

# Ford to pay near-poverty wages at new Michigan battery plant

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Workers at a new battery plant being built by Ford will be paid near-poverty wages, according to a document obtained by the *Detroit News*. The plant is to be built in Marshall, Michigan, near Battle Creek, in partnership with Chinese battery maker Contemporary Amperex Technology (CATL).

The document submitted to the Michigan legislature said about three-quarters of the plant's projected 2,500 employees, 1,900 workers, would receive pay in the range of \$41,600 annually, or about \$20 an hour. The \$20 an hour would apparently include the expected benefits package, meaning the actual hourly wage would be even lower. The wage needed to provide basic necessities in Calhoun County is \$19.69 an hour, according to the Michigan Economic Development Corporation.

The median household income in Calhoun County is \$53,286, so the net impact of the new jobs would actually be to lower median income in the area.

The report comes as company says it will allow for union recognition at the plant for the United Auto Workers through an expedited process known as card check, which requires a majority of plant employees to turn in a signed authorization card rather than holding an election. This was obviously a quid pro quo, with the union agreeing to impose the starvation wage scale decided on by Ford in exchange for gaining the right to collect dues from the battery plant workers.

Ford has made it clear that autoworkers will be expected to pay the cost of investment needed in the transition to electric vehicle (EV) production. This is part of a massive global restructuring by all the major automakers. Ford is slashing jobs, recently announcing the layoff of 3,800 in Europe. Ford justified the cuts on the grounds that since EVs have fewer parts and are less complicated than gas powered vehicles.

The state of Michigan is also lavishing tax breaks and other subsidies on Ford, underwriting a large portion of Ford's expected \$3.5 billion total investment. Ford is in line to receive a \$750 million subsidy from the state for site improvements including widening roads and installing utilities. That is on top of a \$210 million direct cash payment from the state's economic development agency once the jobs are created. The total state subsidy represents a public outlay of \$384,000 per job.

In addition to all this Ford will get a Michigan tax break worth \$772 million over 15 years. This is on top of the huge subsidies contained in the Biden administration's Inflation Reduction Act, that provides billions in incentives for companies to locate battery production in the US.

The UAW has agreed to substandard pay scales for auto parts workers at all the supplier plants for the Detroit automakers. The UAW long ago abandoned the defense of any kind of wage parity for auto parts and auto assembly workers in the name of cutting costs for the Big Three.

With the sweetheart deal to organize the Marshall battery plant, a lower baseline is being set for the pay of EV workers. All the major automakers have strongly hinted that EV workers, both battery and final assembly, will earn less than the standard rate currently paid for workers who build gas powered vehicles. This is being justified on the supposed grounds that EV work requires a different skill set than traditional automotive jobs.

Workers at the Ultium battery plant in Lordstown, Ohio, partly owned by General Motors, who just voted to unionize, make just \$15.50 to \$16.50 per hour. That is not even one-half the top pay for GM autoworkers.

The UAW supported the massive public subsidies to

Ford for the battery plant. This is under conditions where up to 1.3 million residents in Michigan face a drastic cut in food stamp benefits March 1 as the Biden administration ends pandemic assistance. Free school lunches ended last summer and have not been reinstated, even though the cost would only be a fraction of the subsidies paid to Ford.

The largest city in Calhoun County is Battle Creek, where in 2021 workers at Kellogg's waged a two and a half month strike that was betrayed by the Bakery, Confectionery, Tobacco Workers and Grain Millers International (BCTGM). The sellout deal imposed on the workers was "ratified" under dubious conditions, where the union leadership shut down union-affiliated Facebook pages in the runup to the vote. One of the main issues in the strike was workers' opposition to a two-tier wage structure with lower tier workers earning just \$19 an hour. This near-poverty wage is now being set as the standard by Ford and the UAW.

CATL is the largest producer of batteries in the world and has plants in 13 countries, but none in the United States. The Chinese-based company is a leader in lithium iron phosphate technology. The batteries are less expensive to produce than batteries that use cobalt and nickel and are more durable. However, they don't hold as large a charge as cobalt nickel batteries, which allow vehicles to travel longer between charges.

A factor in Ford's selection of Michigan was the decision of Virginia Republican Governor Glenn Youngkin to withdraw that state's bids for the battery plant, claiming it was a "Trojan Horse" for China. To accommodate the growing anti-China agitation, Ford has said that the agreement is not a joint venture and that Ford is merely licensing battery technology from CATL.

Ford has already started work on a massive expansion of its electric vehicle division with the construction of BlueOval SK Battery Park outside Louisville, Kentucky and BlueOval City near Memphis, Tennessee. Both are being built in partnership with South Korea-based energy company SK Innovations.

BlueOval City will be Ford's largest plant, employing 6,000, that will build Ford's electric F-150 pickup and make batteries as well. The Tennessee legislature approved \$884 million "incentive" package for the Ford EV facility.

Unlike the Michigan site, Ford has not explicitly

stated that it will assist the UAW in organizing the plants.



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