike

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Thousands of workers employed by DTE Energy voted to authorize a strike at a mass meeting Tuesday evening in the Detroit suburb of Livonia. According to the Utility Workers Union of America (UWUA) Local 223, 96 percent of those present voted to strike against the \$8 billion utility corporation.

The labor agreement covering unionized workers at DTE's Detroit Edison electrical division expires at 11:59 p.m. Sunday, June 6, and at its MichCon natural gas division on October 10. The joint contract covers 3,900 workers, including welders, electricians, power plant operators, meter readers, gas distribution fitters, customer service representatives and others.

Workers who came from throughout Michigan and Ohio were particularly outraged that the company is demanding major concessions, including unlimited subcontracting and cuts in health care benefits for current workers and future retirees—even as it posted a 29 percent increase in first quarter profits. At the same time it has richly rewarded its executives, including CEO Anthony Earley Jr., who pocketed \$9.2 million in total compensation in 2009, according to *Businessweek*.

In a communication to DTE employees, the energy monopoly described workers' benefits as "rich" and "out-of-market," particularly given the economic climate in Michigan.

The company's profits jumped to \$229 million in the quarter ending March 31 and the value of DTE stock on Wall Street has jumped 50 percent since last July. The increase in income—even as demand from industrial and residential customers in the economically depressed state remained poor—was largely achieved through an aggressive cost-cutting campaign, executives boasted, and a 20 percent hike in utility rates last year.

The rate hike—which has made light, gas and heat unaffordable for hundreds of thousands of households in Southeast Michigan—was rubber stamped by the Michigan Public Services Commission, the regulatory agency appointed by Democratic Governor Jennifer Granholm, which guarantees DTE an 11 percent return on investment.

In addition to the large salaries paid to its top executives, DTE has spent tens of millions on advertising campaigns to promote itself as a compassionate corporate citizen to deflect criticism for shutting service to hundreds of thousands of southeast Michigan residents for nonpayment, and for a series of fatal house fires that resulted. Last year, it hired a Maryland-based company, RecoveryIR, to do an aerial infrared scan of Detroit's poor neighborhoods to catch "energy thieves" who using unauthorized

gas and electrical hookups.

The last several contracts negotiated by the UWUA have imposed severe rollbacks on DTE workers, including job cuts, subcontracting and other concessions that undermined working conditions and living standards. At least 800 Local 223 jobs have been eliminated since 2004 alone. In its last contract in 2007, the UWUA also agreed to allow part-time meter readers to be paid a poverty wage of \$10 an hour.

Speed-up and unsafe conditions have led to large numbers of asbestosis cases and injuries. Last November, a DTE worker was electrocuted at a substation on the northwest side of Detroit.

UWUA officials have repeatedly told workers their "partnership" with the company would produce a beneficial contract. In an effort to blur the line between the interests of workers and corporate management, the UWUA has not referred to its talks with management as formal negotiations. Instead, according to a joint statement with DTE, management and the union have been engaged in "interest-based bargaining" and "mutual gains bargaining," which "allows the parties to identify and address the real underlying concerns of each, through joint problem solving, and negotiate 'win-win' solutions where possible."

After more than a month of negotiating behind the backs of the membership and claiming progress was being made, the UWUA suddenly issued a notice to its membership on May 24 stating that DTE was demanding "the unlimited right to spin-off operations" and "huge cuts in health care for active employees and all future retirees."

Taking its lead from President Obama's health care overhaul—which was enthusiastically supported by the UWUA and AFL-CIO—DTE is seeking to cut medical expenses by reducing the level of health care available to its workers.

According to a leaflet distributed by a union dissident group, DTE is demanding a reduction in the number of plans available to workers, the elimination of "high cost plan options," including HMOs, and the shift to "consumer driven health plans." In addition, retiree medical benefits will be slashed for new hires, retirees will be forced to set up health care accounts that shift medical costs from the employer to retired workers, and workers will be compelled to participate in health risk assessments and physicals to be eligible for health care coverage or enhanced levels of coverage.

At Tuesday's meeting Jim Harrison, UWUA Local 223

president, told the membership,

“We were optimistic that our talks would be productive, and lead to a ‘win-win’ result for both our union members and the employer. We believed that because there was no reason for it to be any other way. Unlike many other industries and companies, DTE is not facing economic turmoil. DTE is posting huge profits. It only had to share its success with its union workers.

“Unfortunately, we were wrong. DTE management has failed to bargain in good faith. DTE knows the sacrifices workers have been forced to make in other industries because of the difficult economic circumstances in other industries. Very simply, they see what they believe is a ‘window of opportunity’ to strip our members of employment and retirement security.”

The UWUA president’s astonishment notwithstanding, there is nothing surprising about this situation. Every corporation in the US, whether profitable or not, took the Obama administration’s forced bankruptcies and restructuring of General Motors and Chrysler as a signal to launch an onslaught against their own workers. The concessions granted by the United Auto Workers union—which included the wiping out of tens of thousands of jobs and the hiring of new workers at half the wages, with substandard health care and retirement benefits—has become the new benchmark for the drastic and permanent lowering of living standards for all workers.

The UWUA president’s comments—even if Harrison’s expression of disbelief were sincere—only testify to the bankruptcy of the organization he leads. Steeped in the policy of class collaboration, the UWUA is incapable and opposed to any struggle against the company. Instead the UWUA officials hope the strike vote will persuade management to “work with their union partners” to impose its cost-cutting measures, and reward the union officials for their services.

DTE workers can place no confidence in the UWUA or the AFL-CIO. The precondition for any serious fight against the energy giant—and the political establishment that stands behind it—is the formation of rank-and-file committees independent of the union apparatus. Preparations must be made now to mobilize all workers, including in the MichCon gas division, to launch a company-wide strike against DTE to defeat its takeaway demands.

The most important allies of DTE workers are not the big business politicians in Detroit and Lansing—including Detroit Mayor David Bing, who served on DTE’s corporate board for two decades—but workers throughout the city and state who are facing a similar attack on jobs and living standards. To rally the support of workers and the unemployed to their side, it is crucial that DTE workers publicly oppose the company’s policy of utility shutoffs, which have victimized 400,000 households in Southeast Michigan over the last two years and led to a series of fatal house fires in Detroit.

Before Tuesday’s meetings, supporters of the Socialist Equality Party and the Committee Against Utility Shutoffs (CAUS) distributed hundreds of leaflets to DTE workers. (See “Appeal to DTE workers”)

The WSWS spoke with Gregg, a DTE worker who attended the

meeting. He said, “We voted to authorize a strike. The tone of the meeting was we have a profitable company that feels the employees are ‘out of alignment with the marketplace’ and should concede their benefit packages. We voted to show DTE management that we were not going for that.

“It’s just shows their disrespect for us. The management team is trying to find out what the ‘labor market will bear.’ Upper management is not conceding anything. They’re saying, ‘Yes, the company has been successful. Yes, you’ve contributed towards that—but we’re going to reward ourselves and devalue you.

“Management calls it an ‘adjustment.’ According to them we’re overpaid and enjoy too rich benefits. They’re not even talking about freezing things; they want to take away our benefits.

“I try to avoid the hoopla and think about this rationally. Management has outsourced the job of really running a company. Instead they sit at the top and figure out the best way to increase returns for their shareholders is to cut our health and other benefits. They must have really stressed it coming up with the idea that cutting my wage was the best way to boost ‘shareholder value.’

“We take the cuts, while the wealthy who are scattered across the globe pocket everything. They use the age-old method of looking for a cheap workforce and cheap raw materials. They’ll continue that until the whole globe is under their game.

“They’re not interested in the health of the companies. The big investors are only interested in their next quarterly return. We have to stop this exploitative speculation. We need to take a portion of what the banks and companies like BP have made and put it into a global catastrophe fund to help people.”

Responding to the appeal to DTE workers issued by the Committee Against Utility Shutoffs, he said, “At work we had a lot of discussion on the leaflet. We downloaded the article from the socialist web site and it was everywhere. We looked at the figures of what the CEOs were making and it was the discussion around the water cooler and the lunchroom. We spoke about the utility shutoffs and said how terrible it was that the Michigan Public Service Commission gave DTE whatever rate increases it wants.”



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