GM To Restart Post-Bankruptcy Talks With UAW

Tom Krisher, AP Auto Writer

DETROIT (AP) — The head of General Motors Co.'s North American operations believes that new contract talks with the United Auto Workers will be different from the contentious bargaining of the past.

Mark Reuss, GM president for North America, said Monday that the two sides have been talking informally for the past 18 months about items that can benefit both the company and the union. The formal start to the talks is scheduled for July 27.

With the 2009 bankruptcies of GM and Chrysler still fresh in their minds, both sides have been sounding conciliatory tones leading up to the bargaining. UAW President Bob King has said repeatedly that he wants to be a business partner with the Detroit automakers.

The UAW's master contract with GM, Chrysler Group LLC and Ford Motor Co. expires in September.

Although he characterized the talks as amicable, Reuss conceded that there will be give-and-take as the company and union stake out their demands. He revealed few details of GM's wish list, although he said the automaker wants its factories to be more flexible so they can change quickly to build models that are in high demand.

"Some of the stuff we want is a good thing for the union, and some of the stuff the union wants is a good thing for the company," he said. "Being flexible and agile, for instance, everybody wins."

Detroit's three automakers are profitable now due to massive restructurings. So, they do not want to raise their fixed costs with pay raises. King has said he's willing to talk about profit sharing instead, although the companies may want to change the formula to tie it more to quality and productivity.

The UAW gave up cost-of-living pay raises in concessions granted in 2009 when all three companies were in financial trouble.

In past years the UAW has been able to win rich benefits for its workers by using a possible strike as leverage. But one of the conditions for government aid to GM and Chrysler to get them through bankruptcy was that the union couldn't strike over wages and that disputes must be settled with binding arbitration.

For previous contracts, the union has picked a target company and negotiated a deal that became the template for the other two. But King has said the UAW may not pick a target this year. He hopes to finish the talks well ahead of the September deadline.

Reuss spoke after the dedication of the GM auditorium at the Center for Creative Studies, a Detroit-based design and art school that has set up shop in an old building donated by GM.

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