

UAW-Volvo contract “highlights” reveal attacks on wages, health care, work schedules

Vote “No” on UAW sellout agreement! Join the Volvo Workers Rank-and-File Committee!

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On Friday, officials at United Auto Workers Local 2069 in Dublin, Virginia, posted a 20-page document, which they said were “highlights” of a proposed five-year contract for nearly 3,000 workers at the Volvo Trucks New River Valley (NRV) factory. Workers at the massive truck assembly plant struck for two weeks before the UAW announced a tentative agreement with Volvo on April 30 and immediately ordered workers back to work without a vote on or even seeing the proposed deal.

The union’s sabotage of the strike, angrily denounced by NRV workers, allowed Volvo to resume production and offset the impact of the work stoppage that had led to a significant reduction in the company’s supply of trucks. A contract vote and ratification meeting will be held Sunday, May 16.

A review of the proposed contract reveals exactly why the union sent NRV workers back to the assembly line without having a chance to review or vote on it. The deal is a victory for Volvo, not for workers, which goes even further than the concessionary contracts signed by the UAW in 2008, 2011 and 2016.

Wages

In its contract summary, the UAW claims it won “Significant Economic Gains for ALL New River Volvo Workers.” In fact, the new deal will likely allow Volvo to reduce its hourly labor costs. The UAW includes signing bonuses and lump sum payments as sugar-coating for an otherwise bitter pill. This is particularly aimed at newer workers laboring under the UAW-backed multi-tier wage system who are less likely to have any savings and tend to be the most economically fragile. All lump sum payments and bonuses are taxed at a much higher rate than are hourly wages.

The lump sums include \$2,000 for “seniority” workers on ratification; \$1,000 for non-seniority “probationary” workers and \$2,000 for production and skilled trades workers hired before 2011. In the latter cases the bonus applies *only if the worker is actively employed on July 5, 2021*, a contingency which encourages Volvo to terminate them.

Skilled trades, production and salaried workers hired before 2011 will receive another lump sum payment of 4 percent on May 23, 2023.

There is a 9 percent wage increase over the five-year agreement (3 percent in 2022, 2024 and 2025) for production and skilled trades workers hired before 2011 as well as a slightly increased maximum wage for skilled trades workers of \$30.58.

The wage increases for those hired before 2011 will be wage cuts when adjusted for inflation. This is under conditions of already rising food and energy prices, which economists say could last for years. There are just three 3 percent increases over the five-year deal, averaging out to 1.8 percent over the five-year agreement. This is below the current inflation rate of 2.6 percent.

Health Care and Alternative Work Schedules

Furthermore, increases in health care costs undermine wage increases for all employee groups. The coinsurance rate increases from 10 to 15 percent in 2022. Deductibles *double* from 200/400 (individual/family) to 400/800, and out-of-pocket costs for Emergency Room visits will increase from \$75 to \$125. Maximum out-of-pocket costs (OPP) will rise from \$750 for single coverage and \$1,500 for families to \$2,000 for single and \$4,000 for families.

And workers can certainly expect to use their health insurance more frequently under the proposed contract as new, exhausting “Alternative Work Schedules” take their toll on workers’ physical and mental health, along with their family lives. The contract explicitly permits implementation of the Alternative Work Schedule (AWS) by “mutual agreement.” These schedules, the summary says, “may include but are not limited to four 10-hour days, alternative shift operations and other alternate schedules based on the needs of the business.” Overtime will only be paid after 10 hours of daily labor instead of eight.

In the auto industry, where the corrupt UAW Vice President General Holiefield first introduced the AWS in 2012, the system is despised by workers and loved by the companies. Management has slashed billions in overtime payments and the AWS allows machinery to run around the clock to maximize profits. The eight-hour day, which autoworkers won in the 1940s, has essentially been abolished. Moreover, what started as four 10-hour days has now evolved into seven 12-hour days for skilled trades workers at some Stellantis (formerly Fiat Chrysler) plants.

A de facto pay cut

One production worker told the WSW *Autoworker Newsletter* what the

“raises” would amount to after increases in health care costs and refining overtime. “Not only would you lose in your contributions \$728 a year plus the \$3,000–15,000 copay extra, you would also lose 208 hours of overtime per year. For a person making \$30 an hour, you would *lose* \$11,654.56 a year. So instead of making extra, you would actually *lose* that money or more. You would make \$26.43 an hour even though your wage is set at \$30.”

In perhaps the most cynical lie in the contract highlights document, the UAW boasts that “negotiators were able to establish a path that eliminates two-tiered wage schedules so that In-Progression employees will eventually be earning the same as their production brothers and sisters who were hired prior to December 31, 2010.”

The truth is the contract retains dozens of tiers of workers making inferior pay and benefits. The “path” to top wages lasts *eight years*, that is, *three years longer than the contract itself*. Nothing would prevent the company and the UAW from renegotiating the terms in 2026. At the same time, Volvo will have further incentive to lay off or terminate workers before they ever make higher wages.

A new attendance policy consisting of a points system would mirror the one used at the Big Three automakers, which is a thinly disguised mechanism to push out the better-paid and more militant workers the company and union want to remove. There is no question that higher seniority and better paid Core Group workers will have a target on their back, as Volvo and the UAW seek to rid the factory of these workers and replace them with lower paid contractors or “in-progression” workers.

Retirees

Ominously, the highlights document reports that health care for retirees is still “under discussion,” meaning that workers who labored their whole lives can expect to be thrown under the bus if the contract passes. To add insult to injury, retirees are not allowed to vote or even attend the ratification meeting.

The rank-and-file committee is independent of the pro-corporate UAW, so that workers can organize their own struggle.

One retiree made this impassioned plea on the Local 2069 Facebook page: “Rumor is no help on benefits for retirement. I now am working again because of the cost of insurance. We must be informed ... current members must be informed ... many plan on retirement as well. Folks, please ask for info as to what we are looking at.”

Another poster urged a “no” vote, saying, “Please vote NO. You will lose a little now but gain so much for everyone’s future.” Another said, “Vote no everyone y’all stick together,” followed by yet another, “And if it’s anything other than no, you’re burying us.”

Other workers were skeptical about the “highlights” presented by the UAW, noting that the “lowlights” were often concealed in the side letters and memoranda of understanding between management and the UAW. One worker’s post tagged Local 2069 President Matt Blondino, saying, “I mean in order to make a complete informed decision I would like to know what little Bombs were put in parts of the language that will hurt us throughout the Contract that none of us would possibly think of asking about until it happens. I mean as a UAW dues-paying member do I not have the right to see the whole contract, not just bits and pieces?”

Another worker told the WSWs *Autoworker Newsletter*, “Pay very careful attention to the last pages, the Company and Union were trying to sneak in a clause that allows them to alter the contract any time they want instead of it being a true contract. Also removing our overtime protections after 8 hours shift. And the company just keeps our vacation if we don’t use it, and will not pay us at the end of the year, which is compounded by

how it’s nearly impossible to get approved for vacation if you have a bad boss.”

The WSWs *Autoworker Newsletter* and the newly formed Volvo Workers Rank-and-File Committee urge workers to actively campaign this week for the rejection of this sellout agreement on Sunday, May 16. To prevent fraud by UAW officials, rank-and-file workers must insist that a delegation of trusted workers observe the entire voting procedure and count.

A rejection of this deal must be combined with the relaunching of the strike. This time, however, the conduct of the struggle and the negotiation cannot be left in the hands of the International and local UAW officials. The Volvo Workers Rank-and-File Committee calls on workers to elect a new strike and bargaining committee, made up of the most class-conscious and militant workers.

To sustain a struggle against this giant multinational corporation, strike benefits must be tripled to \$750 a week. The strike fund, which is estimated at around \$750 million, belongs to workers, not the Solidarity House crooks. At the same time, the pay of UAW President Rory Gamble, Secretary Treasurer Ray Curry and the other UAW executives should be reduced to the pay of a striking worker for the duration of the struggle.

In conducting this fight, workers should formulate demands based on what they need, not what the highly profitable company and its UAW flunkies say is affordable. The Volvo Workers Rank-and-File Committee has formulated the following demands:

- An immediate 25 percent across-the-board wage increase to restore income lost over the last three UAW contracts.
- The abolition of the multi-tier wage system and the restoration of the principle of “Equal pay for equal work.”
- Full overtime payments for work over eight hours a day and weekend work. No forced overtime! One full-day notice before any scheduling of overtime, with the right to refuse with no retaliation.
- An end to speedup and harassment by management. We are not inmates of a prison but self-respecting workers.
- Workers’ oversight of safety protocols and social distancing to stop the spread of COVID-19. The right to halt production and close the plant for full cleaning, with guaranteed compensation to workers, if there are COVID outbreaks.

To take up the fight for these demands, we urge Volvo workers to contact us at autoworkers@wsws.org.



To contact the WSWs and the Socialist Equality Party visit:

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