

“They are trying to outsource to cut costs and pit us against each other”

Allison Transmission workers speak out on UAW-management collaboration

George Kirby, Shannon Jones
3 November 2018

Workers at Indianapolis, Indiana-based Allison Transmission are seeking support for their fight against outsourcing of jobs, deteriorating working conditions and blatant attempts by the United Auto Workers union to bolster management and suppress workers' grievances.

Allison Transmission Holdings, the largest global manufacturer of commercial automatic transmissions, reported for the third quarter of 2018 a \$295 million adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), up from the 2017 figure of \$241 million. EBITDA is a metric used to calculate a company's earning potential. Through the third quarter, Allison Transmission showed a \$1.09 billion adjusted EBITDA and is expecting a profitable fourth quarter.

In a conversation with *World Socialist Web Site Autoworker Newsletter* reporters, Allison Transmission workers voiced their concern over deteriorating conditions at the company in spite of growing profits.

Ten years since the financial crash of 2008, major auto companies such as General Motors have handed out billions to shareholders instead of restoring concessions extracted from workers or investing in new production. This pattern has been followed by Allison Transmission, formerly part of GM and now owned by the hedge funds Carlyle Group and Onex Corp.

During this period, Allison Transmission has increased subcontracting, such as employing janitorial staff hired by ABM Industries, which typically pays wages in the range of \$10 an hour.

A worker noted, “They are giving ABM the right to do our work. They do a lot of janitorial work and they

are trying to do pipefitters and millwright work. There is no end of it. The union would not file a grievance over outsourcing. They get by with anything and everything. We hardly see our union reps at all.”

Workers report that new-hires are brought in at a lower paid third tier at Allison under terms of the recently agreed contract. Like the Detroit-based car companies, Allison, in collaboration with the UAW, has created multiple tier levels in an attempt to drive down wages, benefits and health care costs and divide older from younger workers.

According to one Allison worker, “Third tier new-hires are starting at \$14.72 an hour. They are trying to do away with seniority. It's the old buddy system. When a worker retires or is laid off, there are no job postings for that position. Rather, other workers fill the vacant spots in addition to their normal duties.”

Workers also raised questions about the company's annual cash incentive bonus compensation program (IComp), which was implemented in place of profit-sharing. The program, based on company-determined metrics to encourage speedup and overwork, was capped at 12 percent. Workers disdainfully compared their meager IComp earnings compared to the six- and seven-figure payouts to executives.

“They can change the numbers any time they want. No one is holding them accountable,” said one veteran skilled trades worker. “The CEO is guaranteed his money whether or not there are profits.” Workers noted that while seeking to suppress wages and benefits, the company recently spent \$2 million on a fountain at the complex.

Fiat Chrysler executives based in Kokomo, Indiana, the location of the company's massive transmission operations, recently inspected the facility. Following the visit, Allison management informed workers of a possible increase in production to include new transmissions to supply the heavy Ram pickup trucks produced by Fiat Chrysler.

Outsourcing of jobs has been a major concern for Fiat Chrysler workers in Kokomo, where the company recently extended the temporary layoff of several thousand transmission workers for another two weeks.

Allison workers told *WSWS Autoworker Newsletter* reporters about their concerns with plans to increase production at the Indianapolis plant. One worker said: "Now the breaks are restructured around productivity to keep the line running. They have done away with the eight-hour day concept. The only reward for hard work is more hard work. The company has a mentality that they want us to keep the line running until something breaks."

Workers pointed out that UAW local officials attempted intimidation at local union meetings when grievances or issues about conditions were raised, sometimes by shutting off microphones.

This experience mirrors the actions of UAW officials from the international to the local level. Decades of corporatist collaboration with management have transformed the UAW into a bribed tool of the auto companies, as graphically illustrated by the ongoing corruption scandal involving millions of dollars in payouts from Fiat Chrysler management to UAW officials. The UAW functions not as a workers' organization, but as a labor contractor, guaranteeing a highly exploited, low-cost workforce.

Allison workers expressed concern over the fact that contract books for the agreement ratified in late 2017 still have not been distributed to workers.

Questions about the retirement benefits of Allison workers who were former employees of GM are another source of anger. Pensions and retiree health care benefits of those workers were supposed to be guaranteed by GM. But some report they have been told they cannot collect GM pensions unless they end their employment with Allison.

Allison workers told *WSWS Autoworker Newsletter* reporters that they were aware of recent strike votes by United Parcel Service workers and Kokomo Fiat

Chrysler workers, who gave overwhelming strike authorization. They expressed anger that the Teamsters had declared the recent sellout contract at UPS ratified despite a majority "no" vote by workers.

One Allison worker declared, "UPS workers need to take action on their own." He continued, "We need to boot the UAW and drop them as a union for workers. The union now has management mentality down to the local level. Why would our local chairman support tiers? New workers are making as little as \$12-\$14 an hour. These workers are unaware of what their predecessors made. They don't know about the previous experiences of workers."

"I sympathize with Kokomo workers. They are trying to outsource to cut costs and pit us against each other." He concluded, "We could bring this place to its knees—we are in the strongest position ever."

The Socialist Equality Party and the *WSWS Autoworker Newsletter* call for the closest unity of Indianapolis Allison Transmission workers and Kokomo Fiat Chrysler workers in defense of jobs and working conditions. This requires a rebellion against the pro-company UAW and the building of new organizations of struggle: rank-and-file factory committees to take up the fight the unions have abandoned. This requires a rejection as well of the nationalist program of the UAW and the fight to link the struggle of US autoworkers with autoworkers in Mexico, Canada and globally.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact