

Fiat Chrysler workers reject UAW contract at Michigan and Indiana plants

Jerry White
25 September 2015

Workers at Fiat Chrysler's stamping plant in Sterling Heights, Michigan, a casting plant in Kokomo, Indiana and a Mopar parts facility in Centerline, Michigan have defeated the contract being pushed by the United Auto Workers in the first votes being reported from major factories. The deal was also rejected at smaller parts depots in Colorado and Los Angeles.

Fifty-seven percent of the production workers and 61 percent of the skilled trades rejected the agreement at the suburban Detroit stamping plant Thursday, according to the UAW Local 1264 Facebook page. There are 2,000 workers at the Sterling stamping plant.

Fifty-nine percent of production workers voted to reject the contract while skilled trades workers split the vote at Kokomo Casting, a source at UAW Local 1166 reported to the *Detroit News*. The factory employs 1,100 workers.

Sixty-five percent of production workers and 52 percent of skilled trades voted "no" at Local 1248, which encompasses some 700 workers at the Mopar parts distribution center in Centerline, another Detroit suburb.

About 12,500 of the 40,000 FCA workers are expected to vote Friday, including about 4,400 hourly workers at the Jefferson North Assembly Plant in Detroit and 6,000 workers at multiple plants in Kokomo, Indiana. Other major plants, including in Toledo, Ohio; Belvidere, Illinois and the Detroit area are scheduled to vote on the weekend or early next week.

The votes are an initial expression of the deep hostility workers feel towards the sellout agreement, which the UAW is seeking to ram through with little or no time for discussion. The deal not only continues the hated two-tier wage system—which pays workers hired after 2007 little more than half the pay of traditional

workers—it establishes several more tiers based on seniority and workplaces.

The deal violates a provision from the 2011 contract that would restore the 25 percent cap on the proportion of two-tier workers employed by FCA and to immediately transfer 7,000 of the company's 17,000 second-tier workers to the tier-one wage. The current agreement contains no caps on second-tier workers—which make up nearly half of the FCA hourly workforce—and will force lower-paid workers to wait seven years before they reach top pay of \$25.35. To add insult to injury, Mopar and axle workers will max out at \$22 and \$22.35 an hour, respectively, at the end of the four-year agreement, \$3 less than other second-tier workers.

All tier-two wages will be substantially lower than the \$30.23 "legacy" workers—those hired before 2007—will make by the end of the four-year contract. These workers have suffered a decade-long pay freeze, resulting in a 22 percent fall in real wages. They will only receive a six percent wage increase by 2019. The UAW and Fiat Chrysler are seeking to push out the higher paid workers—through a combination of brutal speedup schemes, an absentee policy that facilitates dismissals and so-called voluntary retirement packages—in order to establish a uniformly lower-paid workforce.

In exchange for the UAW's continued collaboration in the attack on autoworkers, FCA has agreed to invite other companies to take part in a plan that would hand over the provision of health care benefits for current employees to a "co-op" run by the UAW. This would expand on the UAW's multi-billion dollar retiree health care trust, one of the largest private investment pools in the world, and give the UAW an incentive to reduce benefits and impose large out-of-pocket

expenses on workers.

Part of the agreement includes a pledge by the UAW and Fiat Chrysler to impose deductibles for the first time on tier-one workers. The union and company would work together to reduce costs, in line with President Obama's push to shift the cost of health care from the employers to workers.

In a change from previous contracts, the deal does not include any "product commitments" from the company to say what plants will remain open and what workers will still have jobs. While job security promises are regularly violated, the constant threat of plant closings or layoffs will be used as a Damocles' Sword over the heads of workers to extract further concessions.

Automotive News reported that at a press conference last Friday UAW President Dennis Williams said FCA was still finalizing where it would build future products, and that therefore the plan was not included in the agreement that FCA's hourly employees are considering. He also would not estimate the net number of jobs that would be created over the next four years of the contract.

The company has outlined plans to shift production of the Chrysler 200 and Dodge Dart car models to Mexico and to only produce more profitable pickups, SUVs and crossovers in US plants. According to *Automotive News*, this "was communicated orally to UAW officials, but not in writing."

Behind the scenes, the UAW is collaborating in the complete restructuring of Fiat Chrysler's operations in order to reduce expenditures and make the company attractive for a merger with GM or another major automaker, a move that would eliminate tens of thousands of jobs.

One provision in the contract says that within six months a joint body called the "Local Job Security, Operational Effectiveness and Sourcing committee," headed by representatives from the UAW International and FCA, will review the "overall competitiveness" of each location and outline "plans to improve quality and efficiency," which may "require change or waiver of certain agreements or practices." In other words, the UAW and management will have the power to tear up any local contracts and conditions where they see fit.

"Everything sucks about this contract," a worker at Chrysler's Trenton Engine plant told the *World Socialist Web Site* Autoworkers Newsletter as she came

to an informational meeting in downriver Detroit. "It's the money, the attendance policy, the health care changes and more."

"It's terrible about how secretive they have been," said a senior worker in Trenton. "There are so many things they hide in the corners and workers never hear about until after the vote. I'm disgusted with how they are offering buyouts targeted to specific plants, instead of offering an overall package. They are also cutting jobs. We have a C crew at our plant doing swing shifts but there are no skilled trades for half the time. That is saving the company hundreds of thousands of dollars each year."

"This is all BS," said another Trenton Engine worker. "I've been through two contracts without a raise. If the union says it wants to eliminate the two tiers, then why did it sign a contract that ends up with six tiers? You should give these workers pensions and health care instead of incentive bonuses to work even harder."

"We work too hard in there. They have safety violations and do nothing about it. The UAW is not for workers but only for themselves."



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact