

Auto parts workers strike Pennsylvania plant after third contract rejection

Our correspondent
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About 270 workers are on strike against the Autoneum AG auto parts plant in Bloomsburg, Pennsylvania, after overwhelmingly voting down a third and “final” contract, which would have imposed a major health care increase on a workforce already suffering under the effects of inflation.

The striking workers are members of Local 1700 Workers United, which is affiliated with the Service Employees International Union (SEIU). They have been without a contract since April.

Autoneum, a Switzerland-based parts provider, manufactures internal and external sound and heat insulation systems for General Motors, Ford, Toyota and Stellantis, among other manufacturers. The company has 10 locations in the US and a global workforce of nearly 12,000 at 53 facilities on five continents.

The final offer from Autoneum is a provocation.

On top of regular health care increases, the company is demanding that workers accept a 5 percent increase in annual contributions. Workers already contribute 25 percent of health care premium costs. The offer from Autoneum also includes a miserly \$1 raise for the first year, followed by raises of 60 cents the following two years, and 75 cents in the third year. And it excludes retroactive pay for wages lost under the old contract, whose terms continue until a new contract is in place.

Between inflation, currently at 8 percent and increased health care contributions, Autoneum is demanding, effectively, that workers accept a large pay cut.

“Where we’re at is the increase in health care costs and the raises, and we’re asking for back pay for when the contract originally expired in April,” Brian Heverly, president of Local 1700, told local media. “They’re not willing to really hear us out on any of those subjects.

“The company doesn’t really seem to be taking us seriously or want to negotiate with us seriously,” he said. “They kind of backed us into a corner.”

For 100 years the carpet plant has been in Bloomsburg, a town of some 13,000 people located in eastern Pennsylvania along the Interstate 80 corridor linking New York City and Chicago. Autoneum has owned it for more than a decade.

Dave Schaffer, a worker with 44 years in the plant, said that there had not been a strike at the plant since 1968, at the height of the Vietnam War.

“I’m fourth generation,” he told local media. “Built this town, this place built this town. The people and the community appreciate what we have here, and we didn’t want to go this way. We’re sticking together and it’s not a great thing but so much pride in everyone that works here.”

Behind Autoneum’s move against its workers are global developments, especially the US proxy war against Russia in Ukraine.

Autoneum reports losses of \$13.6 million during the first half of 2022, a net reversal of over \$40 million from its position one year ago. According to *Automotive News*, the “company’s struggles have mirrored those of many other global auto suppliers this year—particularly those with business exposure in Europe.”

In a statement, Autoneum explained its losses:

Current geopolitical developments substantially affected business performance in the first half of 2022. They are accompanied by accelerating inflation and significant price increases in the commodities markets, which the war in Ukraine has further exacerbated. These

developments are also delaying market recovery in the automotive industry.

The company, which secured a loan package of \$377 million from banks to finance operations on October 31, is intent on shifting its losses onto its workforce. It is singling out workers at this small plant in Pennsylvania, owing to their allegedly higher health care costs.

But while Autoneum has a global strategy, the parent unions of Local 1700 are not even presenting the fiction of supporting the strike.

The website of Workers United (WU), a small union spun off from Unite Here after petty bureaucratic infighting, has no report on the struggle. The WU website has in fact not been updated since early June. There is also no news about the strike on the SEIU website or on that of the UAW, the leading union in the automotive industry.

Reached for comment on the strike at Autoneum, Will Lehman, insurgent rank-and-file candidate for UAW president, condemned the corporation's "final" contract offer and called for the broadest possible mobilization behind the Bloomsburg workers. Lehman, whose own Mack Trucks assembly plant is about 90 miles away, called on workers to form a rank-and-file committee to broaden the struggle and to guard against betrayal by the UT and SEIU union bureaucracies. He said,

I congratulate the parts workers in Bloomsburg, Pennsylvania, for rejecting Autoneum's contract. This rotten deal would lock you into year-over-year pay cuts. In fighting against increased health care costs, you are taking a stand for all workers.

But why is Workers United not telling other workers about the strike? Why are they not calling workers out at the other plants Autoneum owns in the US, or the dozens of plants it owns planet-wide? Why is my union, the UAW, saying nothing about this important fight in the auto industry?

The fact is, these unions don't unite. They divide. To win, workers at Autoneum need to

take matters into their own hands and form a rank-and-file committee to link up with workers throughout the auto industry. This movement is already being built. I pledge my support and to do everything in my power to help.

The threat of betrayal by Workers United is not idle. This was the fate last year of a small plant, located in Terre Haute, Indiana. Workers at AMCOR, a packaging manufacturing plant, twice voted down a rotten contract, only to have Workers United impose it on them unilaterally. The former union president, Mike Hoaglund, went so far as to promise the company, in a secret e-mail, that he would find replacement workers for strikers.



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