Announcement of permanent layoffs and a new tier of low-paid workers show real face of UAW sellout contract at Nexteer

Sheila Brehm
11 November 2026

Just four and a half months after the United Auto Workers (UAW) bureaucracy used strong-arm tactics and threats of mass layoffs to push through a sellout contract at Nexteer Automotive in Saginaw, Michigan, the company has begun permanently laying off workers and implementing a sweeping restructuring of its operations.

The layoffs expose the real content of the contract, which workers rejected three times before UAW officials claimed it had been narrowly ratified on June 26. Far from protecting jobs and improving working conditions for the 1,200 workers at the plant, the agreement is being used to facilitate the elimination of full-time positions, the expansion of a new tier of part-time workers without benefits and an assault on longstanding seniority rights, aimed at saving the company millions of dollars.

The cuts follow a series of layoff announcements at area auto parts plants, including the closure of Dakkota Systems in Detroit, threatening the loss of 397 jobs. Other impending cuts include Detroit Chassis (175 jobs), ADAC Automotive (98 jobs), and Ford supplier Kern J.G. Enterprise (156 jobs).

According to workers who spoke to the *World Socialist Web Site* (WSWS), those being laid off can be rehired as part-time employees earning $27 an hour, but limited to no more than 27-29 hours a week, without employer-provided health insurance, paid vacations or sick days. This compares with current top pay of $24 an hour for production workers topping out at $29 by the end of the contract.

At $27 an hour, maximum weekly earnings would be less than $800, while workers would have to shoulder the cost of medical coverage and forgo other benefits. This is not a wage increase. It is a mechanism for replacing full-time jobs with benefits with a cheaper, more disposable workforce.

Workers report that the previous agreement limited part-time employment to 10 percent of the workforce, but that the new contract contains no such restriction. If confirmed, this would give management virtually unlimited scope to replace permanent full-time positions with part-time labor.

More than four months after the UAW declared the contract ratified, workers report that they still have not received a complete, signed copy of the agreement.

What is the UAW hiding? Why have workers been denied the opportunity to examine the provisions governing their jobs, benefits and seniority while management proceeds with layoffs and restructuring? The answer is obvious.

In the face of the assault on Nexteer workers, UAW President Shawn Fain has said nothing and proposed nothing. Fain was recently reelected UAW president, receiving votes from just 6 percent of the eligible UAW membership, with most workers boycotting the election altogether. This is an expression of the distrust and contempt with which the vast majority of workers view the UAW apparatus.

Nexteer confirmed the job cuts this week. Jill Dralle, the company's vice president and USA division president, acknowledged "staffing adjustments" across its Saginaw operations, attributing them to changing manufacturing requirements. The company refused to disclose how many workers are losing their jobs.

Workers who spoke to the WSWS provided further details.

One Nexteer worker told the WSWS that Plants 5, 6 and 7 are being closed or consolidated, with production concentrated in Plants 3 and 4. Workers with approximately three years or less seniority are reportedly being targeted for layoffs.

The upheaval extends to workers with considerably greater seniority. Employees transferred from Plant 7 to Plant 3 can displace workers with fewer years of service from their preferred shifts, forcing them onto second or third shifts. Workers who have organized their family lives around established schedules can suddenly find themselves compelled to work nights.

One worker described the chaos:

"Some of the people being moved from Plant 7 were told last minute. Literally by phone and voicemail two days before being moved. They did not even know which department or shift they would be assigned."

Workers have also complained that UAW Local 699 failed to publish move (transfer) lists identifying those being moved and their respective seniority. When they sought answers, union representatives reportedly dismissed their concerns. "Our Local 699 is useless ... and compromised ... our last contract negotiation proves that!" the worker declared.

When the WSWS contacted UAW Local 699 seeking comment on the layoffs, the union office hung up the telephone.

The layoffs are the outcome of a months-long campaign by the UAW apparatus to suppress workers' resistance. After the

© World Socialist Web Site

previous agreement expired on March 16, the UAW repeatedly extended the contract without obtaining membership votes authorizing the extensions. Workers rejected three successive tentative agreements, including the first by an overwhelming 96.2 percent. In May, workers voted by 86 percent to authorize a strike. But UAW International and Local 699 officials refused to call one.

Instead, officials repeatedly warned that continued resistance could result in layoffs, plant closures or the intervention of an arbitrator who might impose an even worse agreement. UAW International Servicing Representative Jason Tuck was among the officials who advanced these threats.

The fourth tentative agreement was identical in its basic substance to the third. Yet the UAW held the final vote at three separate locations inside the plant, under management's watch, rather than at the union hall. One worker reported being instructed to "round up all the new hires and tell them to vote yes."

On June 26, Local 699 officials claimed the agreement had passed by a margin of 57 to 43 percent, with 831 voting yes and 635 voting no. More than 200 workers reportedly did not participate in the vote. Among production workers, the margin was narrower still: 54 to 46 percent.

The UAW presented this as a victory. But the significance of the contract cannot be separated from the restructuring of Nexteer's Saginaw operations.

On August 27, Nexteer announced the sale of approximately 1.8 million square feet of industrial property, including Plants 5, 6, 1 and 7, to Milwaukee-based Phoenix Investors.

The company retained Plants 3 and 4 and arranged to lease back portions of the sold facilities during what it described as a "planned transition." More than half a million square feet in Plant 5 was made available to new tenants.

The layoffs and reported transfers demonstrate what corporate restructuring means for workers: fewer secure jobs, disrupted lives and intensified pressure on those who remain.

The UAW leadership must have known about the property negotiations during the contract struggle. What discussions were held with management over future staffing levels? What commitments, if any, were obtained to protect workers? The union has provided no answers.

The attack at Nexteer is part of a broader offensive against autoworkers and industrial workers throughout the United States. At Dakkota Integrated Systems in Detroit, workers have faced the destruction of their jobs and efforts to replace union labor with cheaper labor. John Deere has eliminated thousands of positions. At Bradford White in Middleville, Michigan, the UAW isolated workers during a 47-day strike before pushing them to accept management's terms.

In each case, Fain and the union apparatus have presented workers as powerless against management demands. The reality is the opposite. This is particularly stark at Nexteer, a critical supplier of steering systems for some of the most profitable vehicles produced by the Big Three automakers.

During the contract fight, a 20-year veteran told the WSWS:

"Nexteer has a bigger footprint on the auto industry than American Axle. We would possibly shut down factories that could employ up to 10,000 people in Ft. Wayne, Flint Truck, Oshawa and Toledo. Workers possessed enormous industrial leverage. A strike could have disrupted production throughout the auto industry. That is precisely the power the UAW apparatus prevented workers from exercising."

The issue is not simply the dishonesty of individual union officials. The UAW bureaucracy constitutes a privileged apparatus whose institutional interests are bound up with the profitability and competitiveness of the corporations.

It cannot be pressured into defending workers' interests. Its authority over workers' struggles must be broken through the development of independent rank-and-file organizations.

The Nexteer Workers Rank-and-File Committee calls for an immediate fight against all layoffs and the replacement of full-time positions with part-time jobs.

The complete, signed contract, including every side agreement and memorandum of understanding, must be released immediately. Workers must have full access to all agreements concerning plant closures, transfers, seniority and staffing.

All threatened jobs must be defended. Every worker must have guaranteed full-time employment, adequate wages, employer-paid health care, paid time off and full seniority rights.

The committee also demands the reinstatement of victimized worker Antwiane Sanders and an independent rank-and-file investigation into the collaboration between Nexteer management and the UAW apparatus.

One Rank-and-File Committee leader declared:

"The UAW bureaucracy allowed this! Just like they sold out the Bradford White strikers, the Dakkota workers, the American Axle workers." The worker added that working people are "sick and tired of capitalism where the rich are getting richer and the working class can't afford groceries."

The fight at Nexteer must be taken out of the hands of the UAW bureaucracy and linked with workers at GM, Ford, Stellantis and throughout the auto parts industry. Through the International Workers Alliance of Rank-and-File Committees, workers must build an international movement against layoffs, concessions and the subordination of their livelihoods to corporate profits.

The answer to permanent layoffs is not acceptance of part-time poverty jobs. It is the independent mobilization of the working class to defend every job and every worker.

To join the Nexteer Workers Rank-and-File Committee, email **nexteerworkersrfc@gmail.com**, text **(947) 622-2198**, or visit **tinyurl.com/nexteerrfc**.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site