

# What autoworkers need to know about the sellout UAW-GM contract

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After announcing a tentative agreement to shut down the month-long strike at General Motors and force through historic concessions, the United Auto Workers is now attempting to pull a fast one on striking workers.

The UAW announced that workers will vote on the contract in an accelerated process that will finish by Friday. There will be a series of “informational meetings”—in reality, disinformation meetings—at locals throughout the country beginning this weekend. At some locals, meetings will not be held until national balloting is already near completion.

On Friday, the UAW released its 300+ page “Whitebook” for the contract. The document makes clear that the contract is an historic betrayal, with concessions that will set new standards for exploitation in the US auto industry.

The WSWWS *Autoworker Newsletter* has begun a detailed review of the contract. Here is an outline of some of the main points revealed so far (page numbers refer to the handwritten numbers at the bottom of the Whitebook):

**The CCA Fontana distribution center will be shut down, in addition to the historic Lordstown Assembly Plant and the Baltimore and Warren Transmission plants**

The UAW has repeatedly touted its supposed “moratorium” on plant closings, but page 238 of the contract lists the “plants exempted” from this moratorium, namely the four facilities identified above. The closure of Lordstown, Baltimore and Warren had been previously announced, and the UAW has since confirmed to the press that CCA Fontana will also close.

Workers are no doubt asking themselves: What good is a “moratorium” that is full of “exemptions”? The shutdown of these plants will have devastating consequences not only for workers and their families, but entire communities.

**The contract provides a blank check for the unlimited use of temps**

There are no contractual limits to the number of temps which GM is permitted to use under the new contract. The only requirement is that temporary work be “approved” by the UAW—a worthless assurance, given the role of the UAW

in enforcing the use of temporary and contract workers against overwhelming opposition from workers, including in the 2015 contract and through the use of secretly negotiated “Memorandums of Understanding.”

A letter on page 247 of the contract states, “The Company clarified their position that the use of full-time temporary employees would continue to be based upon the business operations and customer demand.” That is, it will continue to expand the use of temporary workers.

**The muchvaunted “pathway” for temporary workers to regular status is littered with loopholes and will not apply to temporary part-time (TPT or Flex) workers**

Beginning in January 2020, temporary workers with three years of ‘continuous’ employment will be converted to permanent (in-progression) positions (pg. 262). Beginning in 2021, this period will be reduced to 2 years of “continuous” employment. It further states that only “full-time” temps will be eligible for this conversion, while “former part-time temporary” (TPT or Flex) workers will only be eligible if they have had two years of continuous employment with the last year as a full-time temp.

In other words, *TPT workers will not be eligible for conversion into regular employees*. In many plants, the vast majority of temps are part-time. This effectively creates a two-tier system among the temps themselves, with part-timers even more completely at the mercy of management.

Moreover, the use of the word “continuous” means that temps who are laid off but later rehired will have to start from the bottom. The “continuity” is broken if the worker is laid off for more than 30 days, which can happen regularly and at the discretion of GM.

**Temporary workers will no longer receive annual wage increases**

Currently, temporary workers start at \$15.78 per hour and receive annual wage increases, topping out at \$19.28 after 5 years. However, pages 51 and 52 of the Whitebook provide for a flat rate of \$16.67, with no annual increases.

**Temporary workers will be used to replace laid-off senior workers**

The new contract *removes* the following paragraph on low-paid contractors from GM Subsystems. 53): “Full time temporary employees will not be hired at a plant where there are laid off seniority employees within the area hire. Temporary opportunities may be provided to laid off seniority employees.” At the same time, the contract aims to push over 2,000 “legacy” workers out of the plants by the end of February through a buyout program.

This makes clear GM’s strategy to lay off older workers and replace them with the expanded use of “temporary” workers.

### **Wage increases are not enough to keep up with current rate of inflation**

The new contract provides for two 3 percent wage increases and two bonuses equal to 4 percent of workers’ annual wages, the same as the current contract. Since the bonuses do not add to base pay, they do not contribute to future percentage increases. This means that the actual pay increase will be less than the rate of inflation over the life of the contract.

### **The signing bonus is mostly canceled out by lost pay during the strike**

The \$11,000 signing bonus that GM and the UAW are using to grease the wheels for the contract’s passage (pp. 189-190) is only \$3,000 more than the signing bonus from 2015 for full-time workers. Meanwhile, the press estimates that the average full-time GM worker has lost \$6,000 in wages and \$2,000 in profit-sharing over the course of the strike.

That is, in comparison to the signing bonus in 2015 (when there was no strike), workers come out with significantly less money after the strike, after accounting for lost pay.

And temps will receive only \$4,500—less than half the bonus for full-timers. In 2015, the signing bonus was \$2,000 for temps.

### **Current in-progression workers will still top out only after 8 years**

The new progression period is “shortened” to 4 years from the absurdly long 8 years in the previous contract. However, this does not apply to current hires, according to page two of the contract summary, released separately on Thursday. That is, current employees will still have to serve eight years before topping out.

### **Appendix K, used to replace workers with contractors, has been “enhanced”**

This section (pg. 58) retains language committing the union to “operational effectiveness, continuous improvement and competitiveness,” while adding a clause which commits the locals and management to more closely collaborate in the search for “opportunities it believes pursue a positive business case.” This section was used at Lordstown and Lake Orion to replace hundreds of workers

### **A new “outsourcing moratorium” is worthless**

The new section (pp. 214-217) contains enough loopholes to drive a truck through. It does not apply to “temporary outsourcing,” and the Lake Orion, Bowling Green and Arlington assembly plants are exempted. Moreover, it allows the company to outsource work in cases where it claims an undue “financial burden.”

It states: “In understanding the Company’s concern [that a moratorium would ‘create a financial burden’ by reducing ‘flexibility’], the Union agrees that in the event that the Company considers outsourcing of current generation work,” and after a joint union-company review “resourcing remains the necessary action, the Company will identify replacement work in order to comply with the spirit and intent of the Moratorium.”

### **The corporatist relationship between the UAW and GM is being strengthened**

The contract contains a slew of new language emphasizing “jointness.” Most significant is the establishment of a company-union “National Committee on Advanced Technology” (pg. 225) to help determine “how GM and the UAW could together lead in the transformation of the auto industry.” The company agrees that it will not use new technologies to shift work functions “historically performed by represented employees to non-represented employees.”—in other words, to make sure that dues money continues to flow into the UAW as GM uses new technologies to ramp up the exploitation of workers.

### **The Center for Human Resources is closing—and reopening under a new name**

The CHR is at the center of the corruption scandal involving the transfer of bribes from the companies to UAW executives. The continuation of this corporatist relationship was a main sticking point for the UAW in the contract “negotiations.”

*The WSWS urges workers to write in with your comments on the contract and its main provisions.*



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Socialist Equality Party visit:

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