

UAW officials move to shut down BCBS strike with sellout “verbal agreement”

Kevin Reed
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On Tuesday, the UAW and the management of Blue Cross Blue Shield (BCBS) of Michigan announced a “verbal” tentative contract agreement for 1,300 workers in Detroit, Lansing and Grand Rapids who have been on strike for 11 weeks.

The announcement of the tentative deal is the latest stab in the back by the UAW bureaucracy, which has left the BCBS customer service, claims, billing and maintenance workers isolated on picket lines for nearly three months.

Although President Shawn Fain repeatedly claims “the membership is the highest authority in the union,” he and Secretary-Treasurer Margaret Mock had no problem meeting in secret with BCBS CEO Daniel J. Loepp to work out the deal behind the backs of striking workers.

The announcement comes just 10 days after the UAW reported its sellout labor contracts at the Big Three auto companies GM, Ford and Stellantis had been ratified—despite 47 percent of GM production workers opposing it. In a Wednesday morning call with Wall Street bankers, GM execs boasted that the UAW deal would free up enough cash for \$10 billion in stock buybacks and a 33 percent increase in dividend payments to shareholders.

Just like the Big Three contracts, the UAW is concealing the real nature of its deal with BCBS by claiming it includes “historical gains.” In a cursory statement on the UAW International web site Tuesday, the UAW claimed, “The agreement contains historic wins, including the reduction of the wage progression from twenty-two years to five, significant general wage increases, a \$6,500 ratification bonus for Blue Cross Blue Shield workers, a \$5,000 ratification bonus for Blue Care Network workers and inflation protection bonuses of \$1,000 each year of the contract.

Negotiators were also able to secure stronger contractual language to protect worker jobs from being outsourced during the life of the agreement.”

As of this writing, however, workers have been provided with nothing in writing from the union. In fact, news reports indicate that there is no actual written agreement in place.

As reported by ClickOn Detroit, “Phone conversations over the past week between Blue Cross Blue Shield of Michigan President and CEO Daniel J. Loepp and UAW International President Shawn Fain have resulted in a verbal agreement.”

The *Detroit News* wrote, “The union and Detroit-based health insurer’s bargaining teams were expected to formalize and ratify agreements into a new collective bargaining contract on Wednesday, according to Blue Cross.”

The BCBS workers—members of UAW Locals 1781, 2500, 2145 and 2256—walked out when their previous contract expired to demand an end to pay tiers, significant increases in wages and benefits and an end to the replacement of jobs through outsourcing of customer service functions to offshore contractors.

Although the UAW reported in its November 28 statement that “Members will remain on strike while the agreement goes through the ratification process,” the union bureaucracy moved swiftly to wrap up picketing. In a post on the Local 1781 Facebook page, the union told workers, “Picketing duties have been suspended due to reaching a tentative agreement.”

The UAW has attempted to dress up its betrayal by stating, “The Bargaining Team was able to get an additional \$1,500 in your ratification bonus for all striking workers.”

A striking BCBS worker told the *World Socialist Web Site*, “‘Verbal’ is the first thing that caught my eye.

Over the phone, or Zoom, or where? Who else was privy? Why was it done? I'm the upside-down pyramid. We're on the bottom. I understand political tricks and relationships.

"A lot of things that we're under today, the union should have fought against long before. It was the companies' decision to have the contracts for BCN and Blue Cross be the same. But if I go to the other company, I start as a new employee.

"We get highlights at the union meeting and vote, but we don't see all the memorandums of understanding," she declared.

Critical to the entire setup by the UAW and Loepp is the fact that the agreement includes a settlement with the BCBS HMO subsidiary Blue Care Network (BCN) of Michigan. The BCN workers were kept on the job throughout the BCBS strike even though their contract expires on December 15.

Behind the drive by BCBS and BCN to outsource services and eliminate jobs is the demand by the customers of the giant insurance corporation, including the Big Three auto companies, for cuts to their health insurance outlays. While large numbers of BCBS and BCN workers are forced to work for near-poverty wages and will have little or no healthcare benefits when they retire, relentless cost-cutting by management guarantees massive salaries and compensation for executives, such as Loepp who pocketed \$16.9 million in 2022.

Workers have not stood on the picket lines for nearly three months to accept a contract that still leaves them behind due to past UAW concessions and record high inflation.

Striking BCBS workers must not vote on any agreement until the full contents of the tentative contract have been shared with the rank and file. At the same time, no confidence can be placed in the UAW officials to organize or count votes without fraud, including stuffing the ballot box. Committees of trusted and militant workers must be elected to oversee the entire ratification process.

In addition, picket lines must be maintained by UAW members until a contract is presented that addresses all of their demands. But the struggle cannot be left in the hands of Fain, Mock and the rest of the UAW bureaucracy.

BCBS and BCN workers need to construct rank-and-

file committees to outline the non-negotiable demands of striking workers and unite the BCBS and BCN struggle with all sections of the working class who are facing the same fight against social inequality and the capitalist system that produces it.



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