

Company holds to demands for even deeper cuts

## Wabtec rejects UE's latest concessions offer

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*Are you a striking Wabtec worker or work in the railroad manufacturing industry? Tell us what you think about the conditions at Wabtec or the factory where you work by filling out the form at the bottom of this article. All submissions will be kept anonymous.*

Wabtec officials walked out of negotiations after just six minutes, rejecting the latest offer of concessions from the United Electrical, Radio and Machine Workers of America (UE), saying that they did not go deep enough.

Fourteen hundred workers at the Wabtec locomotive plant in Erie, Pennsylvania, have been on strike since June 22 after overwhelmingly rejecting the company's demands for massive concessions.

Since that time, the company has basically not budged from its June 10 "last, best and final offer" that contained minimal wage increases, massive cuts to health and other benefits and continued the hated two-tier system that keeps new hires at low wages for 10 years and more, as well as the point system used to indiscriminately discipline and fire workers.

On Friday, Wabtec and union officials met for the second time since the beginning of the strike. At the meeting the United Electrical officials offered substantial concessions.

On Friday, the union proposed a 4 percent raise, followed by increases of 3.5 percent, 3 percent and 3.5 percent in each year of the four-year contract. In addition, the union capitulated to the company's demand that workers pay more for health insurance, only proposing to cap the increase at 3 percent each year.

Company officials walked out, demanding the union accept even deeper cuts.

Wabtec is making clear that the UE either bow to its demands or face stepped up strikebreaking. Since the beginning of the strike, the company has been seeking to maintain production using management and scabs. While little or no production is of yet taking place, Wabtec is prepared to spend millions to defeat the strike.

On Monday striking workers reported that two workers were hit by a car as it crossed the picket line. Erie police say they are investigating the incident, but no arrests have been made.

Jim, a Wabtec worker, recently contacted the *World Socialist Website* to discuss the conditions at the plant and the implications of the two-tier wage system. His name has been changed to protect his identity.

"The company wants to bring everybody's wages down and break the union. They don't want to negotiate. I understand they only stayed six minutes at the last meeting. They just said our demands were unacceptable and walked out.

"They are willing to spend millions. Every day they bring in the buses, and there are just four people on the bus.

"The scabs are getting hurt. We've already heard that about four have been hurt. The company doesn't care about them either. It is just about making money."

Workers at the plant have not had a pay raise in nine years. Both the company's and union's wage proposals fall far short of current inflation, let alone make up for previous price rises, meaning that workers will continue to see their real incomes decline.

In addition, the company is demanding cuts to health care, including increasing the out-of-pocket cap to \$10,000 per year and securing the right to pass along all premium increases throughout the contract.

The company proposal would also cut one week's vacation from workers with over 30 years of service and keep workers hired since 2019 under a separate wage scale, making only around 60 percent of the wages of more senior workers and requiring that they work 10 years or more before making full pay.

Jim explained that before he was hired at Wabtec he had been working at other industrial plants in the Erie area.

"I'm only making \$1 an hour more than what I was making before I came here. Everyone in Erie remembers the old GE (General Electric) and thinks that this is a good paying job. They look at our strike, and they think we are just a bunch of high paid workers wanting more."

Wabtec bought GE's transportation division in 2019, which includes the Erie plant, and the company implemented massive cuts in order to boost profits.

Jim continued, "When I came here, I thought this was the old GE, just like everybody else. I thought this was a high-paying good job.

"But that's not how it is anymore. Since the last contract when Wabtec started the two-tier system, people are not earning what they used to."

Jim figures that almost half of the workers are now second-tier. "In my department, depending on the job we make about \$19 to \$21 an hour. That is almost half of what a legacy worker makes.

"I make locomotives, and I'm on Obamacare. Most of the new hires are on government assistance. It shouldn't be that way."

Newly hired workers are placed on a 10-year progression. However, Jim explained that layoffs and other downtime do not count towards the 10 years, so most workers will never see the top rate.

"I will never make the full pay," Jim said. "I'd say 90 percent, we'll never see the full pay. We are making plastic shop money.

"There will be layoffs in the locomotive building. That's the way the industry is. That means it can take 15 or 17 years before you get to full pay."

He pointed out that Wabtec's strategy is to push out the older workers and replace them with younger workers at half the pay and fewer benefits.

"The writing is on the wall," Jim said. "Wabtec wants to weed out

the legacy people and get new people at the cheaper rate.”

He said safety is also a big issue. “We are operating cranes, moving parts over our heads that weigh 2,000 pounds and more. Many of the pieces that we are assembling weigh several hundred pounds, and they have to be moved over our heads to be placed on the locomotives.

“One guy in our department already lost his thumb. He had never worked with power tools, and he was operating an air-powered wrench.

“People are always getting hurt. Every day they start off by reading a list of people that have been injured. It’s always four or five people. That’s what happens when you don’t hire people with experience. And you are not going to get people with experience when you’re paying so low.”

For its part the United Electrical is continuing its policy of isolating the strikers. The strike at Wabtec is taking place amidst an upsurge in the class struggle in the US and internationally.

Over 1,400 workers at railcar manufacturer National Steel Car (NSC) in Hamilton, Ontario, have been on strike for three weeks after voting to reject the company’s provocative “best and final offer.” Dockworkers on the West Coast of Canada have rejected a government-dictated contract and are continuing their struggle.

Meanwhile, writers and television and movie actors in the US are currently on strike, and 340,000 UPS workers face a contract deadline this month. The contract for 150,000 autoworkers expires in September.

Rather than link up the struggle at Wabtec with other sections of workers, the UE strategy is based on futile appeals to management to “see reason.” The UE website describes the strike is about allowing the union to work with the company to resolve problems at the plant and to bring “new jobs to Erie through the Green Locomotive Project.” The talk about “green” jobs is simply a ploy which will be used by the company and the union to push through concessions with the bogus promise of future jobs.

Jim explained, “In the 2019 contract the union gave up everything. That’s when Wabtec got the two-tier system. That’s when they cut the pensions. Wabtec wants to push people’s wages down.

“The company says they have to do this to keep competitive. I would like to know who else builds locomotives that we’re competing against. Really, it’s about making bonuses, the stock buybacks so that they can make millions. And what do we get? Oh, right, nothing! The union bought right into this.

“Anybody who could see past the doorway could see what the company was planning. These are supposed to be educated people who accepted this. There’s a rumor going around that somebody’s in somebody’s pocket.”

Workers at the Erie plant manufacture locomotives for freight trains. They were part of General Electric until 2019, when Wabtec bought the GE Transportation division in an \$11 billion cash and stock swap deal.

At that time, workers launched a powerful strike after Wabtec imposed the terms of a new contract that included a two-tier wage structure, the ability of management to hire temporary workers with no rights, for up to 25 percent of the jobs.

The United Electrical union called off the strike after nine days, reaching a 90-day temporary contract with Wabtec that included most of the company’s draconian demands, including many of the concessions that workers are fighting against now.

Just as workers at Wabtec are striking against a hated two-tier wage system, massive cuts to health and other benefits, the elimination of

pensions, and for the right to strike over grievances, the workers at the National Steel Car plant in Hamilton, Ontario, just across Lake Erie, are opposing many of the same management demands. Workers at both plants were presented with the company’s final offers that the membership rejected.

Workers at National Steel Car have pointed out that they use many parts manufactured by Wabtec in the making of their cars, however, the two unions, the United Steelworkers and the UE, keep the workers divided.

Wabtec is a global company employing 27,000 employees at roughly 50 plants in the United States, Europe, Canada, Mexico, Australia and South America. Since the financial crash of 2008, it has been going on a buying spree funded by Wall Street investors, acquiring many plants and companies involved in manufacturing for rail transportation.

The railroad freight transportation industry as a whole has become one of the most profitable sectors of the economy. This is not because of new innovations but because of vicious assaults on the workforce: cutting crews and maintenance, and demanding long hours.

Wabtec is doing the same to the manufacturing side of the railroad business.

To win their fight and break the isolation being imposed on their struggle by the UE, Wabtec workers should follow the example of the workers at the Hamilton, Ontario National Steel Car plant who have formed a rank-and-file committee to take the leadership and organization of the strike out of the hands of the USW bureaucracy that is seeking to betray it.

These committees will advance a bold set of demands, based on what the workers need and not what Wabtec deems affordable. These demands should include:

- An end to the two-tier wage structure
- A 25 percent pay raise to make up for lost wages from inflation
- Full cost-of-living raises to offset ongoing inflation
- Full company-paid health benefits
- A defined benefit pension plan
- Abolition of the point system

Above all, the rank-and-file committee will work to end the isolation of the strike and unite workers with their class brothers and sisters throughout the world through the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

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