

UAW reaches sellout deal with Nexteer Automotive

Jerry White

2 December 2015

Earlier Wednesday morning, the United Auto Workers announced that it had reached a tentative deal with auto parts manufacturer Nexteer Automotive for a new labor agreement covering 3,350 workers at its six-plant complex in Saginaw, Michigan.

The UAW followed the same pattern that it established with the Detroit Three automakers and farm equipment manufacturer John Deere: Workers have been kept in the dark during the entire negotiating process, then the UAW announced a bogus “strike deadline,” followed by a “last minute” sellout agreement hailed as a major gain and the only means to “save” jobs.

The UAW set a deadline of 11:59 p.m. Tuesday after extending its original cutoff date to reach a deal by November 26. The old agreement expired on September 14, the same date as the contract for Detroit automakers. Nexteer workers voted in October to authorize a strike by a 98.7 percent margin.

“The rumor mill is running rampant within the shop,” a young Nexteer worker told the WSWS *Autoworker Newsletter* Tuesday night. “We haven’t been given any updates other than the contract is ‘progressing.’ It is pissing off a lot of the work force. We were waiting to hear if we were striking or had a tentative agreement to look at and vote on.”

With anger growing in the plant, UAW Local 699 posted a letter on its Facebook page Tuesday telling workers to “please stay on your jobs” because “there should be no need for a work stoppage.” The letter, signed by UAW International Servicing Representative Chad Wurtzel, Local 699 President Rick Burzynski and Bargaining Chairman Bob Glaser, claimed, “We are continuing to move forward” and “strongly believe we will have a tentative agreement by the deadline.”

The midnight deadline came and passed, and it wasn’t until 12:40 a.m. that the UAW announced that it had reached a deal in a brief note on the UAW Local 699

Facebook page.

Like General Motors, Ford and Fiat Chrysler workers, Nexteer workers are determined to recoup their losses and abolish the hated two-tier wage and benefit system now that the company is making record profits. For the first half of 2015, the company, which produces electronic power steering and driveshaft products for the highly profitable pickup trucks of all of the Detroit’s three automakers, 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.

The UAW, however, is determined to maintain inferior wages and benefits in the parts plants in order to lower costs for the Detroit auto companies. Having just imposed sellout agreements on 140,000 Big Three workers, including imposing even lower wages on workers from GM’s and Ford’s former Delphi and Visteon parts divisions, the UAW is determined to prevent any struggle by parts workers against poverty-level wages.

The Nexteer engineering and manufacturing facilities were originally part of GM’s Saginaw Steering Division before the giant automaker spun off its parts manufacturing operations in 1999 following the UAW betrayal of the 1998 strike by GM parts workers in nearby Flint, Michigan. The Saginaw factory complex became part of newly formed Delphi Automotive, which declared bankruptcy in 2005 and carried out a brutal restructuring, with the assistance of the UAW. This led to the shutdown or selloff of dozens of factories, thousands of job cuts and deep wage and pension cuts for current and retired workers.

As part of its reemergence from bankruptcy, Delphi sold Saginaw Steering back to GM in 2009, which renamed it Nexteer Automotive. In 2010, GM, the UAW and local

politicians put a gun to the heads of workers, threatening to close the plants if they did not accept more wage and benefit concessions, including the elimination of family health care coverage for new hires, to entice a new buyer for the factory complex.

However, the Saginaw workers voted down the blackmail deal by 73 percent. This occurred at the same time GM workers at the Indianapolis Stamping Plant rebelled against the UAW and threw International officials out of a local meeting after they issued similar demands on behalf of a new buyer for the plant, which was being closed as part of Obama's restructuring of GM.

GM immediately responded to the "no" vote in Saginaw by laying off 80 workers and reiterating its threat to "wind down the operations." Less than two weeks after they defeated the deal, the UAW forced workers to vote again. The UAW threatened workers once again, pointing to the devastating plant closings that had previously hit the Saginaw area, and rammed through a virtually identical deal.

This paved the way for Chinese-based Pacific Century Motors to purchase the operation in November 2010. In addition, the state of Michigan, which has overseen devastating attacks on public education, social services and state employees' wages and benefits, gave Nexteer a \$70.7 million state tax credit over ten years.

The UAW, which has long used anti-Chinese chauvinism and charges of currency manipulation to drive a wedge between US workers and their class brothers in Asia, had no problem embracing its new paymasters at Pacific Century Motors and imposing its demands on workers. "We found the labor union to have a very long-term view," Nexteer CEO Guibin Zhao told the *Wall Street Journal*. "If you don't work together to make a company more competitive, the company won't have any future at all."

The 2010 deal included savage wage cuts for former GM workers, many of whom had been making \$28 an hour, along with the slashing of wages for new hires by more than a half.

A second-tier Nexteer worker told the *Autoworker Newsletter*, "Workers hired after 2010 are offered \$12 per hour upon entry into unskilled labor. After their 90th day they receive the shop floor rate of \$12.48 per hour. You do not get health care until you are made a permanent employee of Nexteer.

"That being said, it is broken down as a 'cap' on tier-two or temporary workers. Somewhere around four hundred temps turn over into permanent positions. Once

all this happens, these workers have to wait 60 days for insurance to kick in. There is no longer any pension offered by Nexteer. All they offer is a 401(k) plan."

Factory workers are also angered over grueling work schedules, which disrupt family lives and undermine the health and safety of workers. "One major issue that has workers in an uproar," the worker said, "is the so-called 'critical plant status' at the factory where everyone within that specific department has to report to work every day for 90 days in a row unless they have scheduled planned vacation time. The other issue is 'emergency status,' where every worker in the department must work for two weeks straight with no prior notification."

He said no details have been released about the fate of lower-paid second-tier workers at the plant. As for the deals the UAW signed with GM, Ford and Fiat Chrysler, the worker said they were "a complete sellout."

The betrayal of the Nexteer workers occurs only two days after the UAW collaborated in the shutdown of the Mitsubishi plant in the town of Normal, Illinois.

Monday, November 30 was the last day of work at the Mitsubishi plant, which opened 30 years ago as a joint venture between the Japanese automaker and Chrysler.

Only a handful of workers are being kept on to shutter the plant, out of the more than 900 hourly workers and 350 white-collar workers employed at the factory, which produced the Mitsubishi Outlander sports utility vehicle. The UAW did not even make a pretense of opposing the plant closure, which will devastate the town of 52,500 people.

In its final agreement with Mitsubishi, negotiated this summer, the UAW accepted a deal that will provide health care or retiree health care for 16 months or a cash payment. The UAW, along with local Democrats and Republicans, say they are now looking for a new buyer for the plant.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact