

4 months after UAW/USW sellout contract, auto parts maker Dana Inc. reports massive boost to profits in 2021

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Auto parts maker Dana Incorporated made \$244 million in pretax earnings, a 492 percent increase from 2020, according to filings with the Securities and Exchange Commission. Most of Dana's 2021 revenue came from North American sales, which consists mostly of parts for light and commercial vehicles, as well as power technologies.

Dana reported \$51 million in corporate income tax obligations for 2021, or 16.8 percent. This is less than the federal personal income tax rate in the US for an individual making at least \$40,526 per year. In 2020, the company reported a \$13 million loss in earnings, which under federal tax law reduces or eliminates current tax liabilities. General Motors similarly carried losses from the 2009 bailout to avoid paying federal income tax for over a decade.

In 2020 workers did not receive profit-sharing checks, with the company pleading poverty on the basis of the COVID-19 pandemic. However, management received its massive incomes as usual. CEO James Kamsickas' total compensation for 2020 was \$10.5 million, with the majority in stock dividends. He owns over 178,000 shares worth \$13.1 million. At the end of 2021, Dana paid out roughly \$58 million to shareholders in dividends.

This boondoggle for Dana's investors is largely the result of the ramming through of a new sellout contract by the United Auto Workers and United Steelworkers, which ignored the mass support among the company's 3,000 US unionized workers for strike action and kept them on the job after they rejected an initial contract offer by 90 percent. Instead, fearful of a growing mood of rebellion, the union bureaucracy responded with physical intimidation, lies and threats, while allowing

the company to stockpile parts to undermine workers' position in the event of a strike, in order to ram through a second deal almost identical to the first.

To oppose the UAW/USW sabotage and appeal for support among production workers, Dana auto parts workers founded the Dana Workers Rank-and-File Committee .

A tier two production worker described the situation by saying, "we all had to work if we wanted to keep our jobs, even when there was no actual contract. They just operated as if the contract had been extended indefinitely, but really it didn't. We were here trucking away getting mandated and volunteering to work 60+ hours per week the whole time."

In a conference call last month, Kamsickas thanked the Biden administration for forcing people back to work by cutting supplemental unemployment. "As it relates to labor we see some stability and availability as government support programs have largely ceased." However, he added that in spite of this, Dana and other companies were still struggling with manpower shortages. This was recently echoed by Stellantis CEO Carlos Tavares, who complained to the media that absenteeism was throughout the US auto industry.

In his administration's bid to remove all restrictions on profit making and force workers back on the job, Biden has spearheaded the removal of virtually all COVID-related restrictions throughout the country. In his State of the Union address, Biden declared, "It's time for America to get back to work and fill our great downtowns again with people. People working from home can feel safe and begin to return to their offices."

In last month's conference call, Bank of America analyst Aileen Smith asked Dana officials if a \$70

million cost associated with the new UAW/USW collective bargaining agreement was “one-time in nature.” Timothy Krause, Senior Vice President and Chief Financial Officer, replied, “yes, that is an absolute period cost, so it was a one-time cost for the ratification of the labor agreement”—indicating that the financial boon from the contract will be even greater in future years.

A tier two worker told the WSWS, “I think he [Tavares] is just like every other CEO and out of touch with the reality of a blue collar worker’s life day to day. And what he calls absenteeism is most likely just a natural response to a literal viral killer. People don’t want to get sick. It’s probably that he wants to screw his workers over just like Dana and make them work or lose their jobs.”

One high seniority worker said that at Dana, “there are the same complaints by management here. They treat workers badly with bad pay and no training. Yet they blame us for scrap that is built up by production. In January and February the company had \$1 million in scrap material.” There are no mask mandates in the plants, while the company claims there are no positive cases. “‘Rusty,’ our safety manager, was one of the people from management who said this,” he said. “There’s also sinus infections running rampant. We don’t know if it’s from the machines or if it’s because people are not getting tested [for COVID].”

Concerned about profit-sharing payments, workers took to social media to reach out to workers at other Dana plants. One worker stated, “Got told we aren’t getting one.” A Fort Wayne worker stated, “They probably ain’t gonna give that back. They’ll come up with some excuse why they can’t or won’t. Something like scrap was too high, attendance was too low, POTUS says we can’t do it, or a leprechaun in a cave in Ireland said it can’t be done.” Workers at Dana’s Warren Michigan plant reported that there were rumors of measly \$1,000 checks.

In November workers had massive deductions taken out of their signing bonuses due to taxes and union dues. Workers told the *World Socialist Web Site* that after deductions their \$3,000 signing bonus was between \$1,200 and \$2,600. The unions’ cut for the USW and UAW was 1.45 percent and 1.7 percent respectively, providing \$150,000 for the contract to pass.



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