

# Ford agrees to card check procedure to allow UAW to organize new Michigan battery plant

Shannon Jones  
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Ford has agreed to allow the United Auto Workers to organize a new lithium iron phosphate (LFP) battery plant it is building in western Michigan, projected to employ 2,500 people, through the card check procedure. Card check, an expedited process of union recognition, requires a majority of workers only to sign an authorization card, foregoing an election supervised by the National Labor Relations Board.

The opening of the battery plant in Marshall, Michigan, using technology from Contemporary Amperex Technology (CATL) based in China, is part of the rapid shift by Ford toward electric vehicles. This will entail a major restructuring that will involve huge attacks on jobs and wages as the cost is shifted onto the backs of workers. The major US auto companies have strongly hinted that they plan to impose lower pay scales on workers involved in EV production compared to workers who build gas-powered vehicles.

In cutting the pay of EV workers, Ford and other US automakers are relying on the complicity of the UAW, which has shown it is willing to agree to substandard agreements in exchange for expanding its dues base. Workers at the Ultium battery plant in Lordstown, partly owned by General Motors, recently voted to unionize with the UAW and make just \$15.50 to \$16.50 per hour. That is not even one half the top pay for GM autoworkers.

The UAW has previously agreed to substandard pay and benefits for whole categories of workers employed by the Detroit automakers, including Brownstown, Michigan, battery plant workers employed by GM's wholly owned subsidiary GM Subsystems LLC, who currently max out at \$22-\$24 an hour after six years.

The question of pay rates for EV workers will be certainly discussed in the upcoming contract negotiations between the UAW and the Detroit

automakers. After lesdecades of concession contracts, autoworkers are determined to win major gains. At the same time, the car companies are determined to slash costs.

Last year, Ford announced it was severing its electric vehicle business from its gas-powered operations. It has already committed to a massive \$11 billion investment in electric vehicle production in Kentucky and Tennessee, including a large facility near Memphis, Blue Oval City, that will dwarf in size the Rouge complex outside Detroit. Ford has not explicitly committed to union representation at the new plants.

The announcement of the building of a new plant in Michigan comes as Ford is carrying out a massive downsizing of its European operations, related to the shift to EV production. The company says it will eliminate nearly half of its European engineering staff involved in product development as well as 1,000 administrative positions. The cuts include 2,300 jobs in Germany and 1,300 in Britain.

EVs require fewer parts and less labor to build, and consequently need fewer engineers to design the systems.

Meanwhile, details have emerged of the massive incentives handed out to Ford by federal and state authorities in exchange for building the Marshall facility. Michigan Democratic Governor Gretchen Whitmer had come under intense criticism for “losing” Blue Oval City, and state officials were determined to land the new battery plant, whatever the cost to the public.

The state of Michigan said it had handed Ford \$1 billion in cash and tax incentives to locate the battery plant in the state. This includes a \$210 million grant from the Michigan Strategic Fund. It also approved a 15-year “renaissance zone” that will relieve Ford of

virtually all taxes. Local economic developers will also get \$36 million from the Jobs for Michigan Investment Fund to buy land and make infrastructure improvements around the site.

In a statement hailing the new Ford battery plant, UAW President Ray Curry supported the tax handouts to the multibillion-dollar company, stating, “Ford got it right by building this plant right here in Michigan. We supported the public investment into this facility as we know it will create good paying union jobs that will benefit the community and maintain strong wage and benefit standards in the auto industry.”

He added, “Because of the foresight of collective bargaining, the UAW will be able to organize this new facility using a card check to prove majority interest.”

Meanwhile, the UAW has remained silent on the closure by Stellantis of the Belvidere Assembly plant in Illinois, with the layoffs and dislocation of the 1,200 remaining workers. Stellantis cited the rising cost of EV production as a factor in closing Belvidere.

This week, Ford announced it was temporarily suspending production of its electric Ford-150 Lightning and E-Transit due to unspecified battery issues. The vehicles are built at Dearborn Assembly outside Detroit. Currently Ford produces more EVs in the US than any company besides Tesla.

Ford has emphasized that the LFP batteries are the cheapest available and in line with the company’s determination to cut costs, after suffering a \$2 billion loss in 2022.

LFP batteries charge more quickly, but need recharging more often than the nickel cobalt manganese batteries that Ford currently uses. That makes LFP batteries more suitable for commuter driving and shorter trips. The new Michigan plant will be operated by a wholly owned subsidiary of Ford, but the technology will be provided by China-based CATL, a leader in the field.

One reason Ford chose the Michigan site was that Virginia Republican Governor Glenn Youngkin removed his state from competition for the battery plant, claiming the joint venture would serve as a “Trojan Horse” for China into the United States.

Explaining the decision by Ford to partner with CATL, Lisa Drake, Ford’s vice president of EV industrialization, told *Automotive News*, “It’s a very global marketplace, especially when it comes to

batteries.” She continued, “LFP technology is already here ... but unfortunately it’s always imported. This project is aimed at derisking that by actually building out the capacity and capability to scale out this technology in the U.S., where Ford has control over the manufacturing, production and work force.”

Remarking on escalating US-China tensions and recent hysteria over alleged balloon spying by China, Ford said that its contract with CATL includes provisions to work through issues that may arise out of such conflicts. “Of course, we’ve thought about it,” Drake stated.

Ford said the new plant in Marshall will be able to build batteries for 400,000 EVs a year when operational. It will use the batteries in its Ford F-150 electric vehicle and the Mustang Mach-E SUV. CATL will supply Ford with LFP battery cells until the Michigan facility is operational.

CATL has 100,000 employees, mostly in China, and is the world largest producer of batteries for electric vehicles, accounting for one-third of the world’s production.



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