

# UAW Ford Council approves sellout deal

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Local United Auto Workers officials gave their rubber stamp approval to the sellout agreement with Ford at a hastily convened session Monday at the UAW-Ford Joint National Program Center in Detroit.

The UAW-Ford Council signed off on the deal even before the formal approval of the contract settlement between the United Auto Workers and General Motors. GM skilled trades workers voted down that agreement by a nearly 60 percent margin while the UAW claimed production workers narrowly approved it.

The UAW claims authority to override the skilled trades rejection and appears set to do just that by declaring that the “no” vote was based on the general economic settlement, not issues specific to skilled trades workers.

In the wake of the defeat of the first Fiat Chrysler deal and heavy opposition to the GM contract, UAW officials are ramping up their campaign to strong-arm workers to approve it. Voting on the deal could begin later this week, only days after the UAW released the details of the agreement Monday. The aim is to give workers as little time as possible to study the deal and build opposition to it.

The Ford deal follows reports that the company recorded North American profits of \$2.7 billion in the third quarter of this year. It is predicting operating profits of between \$8.5 and \$9.5 billion in 2015. With sales slumping in Europe and Latin America, Ford—with the collaboration of the UAW—is seeking to squeeze as much profit as possible out of its US operations.

In announcing the deal, UAW Vice President for Ford Jimmy Settles called it, “One of the richest agreements in the history of UAW-Ford.” In comments to the *Free Press* Monday, Settles implied that a rejection of the agreement would threaten the jobs of Ford workers, declaring, “I know everybody wants everything back that they gave up. But I think when people look at it,

they see that when that happens, we lose jobs.”

The full contract was posted Monday afternoon. An initial examination of the details reveals that it differs in only minor respects from the sellout agreements previously inked with Fiat Chrysler and General Motors. In particular it removes the existing 25 percent cap on the number of second-tier workers, thus establishing a lower wage and benefit rate that will become the standard once current tier-one workers are fired, quit or retire.

Settles—whose estimated income from the UAW and seats on various labor-management and corporate boards is \$222,181—has a long record of imposing concession agreements. He oversaw the betrayal of the 2008 strike by workers at American Axle, which resulted in massive pay cuts from \$28 an hour down to \$18.50 or less. He also sanctioned the spin off by Ford of instrument panel production to Detroit Manufacturing Systems, where workers earn about \$11 an hour and pay dues to Settles’ former UAW Local 600 for the privilege.

The UAW-Ford deal will ensure a significant reduction of costs for Ford, which has already slashed its hourly labor costs per hour worked from \$64.35 an hour in 2011 to just \$56.33 an hour in 2014. Meanwhile, despite all the talk from Settles about preserving jobs, the number of UAW represented employees has plummeted from 88,000 in 2004 to 48,000 in 2014.

Tier-one workers, whose wages have been frozen for more than a decade, will receive just 3 percent wage increases in the current year and in the third year of the agreement. They will get lump sum 4 percent payments in the second and fourth years.

Like the FCA and GM contracts, the Ford deal forces newly hired second-tier workers, so-called in-progression employees, to labor eight years before reaching “traditional wages.” This promise is

meaningless since the contract expires in four years and the UAW and the company can simply renege on this in the next contract in 2019.

The deal is modeled on the “new hire grow-in system” in Canada, where the Canadian Auto Worker (now Unifor) accepted a three-year transition to full wages in 2008, which was expanded to six years in 2009 and then 10 years in 2012. In both the US and Canada second-tier workers retain inferior health care and pension benefits.

Other regressive features include:

- \* In the name of “insourcing” jobs, the contract establishes a new “competitive” rate structure at the Rawsonville, Sterling and Woodhaven stamping plants in Michigan. Tier-two workers, now so-called “in-progression” workers, will start at just \$16.25 an hour with a maximum of just \$19.86 after four or more years.

- \* The contract maintains the Alternative Work Schedule that imposes 10-hour shifts without payment of overtime after eight hours.

- \* Second-tier workers are not eligible for retirement benefits under the UAW-Ford retirement plan.

- \* Citing the so-called “Cadillac Tax” under the Obama administration’s health care overhaul, the deal imposes first-time deductibles of up to \$400 for single coverage and \$800 for family coverage starting in 2018 for plans that exceed the Affordable Care Act annual threshold.

- \* Retirees will get an insulting \$250 annual payment in each year of the agreement. Hourly and skilled trades workers are to receive a “targeted” retirement incentive of \$70,000, meaning that only those chosen by the UAW and management will be eligible to receive it.

- \* The contract establishes in effect a two-tier wage system for temporary employees, who will now start at the poverty wage of \$15.78 an hour, rising to just \$19.28 after four years. It establishes two classes of temporary workers, Temporary Part-Time and Short Term Supplemental, and expands the permitted use of temporary employees. TPTs may now work three days a week instead of two and STS may work five days a week for up to 12 calendar months.

- \* In the guise of giving workers more opportunity for overtime, the contract expands the number of mandatory Saturday shifts that management at car and truck assembly plants can schedule from six to nine

annually.

- \* In a transparent attempt to bribe workers into ratification, the UAW and Ford have included a \$10,000 signing bonus, which includes a \$1,500 advance payment on profit sharing.

- \* The contract includes annual lump sum payments of \$1,500 in lieu of restoring cost of living increases, meaning that the raises will not be folded in to current base wages used to calculate overtime, vacation pay and pensions.

The agreement does nothing to stop the use of contract workers to perform such jobs as janitorial and inspection. The use of low-paid contract workers is spreading and they often perform work formerly done by tier-one workers, often getting no benefits and working for as little as \$9 an hour. This also excludes any possibility that older workers can be transferred from the assembly line to less physically demanding jobs.

UAW officials did not forget to include themselves in the deal. The Ford contract includes a raft of payoffs to the UAW bureaucracy in the form of the expansion of posts on joint union management committees including the corporatist committee on joint health and safety and the diversity inclusion program. While doing absolutely nothing to defend the rights of workers, these committees provide a host of cushy jobs for the UAW hierarchy and their hangers-on.

The WSWS will continue to analyze the contract as further details emerge. What is clear is that workers should mobilize now to defeat this contract and ensure the largest possible “no” vote.



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