

“It’s like organized crime”

## Detroit Manufacturing Systems and the new face of auto parts production

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Behind the remaining “legacy workers” at the Big Three assembly and stamping plants stand the more recently hired second tier, or “in progression” workers, followed by increasing numbers of temporary part-time workers and a vast army of workers at the auto parts plants.

Parts workers employed by hundreds of different so-called OEMs, or Original Equipment Manufacturers, produce, assemble and sequence the bulk of the components that feed the assembly plants of the major automakers. Some pay dues to the United Auto Workers (UAW), while many others are not unionized.

Eight years after the Obama administration’s bailout of the auto industry, and five years after its founding, Detroit Manufacturing Systems (DMS) offers an illustration of this new face of auto production. Its profits are based on super-exploited younger workers and a layer of other workers who have experienced hardships such as long-term unemployment or jail time.

Workers at DMS, like those across the parts industry, face a management dictatorship on the shop floor. Most workers hire in to DMS at \$11-12 per hour while some young workers hired through Grow Detroit’s Young Talent, a city-sponsored program, can get as little as \$9.50. They work 10-12 hour shifts and often have a love/hate relationship with overtime; while they hate working long hours there is a certain dependency on the additional income.

DMS founder Andra Rush is typical of a privileged layer of minority entrepreneurs who have been cultivated over decades with the help of personal connections, tax breaks and business incentives. She was a featured guest of Obama at his 2014 State of the Union address, promoted as an example of the

“recovery” of the auto industry. Her fortune, currently estimated in the hundreds of millions, rests on the backs of a low-wage labor force, held in check by the United Auto Workers.

DMS was founded in June 2012 as a joint venture between the French auto parts supplier Faurecia and Rush Group Limited.

The deal to found DMS was orchestrated from the outset by Ford Motor Company. Ford had first made a deal in which Faurecia would lease the former Visteon plant in Saline, Michigan. Visteon had been spun off from Ford into a separate, privately traded company, in 2000 but Ford regained ownership of the Saline plant along with 16 others in 2005, when it created Automotive Component Holdings Inc., to prevent Visteon’s collapse.

The lease of the massive 1.3 million square foot facility brought with it \$1.1 billion in interior parts contracts but required Faurecia set up a “minority-owned” joint venture to supply a substantial portion of the parts.

The 2nd Tier program of Ford’s Supplier Diversity Development (SDD) establishes “M/W/VBE purchasing objectives” for its major parts suppliers. Failure of Tier 1 suppliers to purchase at least six percent of goods and services from minority-owned, two percent from women-owned and three percent from veteran-owned business enterprises “may place their business relationship with Ford Motor Company at risk,” according to the Ford SDD website.

This is where Rush Group came in to seal the deal. Founder and CEO Andra Rush is not only a woman, but a descendant of the Mohawk Native American Tribe in Ontario, Canada.

Andra Rush has had a working relationship with Ford since 1984, when she started Rush Trucking, primarily as an expediting company for Detroit's Big Three automakers. Rush Trucking grew rapidly and later became a section of Rush Group Ltd. as Andra Rush expanded her business into parts assembly and sequencing with the founding of Dakkota Integrated Systems in 2001. Dakkota is another joint venture between Rush Group and Intier Automotive Interiors, a subsidiary of Canadian auto parts supplier Magna International. Both Rush Trucking and Dakkota have contracts with all of the Big Three automakers.

Ford approached Rush about the joint venture as an integral part of its deal with Faurecia. In order to establish the minority woman-owned status of DMS, Rush Group was to hold the majority share, with Faurecia owning the remaining 45 percent.

DMS was awarded over 60 percent, or nearly \$700 million, of the Ford parts contracts from the start. This work was to take place at the newly renovated Gateway Industrial Center on Detroit's west side.

In exchange for bringing jobs and investment to the city of Detroit, DMS was rewarded handsomely with tax credits and abatements. The Michigan Economic Development Corp. awarded DMS tax credits worth up to \$4,055,642 through its Michigan Economic Growth Authority program. Likewise, the Detroit Economic Growth Corp. worked with DMS to establish a 12-year property tax abatement valued at \$4.2 million.

One DMS worker told the *WSWS Autoworker Newsletter*, "There's a lot of dirty messy stuff going on in there. The owner Andra Rush is a minority, she's Native American, and gets all these tax breaks for bringing jobs to Detroit and hiring minority workers and felons on parole. They have newer management and supervision pushing 'lean manufacturing.' It might be good for them but it doesn't do anything for us.

"And the union representation is complete BS. Aside from a couple exceptions they all mingle with management and have their preferential list. One line has been on layoff for retooling and they just hired 200 new people instead of calling them (the laid-off workers) back. The pay maxes out at \$17-18. A lot of the guys laid off were in the \$15 range. They just want to bring in new workers to pay them \$12. It's like organized crime; that's really what it is.

"The company gets a tax break and we are left

struggling. I had to move because they raised my rent by \$250."

While workers toil for long hours on starvation wages the company is doing quite well. After five years of making cockpits, instrument panels, door panels and glove boxes exclusively for Ford, DMS is beginning to branch out. A second production facility was recently opened in Toledo, Ohio near the Fiat Chrysler Toledo Assembly Complex. More work is also coming to the Detroit plant. In August DMS received an \$8 million-dollar investment for both plants through a federal New Markets Tax Credit.

According to the worker in Detroit, "We are supposed to be getting 14 injection molding presses from the Saline plant. That would basically put us at capacity. They supposedly paid only \$1 for each press. It sounds like a shady deal to me."

Despite DMS expansion, industry analysts are predicting a downturn in auto sales. Workers at DMS and at other parts plants must not be caught unawares. The UAW functions as a company police force and will only facilitate further cuts. Rank-and-file committees must be elected as the first lines of defense. Indeed, such committees must be built as organs of struggle for a counteroffensive against the decades-long attack on wages, benefits and working conditions. Parts workers must establish lines of communications across company, state and national boundaries and reach out to their brothers and sisters in the major auto plants to coordinate actions. All autoworkers, whether at the parts plants or assembly plants, must be guaranteed decent pay and benefits and the right to full-time employment.

This fight for workplace rank-and-file committees must be seen as the first step in forging the political independence of the working class in a broader struggle against war and social reaction.

The *WSWS Autoworker Newsletter* will do all it can to aid in this fight. We urge workers to contact us so we can expose the brutal conditions inside the factories. Share this article widely on social media!



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