

# Detroit emergency manager terminates union contracts, transfers city lighting to DTE

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As part of the opening moves in his plans to restructure Detroit, the city's unelected emergency manager, Kevyn Orr, has decided to terminate the contracts of three of the city's unions—the American Federation of State, County and Municipal Employees (AFSCME) Local 1023, the Detroit Fire Fighters Association (DFFA) and the Detroit Police Lieutenants and Sergeants Association (LSA). As a result, the collective bargaining agreements for AFSCME Local 1023 and the LSA will expire on July 6 and the contract for the DFFA will end July 1. No new terms have been announced.

Alongside this, Orr announced that he will be closing down Detroit's Public Lighting Department and transferring operations to private utility company DTE Energy. Until now most of Detroit's municipal buildings were powered by the PLD, including public schools, Wayne State University, Joe Louis Arena, Cobo Hall, and the Detroit Institute of Arts. Orr cited as his reason for the transfer the fact that the PLD reportedly lost \$150 million over the past five years because of an outmoded infrastructure.

AFSCME Local 1023 is the union that oversees nearly 100 9-1-1 dispatchers. Come July 6, these workers could see their jobs and benefits ended and a crucial public service, the ability to call for help in an emergency, could be compromised in Detroit.

The decision to cancel the LSA contract, which covers about 465 officers, is bound up with the attack on the city pension funds by Orr. Two hundred of the 465 police officers are eligible to retire now, and according to Mark Young, president of the LSA, many are “on the bubble” regarding the decision to retire before the contract expires to lock in retirement benefits. However, if Orr goes through with gutting city pensions, whether through Public Act 436 or Chapter 9

bankruptcy, these officers would more or less be forced to continue their jobs, especially given that since they have city pension plans they are not eligible for Social Security.

It is unclear what will happen to the Detroit Fire Department. It has gone from 1,300 employees five years ago to 917, with a significant portion eligible to retire. It has a fleet of vehicles that is both out of date and in disrepair. It covers an average of forty fires a day. Already undermanned and stretched beyond the breaking point, further cuts to the fire department would leave large areas of the city virtually unprotected.

Orr's decision to cancel the contracts of 9-1-1 operators, firefighters and police officers is part of the thrust to privatize all city services, including sanitation, sewerage, lighting and now potentially the police (and perhaps fire) department. The action undermines the claim that “public safety” is Orr's primary concern. Cutting 9-1-1 operators and firefighters will mean that there are more deaths in the city, not fewer.

Cuts to public lighting also threaten the health and safety of city residents. In the *Financial and Operating Plan* issued May 12, the emergency manager declared that he was going to reduce the number of the city's streetlights from 88,000 to 46,000 to “cater to Detroit's current population centers,” which puts a great many people—children walking to school, seniors trying to get groceries—not living in these “centers” at higher risk.

Gas and electric monopoly DTE Energy is the chosen entity to bring this plan to fruition. In 2011, it repossessed its streetlights in the Detroit enclave Highland Park, which left the population of 16,000 mostly in the dark. This was a result of an unpaid electricity bill of \$4 million. DTE did not merely cut off power, it hired contractors to physically remove

1,400 poles. It replaced them with 200 “more efficient” poles, which left only 500 lights in the entire three-square-mile area. (See: “DTE Energy turns out the lights on Highland Park, Michigan neighborhoods”)

Given its record, DTE will suffer no pangs of conscience plunging parts of Detroit into darkness, especially given that it will now draw money from the coffers of Detroit, charging outrageous sums to provide electricity to municipal buildings.

These developments are part of a class policy. The so-called revitalization of Detroit entails cuts to public services in poorer sections of the city while a few enclaves, such as downtown and the newly announced arena and entertainment district—the upscale developments of the *nouveau riche* — will benefit.

All these actions reflect the thoroughly anti-democratic character of the emergency manager law. Public Act 436, which was implemented against the will of voters in Michigan, who voted down a similar law last November, grants sweeping powers to a governor-appointed emergency manager, in this case Kevyn Orr, to “act for and in the place and stead of” a city’s elected government, allowing him to rip up contracts and sell off city assets with the stated goal of ending that city’s “financial emergency.”

In reality, the goal is to pay back Detroit’s \$20 billion in long-term debt to creditors. Using his dictatorial powers, Kevyn Orr’s “restructuring” of the city is a social counterrevolution, taking whatever wealth remains in Detroit and transferring it to the banks, hedge funds and insurance companies that Orr serves. This entails shredding what remains of social services, destroying the jobs wages, health care and pensions of city workers, and selling off city assets.

In the face of this brutal assault, the unions have remained silent. Rather than calling for a movement in opposition to the cuts, they were all thrown onto the defensive by the announcement last week that Orr is launching a corruption probe into the pension funds, a source of perks and privileges for the union executives. No doubt much corruption exists. However, the real target of the probe is not corruption, but the benefits and pensions of the workers.

There is, however, money for the new police chief, James Craig, who will begin a new two-year contract on Monday and will be paid \$225,000, according to Orr’s spokesman Bill Nowling. Councilwoman JoAnn

Watson supported the high salary, more than 50 percent higher than the mayor, stating that “public safety” is the city’s highest priority. This coincides with the unveiling of a new Public Safety Headquarters building yesterday, at a reported cost of \$60 million.



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