Exclusive: Leaked "Administrative Letters" between UAW and Ford expose labormanagement collusion in planned job cuts

Jerry White 31 October 2023

There are 50 pages of "Administrative Letters" in the 2023 UAW-Ford tentative agreement that the United Auto Workers leadership has not released to the membership. The documents, which were leaked to the *World Socialist Web Site*, reveal how the UAW bureaucracy is deliberately concealing from workers the number of factory closures and job cuts Ford is planning as part of its transition to electric vehicles. They also detail how the UAW plans to push local unions to override the terms of the national agreement and sign inferior local deals to "enhance competitiveness."

All of the letters can be viewed here.

A letter on "Product and Investment" on P. 31U states:

In these discussions, the parties recognized major changes within the global automotive industry. The external environment has evolved dramatically, with changing customer preferences, growth of battery electric vehicles (BEVs) with uncertain demand and timing, significant supply chain disruptions, new competitors with new business models and uncertainty in government regulations and incentives.

Ford, the letter says, made product and investment commitments in the US "estimated at more than \$8 billion by the end of the agreement," with less that 20 percent of the total earmarked towards engine, transmission and driveline, and stamping plants most directly threatened by the EV transition.

But the letter makes clear that these promises—which are trumpeted by the UAW in its contract "highlights"—are not worth the paper they are written on. "The parties understand that the expected conditions upon which these commitments were based can change, potentially affecting the product and/or components discussed," the letter states, adding, "The Company may adjust these commitments or move these products and components between our UAW-Ford Collective Bargaining Agreement U.S. facilities."

Belying the claims by UAW President Shawn Fain that the union has ended its decades-long "unity" with the companies, the letter concludes:

> The long-term viability of both the Company and the 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 to the work done during the course of the previous agreement and to continue to secure the future of both Ford and the UAW.

Another letter (13U-14U) reveals the extent to which the UAW bureaucracy is a junior business partner with Ford.

"Since the 2007 negotiations, the Union has become integrated into the Product Development and Powertrains present and future planning activities" of the company, the letter states. The "sharing of information on the future of work will be a regular agenda item in the National Job Security, Operational Effectiveness and Sourcing Committee (NJSOESC) meetings," the letter continues, where the union and management will map out "the process and product transformations occurring in the automotive industry due to new technologies," including but not limited to "electrification, autonomous vehicles, alternative propulsion vehicles, industry 4.0, and virtual manufacturing."

Ford CEO Jim Farley has said EV production will require 40 percent fewer workers. His UAW "partners" have already been briefed on this and have agreed to conceal this from their members. A description of the tasks of the local joint JSOESC committees contained in a "memorandum of understanding" on the job security program (122A in the UAW's "change pages") states they will review "the manpower requirements of forward product, facility, and business plans, maintaining the confidentiality of the material being evaluated."

As the WSWS has previously reported, a letter to UAW Vice President for Ford Chuck Browning buried in the UAW's contract changes raises the question of whether the union leadership has agreed to mass layoffs at the giant Rouge complex in Dearborn, Michigan.

The letter, with the subject "Zone 1 staffing needs," states, "Effective no later than December 1, 2023, the entire Rouge complex will be considered surplus" and eligible "for voluntary job posting opportunities" at other plants.

Another letter to Browning, "TEVC Transfer Opportunities," states that "the parties discussed the interest of finding job placements for surplus UAW employees," again specifically referring to workers at Rouge, stating they would be "allowed" to transfer to Ford's planned EV plant in Tennessee, which is not scheduled to begin operations until 2025 and is 700 miles away from Dearborn.

Earlier this month, billionaire company chairman William Clay Ford Jr. threatened the future of the Rouge complex at a speech at the facility.

The letter about transferring "surplus" Rouge workers to Tennessee indicates that the UAW has granted Ford the "flexibility" the company has been demanding to reduce electric vehicle production in case of slow market conditions, and to essentially transfer workers anywhere in the country where they are needed.

In July, the *Detroit News* reported, "The company wants the ability to move workers to factories building the most indemand models, whether they're powered by electricity or traditional internal combustion, according to Ford sources who requested anonymity discussing internal matters. The current union contract restricts Ford's ability to flex production, they said."

In addition to the threats to the Rouge complex, one of the Administrative Letters points to "the extensive discussions about the impact of the EV transition on future assembly work and volumes," noting that the fate of the Kansas City and Chicago assembly plants "were specifically reviewed."

Though the letter states that current sales forecasts would support the two plants' "operating patterns during the life of the agreement" it adds, "The Company agreed to meet quarterly with the Vice President and Director of the UAW, National Ford Department to review assembly volumes."

Other letters shine light on the collusion by the UAW bureaucracy with management to cut costs and determine staffing levels. Administrative Letter (2U-3U) states that UAW CI (Cost Improvement) Specialists will be sent to 14 different engine, stamping and assembly plants, including the Rouge Electric Vehicles Center, Sterling Axle Plant and Rawsonville components plant in Michigan to address "production complexity, business needs, population and shift patterns."

Under the subheading "Collective Bargaining Agreement Changes or Waivers (7U)," another administrative letter says that to "enhance competitiveness" and "improve job security," the parties agreed that "it may be beneficial for local unions and local management to consider and implement innovative programs, pilot projects, experiments or other changes." To facilitate and encourage such changes, the letter continues, "it may be necessary to change or waive certain provisions of the 2023 Collective Bargaining Agreement, supplemental agreements and appropriate local agreements as such locations."

In exchange for its collusion, another Administrative Letter agrees that "an appropriate portion of lump-sum payments" and "profit sharing" checks to workers will be funneled to the UAW in the form of union dues (7U-8U).

Ford will also continue to fund the UAW bureaucracy through the renamed UAW-Ford Joint Trusts Center (48U). After the corruption scandal exposed how the joint training centers at Chrysler were used to funnel bribes to "charities" run by UAW officials in exchange for signing sellout contracts, Ford and the UAW agreed in 2019 "upon the continuation of joint programs through the establishment and operation of two Trust Funds."

All of this makes clear that the "contract" that the UAW is pushing at GM, Stellantis and Ford is a joint conspiracy against workers. Workers would not be agreeing to a contract, they would be signing their death warrant.

Everything that is being presented by the media, the Biden administration and the UAW apparatus about a "historic victory" for workers is a pack of lies. Autoworkers must organize to reject this deal with the contempt it deserves.



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