

UAW, GM Agree On New Contract

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

UAW, GM Agree On New Contract

Dee-Ann Durbin, Tom Krisher, AP Auto Writers

DETROIT (AP) — The United Auto Workers union won \$5,000 signing bonuses and the possibility of sweeter profit-sharing checks as part of a new four-year contract with General Motors Co., two people briefed on the talks said Saturday.

The deal, which was reached late Friday, also includes a \$2- to \$3-per-hour pay raise for entry-level workers over the life of the contract and guarantees of more union jobs, the people said.

Both persons asked to remain anonymous because the details of the contract haven't been reviewed by all local union leaders.

Workers could get profit-sharing checks that are larger than the roughly \$4,000 they received based on the company's earnings last year. But the formula was changed so it is tied only to GM's North American financial results, said the people.

The GM deal will serve as a template for contracts that still must be negotiated with Chrysler Group LLC and Ford Motor Co. It would set the pay and benefits for 112,500 U.S. auto workers. It also will set the bar for pay and benefits at nonunion auto companies and other industries across the country.

The contract is the first since GM and Chrysler received government bailouts to make it through bankruptcy protection in 2009.

The UAW and GM would not give details of the contract. Union President Bob King said he won't talk about them until local union leaders are briefed on the pact Tuesday in Detroit.

Workers have to approve the deal before it can take effect. A vote is expected within 10 days.

The union said in a statement Friday that the contract includes some of its major goals, including improved profit-sharing, new jobs and better health care benefits.

The deal also will include creative ways to cut GM's hourly labor costs. GM pays around \$56 per hour including wages and benefits, which is less than what Ford pays but far higher than other companies like Chrysler and Hyundai Motor Co.

Also, a former Saturn assembly plant in Spring Hill, Tennessee, will be reopened under the deal, the people said, and new products have been promised to plants in Romulus, Michigan; Warren, Michigan; and Wentzville, Missouri. A plant in Janesville, Wisconsin, which stopped producing trucks in 2009, will remain idled but won't close.

UAW, GM Agree On New Contract

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Kristin Dzikczek, head of the labor and industry group at the Ann Arbor, Michigan-based Center for Automotive Research, said the agreement is a good compromise. It ensures that GM's overall labor costs will fall over the lifetime of the contract, since new hires will be making significantly lower wages than most current workers. But current workers will get economic gains in the form of profit-sharing checks and bonuses.

"They get the preservation of everything they have and money in their pocket," she said.

GM was the first of the Detroit Three to reach agreement with the UAW. Chrysler is likely to be next, followed by Ford, where little progress has been made in negotiations so far.

The UAW announced the GM agreement just after 11 p.m. Friday (0300 GMT Saturday), after a little more than seven weeks of closed-door bargaining.

GM workers reached early Saturday were happy a deal had been reached but anxious about the details.

Bobbi Marsh, a worker in Lordstown, Ohio, near Cleveland who is paid the entry-level wage, said a raise would be nice, but she's more concerned about job security. Marsh was hired in 2008 to help make the hot-selling Chevrolet Cruze compact car. She's worried that if sales slow, she could get bumped out of work by people with more seniority.

"If they want to throw us a dollar or two, I'm very excited," she said. "I really just need to keep my job."

GM has about 2,400 entry-level workers who make \$14 to \$16 per hour, about half the pay of a longtime UAW worker. The union agreed to the lower wage as Detroit automakers ran into financial troubles in 2007.

GM's contract with the union expired Wednesday, but it was extended while negotiations continued. In the past, workers might have gone on strike when the deadline passed. But this year, GM and Chrysler workers had limited ability to strike under terms of government bailouts.

The union hoped to show that it can work cooperatively with auto companies as it tries to unionize U.S. factories owned by Nissan Motor Co., Volkswagen AG and other foreign automakers. King said the union remains committed to organizing those plants.

"As long as unionized workers are being forced to compete with nonunion workers who in most cases receive lower pay and benefits — many in temporary jobs — there will continue to be a downward pressure on the wages and benefits of all auto workers," he said in a statement.

Also watching closely is the White House. GM received a \$49.5 billion government

UAW, GM Agree On New Contract

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

bailout two years ago and is still part-owned by the U.S. Treasury. An agreement that is favorable to GM could help the company's stock rise, which would get the Treasury closer to making back the money it is owed when it sells its remaining shares.

Source URL (retrieved on 02/01/2015 - 6:23pm):

<http://www.impomag.com/news/2011/09/uaw-gm-agree-new-contract>