

UAW moves to wrap up concessions contracts for Nexteer workers, component drivers

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In the wake of the imposition of sellout agreements at the Big Three US auto manufacturers, the United Auto Workers is working to wrap up contract talks involving auto parts workers at Nexteer Automotive as well as parts component drivers. Workers are seeking to recoup massive concessions surrendered in the wake of the 2009 auto bankruptcies.

UAW Local 699 in Saginaw County, Michigan postponed a strike deadline, originally set for November 25 until December 1. The UAW is the bargaining agent for some 3,350 Nexteer workers at the company's engineering and manufacturing facility, which builds steering components for General Motors.

Nexteer workers voted to authorize a strike in October by a 98.7 percent margin. The old agreement expired Sept 14, the same time as the contract for Detroit automakers. The UAW has released no details of the talks.

UAW officials indicated that the strike deadline is little more than a formality and that the union and management are close to an agreement.

Now that the national auto contract talks have wrapped up, the terms of those settlements will undoubtedly be used as a precedent for parts suppliers, with the provision that parts workers will receive substantially lower wages. While a key demand of auto workers was the elimination of the two-tier wage system, the national agreements in auto instead created multiple tiers, with a "grow-in" period of eight years for tier-two workers to reach top scale, a period longer than the four-year term of the contract. The agreement assures a permanent lowering of wages in the auto companies and a continued profit bonanza for the Detroit-based automakers.

Workers at Nexteer are working under terms of concessions imposed by the UAW as part of a deal for

Chinese-based Pacific Century Motors to purchase the operation in 2010. New hires were brought in at the poverty level of just \$12.00 an hour. Production workers wages top out at around \$21 an hour, far less than the \$29 an hour received by workers at the Big Three.

Nexteer is the largest remaining employer in the Saginaw area, which has been ravaged by layoffs in the auto industry. The population of Saginaw County fell 4.7 percent over the period from 2000 to 2010, declining to just over 200,000. Annual per capita income is \$22,349, nearly 10 percent below the statewide average. In 2012 Saginaw had the second highest level of child poverty in the state, 29.3 percent, trailing only Detroit.

Nexteer was originally the Saginaw Steering division of GM. In 1999 when GM spun off its parts operations, Saginaw Steering became part of the newly formed Delphi Automotive. GM regained control of the steering operation in 2009 during the Delphi bankruptcy and renamed the company Nexteer Automotive. It worked with the UAW to slash the wages of the workers in order to make Nexteer attractive to an outside buyer. When workers voted to reject the concessions demanded by the UAW and GM, they were threatened with the closure of the operation. Later, workers ratified a slightly modified concessions contract, paving the way for the company's acquisition by Century Pacific Motors.

In recent years, Nexteer has recorded booming sales and profits. For the first half of 2015, the company reported year-over-year revenue growth of an adjusted 17.5 percent and a year-over-year increase of gross profit of 24.7 percent to \$254.8 million. The company has 21 manufacturing plants and a global workforce of 12,000, with 5,000 of those located in Michigan.

As the talks at Nexteer continue, drivers at four Automotive Component Carrier facilities

have voted by a 92 percent margin for strike authorization. The vote followed the announcement that Penske-owned ACC would lay off 71 drivers, about a quarter of its 300-strong workforce. Management claims the cuts are necessitated by the non-renewal of a contract with GM. There are ACC locations in Flint, Lansing and Saginaw, Michigan and Fort Wayne, Indiana.

In a press statement Penske said, “There is no threat of a work stoppage or disruption to any of the services ACC/Penske Logistics provides. Work continues as usual. We are back at the table with [UAW] Local 659 and negotiating in good faith.”

Penske called the strike authorization vote “a procedural matter.” The drivers and mechanics are working under terms of a 60-day extension of the previous contract. The union said that it is bargaining over terms of workloads, wages and other issues.

In the wake of the 2009 auto bankruptcies, ACC workers took massive concessions. As a result of the deal some workers faced pay cuts of up to 65 percent. Tier-two workers saw pay reduced from \$19 an hour to \$14. Workers were also saddled with co-pays on their health insurance premiums. The plan also included early retirement offers and buyouts.

In 2013, 250 ACC drivers filed a lawsuit against UAW Local 659, General Motors and ACC claiming they were fraudulently pressured into taking the buyout deal that was part of the 2009 concessions contract. Workers say they were not informed that they had guaranteed jobs and benefits with GM under terms of a previous agreement, and that the UAW made it impossible for workers to rescind their decisions once the deceit had been uncovered.

The leader of the group filing the lawsuit noted that ACC workers were devastated by the concessions, losing homes, families and their health as a consequence.

ACC was formerly owned by GM, which sold its trucking operation to Penske in 1996. Under terms of that agreement the workers were reportedly offered the chance to return to GM if any unforeseen actions threatened the operation of ACC.

In October 2015 a federal judge ruled in favor of the UAW in relation to 163 workers, but allowed the cases

of another 34 drivers to go forward. At the same time the judge denied a motion by the UAW for sanctions against the workers’ attorney for filing a baseless claim on their behalf.



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