

# Overwhelming UAW Rejection Leaves Ford Disadvantaged

Dee-Ann Durbin and Tom Krisher, AP Auto Writers

DETROIT (AP) — Ford Motor Co. workers have overwhelmingly rejected contract changes that would have allowed the automaker to cut labor costs, leaving Ford at a disadvantage to its Detroit rivals as it continues its struggle to return to profitability.

The United Auto Workers union had given local unions until Monday to complete voting. But a person briefed on the voting said Saturday that the contract changes have been rejected by large margins. The person asked not to be named because the UAW hasn't announced the results yet.

The UAW and Ford agreed to the contract changes several weeks ago, but Ford workers needed to ratify them. Ford has 41,000 UAW-represented workers.

Two large union locals in Kentucky and Ford's home city of Dearborn rejected the contract Friday, sealing its fate. Those unions together represent 13,000 Ford workers. Exact tallies weren't available, but at least 12 UAW locals representing about 27,500 workers so far have vetoed the deal, many overwhelmingly. Only about four locals with a total of 7,000 members favored the pact.

Ford sought the deal to bring its labor costs in line with Detroit rivals Chrysler Group LLC and General Motors Co., both of which won concessions from the union as they headed into bankruptcy protection earlier this year. Under pattern bargaining, the three automakers usually match pay, benefits and other contract provisions.

But workers weren't convinced they should make more concessions, since Ford avoided bankruptcy and is considered healthier than its rivals. At least two Wall Street analysts are predicting that Ford could report a profit Monday when it announces third-quarter earnings.

Rocky Comito, president of UAW Local 862 in Louisville, said Friday that workers felt they were being asked to sacrifice more than the company's executives. Ford CEO Alan Mulally made \$17.7 million last year, although that was down 22 percent from the year before.

"Some want to see management give more at the upper level," Comito said.

Ford was offering workers a \$1,000 bonus if they ratified the contract. But the contract also would have frozen entry-level pay, changed some work rules and limited workers' ability to strike.

A message seeking comment was left Saturday for the UAW. UAW President Ron

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Gettelfinger said Friday that there wouldn't be a revote if the contract changes failed.

"If it fails, there would be no reason to go back to the bargaining table," Gettelfinger said at a community event in Detroit. "We have a democratic process in place. People have a right to express themselves. We recognize there's a lot of misinformation about it out there, but that is what it is."

Factory-level union leaders have known for several days that the deal would be defeated, said one Detroit-area official who asked not to be identified because the voting is not completed.

The union did a poor job of explaining the need to preserve jobs and keep Ford competitive with GM and Chrysler, the official said.

He doesn't believe members will approve any more changes until the 2011 contract, which will leave Ford at a disadvantage and has the potential to knock the company from its position as the strongest financially of the Detroit Three.

"Our goal should be to keep Ford Motor Co. going in the right direction," he said.

Gary Chaison, a professor of labor relations at Clark University in Worcester, Mass., said the vote was a slap to UAW leadership. It's extremely rare for union members to oppose the union's recommended vote.

Chaison said the vote damages the reputation of UAW Vice President Bob King, the chief Ford negotiator, who has been mentioned as a successor to Gettelfinger when the union elects a new president in 2010.

"The sign of a good leader is that you can agree to something and then sell it to the membership," Chaison said.

Chaison said Ford asked for too much too soon after workers already agreed to concessions earlier this year. He also said Ford lacked credibility because its financial situation wasn't as dire as GM's or Chrysler's.

"They made such a strong case about not going to bankruptcy court and turning the corner, so they couldn't go to the workers and say, 'We need this to turn the corner,'" he said.

The no votes came even as Ford reached a similar cost-cutting agreement with the Canadian Auto Workers union Friday. The CAW has agreed to cuts in benefits in exchange for product guarantees, but that agreement must be ratified by Canadian workers.

In addition to the plants in Louisville and Dearborn, workers at factories in Chicago; Claycomo, Mo.; and Livonia, Plymouth, Sterling Heights, Flat Rock, Ypsilanti Township, Mich., rejected the deal. Locals in Wayne, Mich.; Cleveland; Indianapolis and St. Paul, Minn., voted in favor.

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