

Exclusive: Leaked details of UAW's sellout contract at Ford reveal pro-company deal

Jerry White, Shannon Jones
29 October 2023

Read more: The UAW sellout contracts: What autoworkers need to know.

Join the next meeting of the Autoworkers Rank-and-File Committee Network to discuss the implications of the UAW-Ford deal and how to organize to defeat the sellout. Register here to attend.

Sign up for text message updates on the Detroit Three contract fight by texting AUTO to (866) 847-1086.

Since the United Auto Workers announced a tentative agreement with Ford Motor Company last Wednesday, details have begun to emerge of the pro-corporate, anti-worker character of the deal. The *World Socialist Web Site* has obtained a copy of the contract proposal, which consists of 900 pages of letters of understanding between top Ford and UAW executives and other documents written by company and union lawyers that are largely designed to conceal their meaning from workers.

In an anti-democratic move, UAW President Shawn Fain ordered the shutdown of the strikes at three Ford plants on Wednesday, before workers had seen, let alone voted on, the contract. On Saturday, the UAW similarly announced a “historic” agreement with Stellantis, ordering striking workers at the company’s plants and parts centers to take down their pickets and prepare to return to work.

At General Motors, the UAW claimed it had yet to reach a deal Saturday and called out one additional plant on strike, the Spring Hill Assembly plant in Tennessee. Media reports citing union officials in recent days have stated that the UAW is on the verge of announcing an agreement with GM as well.

The UAW-Ford National Council, a body of local union officials from around the country, is expected to rubber stamp the tentative agreement covering 57,000 Ford workers at a meeting in Detroit Sunday. After the vote, the union is supposed to release digital copies of the contract “highlights” and “full change pages” to the membership. The latter refers to hundreds of additions and amendments to the last contract, which took effect in 2019.

In their ten-minute video Wednesday night, UAW President Shawn Fain and Vice President Chuck Browning claimed the Ford deal was a “record contract” and “the most lucrative agreement per member since Walter Reuther was president.” The agreement is the model for a similar deal with Chrysler’s parent company Stellantis and an impending agreement with GM.

The claim that the UAW won historic gains through a “strike” that involved only 16,600 Ford workers—or less than 30 percent of the UAW membership at the company—is absurd on its face. Financial analysts have stated that Ford will recoup any pay increases through job reductions and other cost-cutting. Industry commentators gloat that the UAW dropped workers’ demands for company-paid pensions and retiree health benefits, the shortening of the workweek, and the restoration of other concessions given up in 2009.

A preliminary analysis by the WSW of the UAW-Ford contract proposal debunks the glowing characterization of the deal by UAW

officials and the media and underscores the need for rank-and-file workers to organize to defeat this sellout and fight to win their demands.

UAW-Ford deal: No protections from EV jobs massacre and low-wage battery jobs

There is no list of plant closures or impending layoffs in the tentative agreement, although Ford CEO Jim Farley has been outspoken in saying the company has “too many” employees and EV production requires 40 percent fewer workers, meaning tens of thousands of jobs will be targeted for elimination at Ford alone.

The UAW bureaucracy has already agreed to huge job cuts and is primarily focused on serving as a labor contractor—supplying and training “displaced” workers for Ford’s new EV battery plants—and collecting dues from these low-paid workers. While the UAW has trumpeted its having won the “right to strike over plant closures,” this is effectively meaningless since the union bureaucracy has willingly and repeatedly collaborated with the companies to destroy hundreds of thousands of jobs over the past 45 years.

At the same time, in the name of “job security,” the UAW is pledging to collaborate in the further destruction of job classifications, health and safety rules and other standards impacting working conditions so as to maximize profits in both the existing internal combustion engine (ICE) and new EV assembly and component factories.

An Administrative Letter from Kevin Legal, Ford’s vice president of labor affairs, to UAW Vice President Chuck Browning, titled “Product and Investment,” notes that “the parties recognized major changes within the global automotive industry,” including the growth of electric battery vehicles, with “uncertain demands and timing, significant supply chain disruptions, new competitors with new business models, and uncertainty in government regulations and incentives.”

It continues:

The long-term viability of both the Company and Union rests upon our ability, together, to find opportunities to profitably grow the business. These opportunities have not been exhausted. During the term of this Agreement, the parties commit to continue the work done during the course of the previous agreement to continue to secure the future both of Ford and the UAW.

Among such proposals are “competitive local agreements.”

The only battery plant mentioned in the agreement is Ford’s Blue Oval Battery Park Michigan (BOBM) plant in Marshall, Michigan, which is

slated to open in 2026 and initially employ 2,500 workers. The much larger electric vehicle and battery manufacturing facilities in Tennessee and Kentucky—which could employ 11,000 workers—do not appear to be in the current proposal.

On page 35 C, the contract notes that if the UAW wins “lawful” recognition at the BOBM, Ford workers will have transfer rights to BOBM “on a one-time basis,” and this will “establish no precedent with regard to any other facilities or circumstances.”

BOBM will be a wholly owned Ford subsidiary that will license battery cell technology from China-based Contemporary Amperex Technology Co. Ltd., or CATL, the world’s leading EV battery maker. To get around the corporate ruse that BOBM is a separate company, Ford will “lease” its employees to BOBM.

While production and maintenance workers at the battery plant will nominally be “covered” by the UAW national agreement, the UAW is giving Ford a free hand to do whatever it wants. It is providing numerous exceptions, including outside contracting, the gutting of job classifications, the imposition of “flexible” schedules, etc. It explicitly states:

The parties acknowledge the importance of operational and structural flexibility for this facility. Accordingly, to the extent Article 1, Sec. 4 applies to BOBM once it begins regular operations and the Union obtains lawful recognition, the parties agree that the existing methods, terms, and manner in which the Company operates the facility will remain unchanged and/or maintain existing in place flexibility to preserve operational and structural flexibility (eg. Teams, operating practices and patterns, versatility, potential outside contracting and sourcing, footprint restrictions, etc.) and ensure best-in-class culture and lean manufacturing principles continue uninterrupted, notwithstanding anything to the contrary in the Master Agreement.

In order to provide improved business opportunities for profitability, effectively manage business growth, fluctuations, changing consumer preferences, and rapidly evolving technology BOBM shall have the exclusive right to determine and modify future product lines; and BOBM may insource or outsource work or materials. Ford Motor Company and BOBM may buy, sell, spin, merge, or otherwise dispose of any assets.

The UAW has also agreed to exempt BOBM from any strikes, stating:

In addition, if the Union engages in a lawful strike, picketing, work stoppage, or dispute of any kind that involves or arises at one or more Ford facilities, Ford subsidiary, or entity in which Ford has an interest, no such actions shall be taken against or directed at BOBM.

At the same time, the UAW bureaucracy hopes to cash in from directing “retraining programs” for displaced workers from closed plants, both from corporate money and federal training funds. On page 123 A, the document states:

Jointly coordinate local training activities, working closely with the joint local Education, Development and Training Program and the UAW-Ford Labor Management Committee (LMC) Joint Trust to ensure that quality, cost-efficient training is provided and

appropriate funds are secured from both within Ford and from external sources.

Wages which don’t restore past concessions

The contract includes a cumulative 25 percent wage increase spread over four-and-a-half years, far below the demand by workers for a 40-46 percent raise that Fain previously claimed he was fighting for.

There is an immediate 11 percent raise, followed by a raise of 3 percent in October 2024, 3 percent in October 2025, and just 3 percent in October 2026. The final 5 percent does not come until October 2027.

Given that the Consumer Price Index has risen by 22 percent since the last contract in 2019, the cumulative rise in base pay does not represent an advance, only barely offsetting previous inflation. By the end of the contract, base pay will rise to just over \$40 an hour.

The top wage rate of \$40 an hour by 2028 will, in real terms, put workers behind the top rate in 2009, at the time of the restructuring of the auto industry. In fact, the top pay of \$40 an hour in 2028 will be near or below what a Ford worker was making in 1976 if inflation is factored in.

In other words, Ford workers in 2028 would be earning less than their grandparents a half century ago—despite a massive rise in productivity and corporate profits.

The contract reduces but does not eliminate the wage progression for Tier 2 workers, a substantial cost savings for management, around \$20,000 per worker annually. New workers will earn just 70 percent of the standard base pay rate. After one year, pay will rise to just 75 percent of standard base pay, and 85 percent after two years.

Inadequate cost of living escalator

Shawn Fain has touted the restoration of the cost of living provision in the Ford contract, reinstating the COLA formula in effect in 2009 and replacing the annual \$1,500 inflation bonus in the 2019 contract. It is not even clear, however, that this represents an improvement over the bonus payment.

The COLA formula in place from 2007 to 2009 was itself a major concession by the UAW, two years before the UAW abandoned COLA all together. It was not a full inflation offset, only compensating workers for a fraction of the real decline in purchasing power due to inflation.

To add insult to injury, a substantial portion of the inadequate cost of living adjustment in the 2023 UAW-Ford tentative agreement will be diverted to the company, ostensibly to cover the increased cost of health care. Moreover, COLA adjustments will not be folded into base pay until the very end of the contract, meaning the annual base wage increases will not be calculated on COLA-adjusted pay until 2028.

In addition, COLA will only apply to “seniority employees,” not temps.

Continued abuse of temporary workers

The immediate rise in the pay for temp workers to the poverty wage of \$21 an hour only brings real wages up to the level of tier two workers in 2009, adjusted for inflation.

The UAW is boasting that current temporary part-time workers will be

rolled over if they have worked at least 90 days of “continuous service,” and future temps will be converted after nine months.

But the abusive system of temporary employment remains in place. New temps will still not receive supplemental unemployment benefits, sufficient paid or even unpaid time off, or other benefits. Management retains the power to “discharge or terminate Temporary Employees.” The only added language (P. 113 A) states that “Temporary employee evaluations will be made available to the Union upon request.”

Most of the section on temporary workers (pps. 108A-118A) repeats the exact same contract language on temps as in the 2019 UAW-Ford agreement.

This includes:

The parties agree in certain circumstances, it may be necessary to utilize Temporary employees to supplement the full-time work force...The number of Temporary employees will be 8% percent of the total active UAW hourly population Company-wide. The National parties can adjust this total between the facilities based on the facility’s previous absence data, in a manner that does not alter the overall total of Temporary employees allowed Company-wide. *Any facility exceeding a total of 10% of their population as Temporary employees will require mutual agreement between the parties.* [Emphasis added].

The contract language continues:

The Company shall review with the National Ford Department other situations requiring Temporary employees above the allowable number such as, but not limited to: product launches, attrition program transition, periods of high vacation from April through November, placeholders awaiting transfer of laid off employees from other locations, or other similar supplemental manpower needs. Requests for Temporary employees in such cases shall be made in writing to the National parties for mutual agreement.

In other words, there will continue to be virtually no limits on the use of low-paid temps at individual factories, as long as the situation receives a rubber stamp by the UAW bureaucracy.

On page 110 A, the contract states: “The utilization of Temporary employees shall not be considered as an infringement of the rights of full-time seniority employees.” In fact, under the terms of the agreement, full-time workers can still be reduced to temporary status if they are “laid off in a reduction in force.”

A corporatist agreement

For all the talk by Fain about his administration ending decades of corporatist labor-management partnership, the bulk of the “new” agreement is the same as the 2019 contract signed under the leadership of President Gary Jones, who was jailed for embezzling union dues. The current agreement is full of corporatist language completely identifying the interests of the UAW apparatus with those of corporate management.

For example, Appendix J is titled Memorandum of Understanding Continuous Improvement Forum. It states:

During these negotiations, the parties agree this Memorandum is an on-going agreement, **“living document”** permitting the parties to positively evolve and work towards continuous improvement outside the normal collective bargaining process. As such, the national parties are empowered to review this Memorandum of Understanding to identify improvement opportunities and make adjustments to the provisions during the term of this agreement.

In other words, the contract isn’t really a contract, since it can be “adjusted” outside the “normal collective bargaining process” at any time by agreement of the UAW apparatus and Ford. In fact, it is an agreement between two business entities for the mutual exploitation of the working class.

The bulk of the contract spells out the myriad corporatist UAW-Ford bodies that enforce management’s dictates and provide lucrative positions for the union bureaucracy, from the local level to the UAW International.

One such management-union committee at each bargaining unit is called “Local Job Security, Operational Effectiveness, and Sourcing Committee (Local Committee).” The contract states that it will consist of “equal members of Company and Union representatives, including for the Company, the Plant Manager or Parts Distribution Center Manager, Human Resources Manager or Labor Relations Supervisor, and other management representatives as designated by the Plant Manager or PDC Manager, and, for the Union, the Plant chairperson, the Local Union president, Bargaining committeepersons, the local UAW Job Security Representative, and other Local Union representatives as designated by the Plant Chairperson.”

Among the tasks of this corporatist committee’s monthly meetings are: “Review the manpower requirement of forward product, facility, and business plans, maintaining the confidentiality of the material being evaluated (P. 122A).”

In other words, the UAW bureaucrats voluntarily agree to conceal from the workers management’s plans for plant closures and mass layoffs.

Ford workers must organize now to defeat this conspiracy. They should demand a full week to circulate and discuss the contract, exchange information with each other and with workers at GM, Stellantis, Mack Trucks, General Dynamics and other companies, and campaign for rejection of the contract. At the same time, rank-and-file committees of trusted workers should be elected to oversee the ratification process to prevent any vote-rigging by the bureaucracy, which is determined to ram this sellout through.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact