

# UAW-Fiat Chrysler deal expands network of anti-worker joint programs

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The *World Socialist Web Site* has repeatedly made the point that in the current auto contract negotiations the United Auto Workers (UAW) and the Detroit-based auto companies are not antagonists, but partners whose interests are hostile to those of autoworkers.

While full of givebacks from autoworkers, as in previous Big Three agreements, the 2015 UAW-Fiat Chrysler contract is loaded with payoffs to the UAW bureaucracy in the form of joint programs staffed by a small army of union officials whose salaries and expenses are underwritten by the company.

These payoffs to the UAW largely explain the large size of the contract document. At least half of the more than 1,000 page contract is devoted to spelling out the details of various joint programs, whose purpose is to cement the interests of the union and management, drive up productivity and increase profits.

The cornerstone of the UAW-Fiat Chrysler joint programs bureaucracy is the UAW-Chrysler National Training Center, located in Detroit, not far from UAW headquarters at Solidarity House. According to the most recent tax filing available, the UAW-Chrysler National Training Center had \$59 million in gross assets at the end of 2014, including \$34 million in cash, and gross receipts of \$46.5 million. That compares to gross assets of just \$36 million in 2012.

In the 2015 contract the previous funding formula for joint programs based on employee hours worked is replaced by a blanket commitment on the part of Fiat Chrysler. The contract sets no set dollar limit on payouts, apparently opening wide the cash spigots.

This is merely payment for service rendered. Indeed, the opening paragraphs of the agreement express the complete identification of the UAW with management. It reads, “The parties recognize that the success of the Company and the job security of employees depends

upon the Company’s success in building a quality product and its ability to sell such product.

“To these ends the Company and the union encourage to the fullest degree friendly and cooperative between their respective representatives at all levels and among all employees.”

In other words, the primary purpose of the national agreement is to ensure the well-being of the company, not the well-being of the workers. For these services on behalf of Fiat Chrysler the contract rewards the UAW in many ways.

Cushy job opportunities abound for UAW executives, family members and close cronies. Among the programs sponsored by the Joint Activities Board and staffed with unelected UAW appointees, are the Employee Assistance Program, Job Security Operation Effectiveness and Sourcing Committee, Local World Class Partnership Councils, UAW-Chrysler Program for Dependent Children, Local Technical Training Committee, Diversity Training Committee, Americans with Disabilities Act Advisory Committee, Apprentice Diversity Outreach and Selection, Powered Industrial Vehicles subcommittee, and more.

One of the payoffs for the UAW is the provision of paid educational leave, available only to the “UAW leadership and selected employees.” Expenses and lost time for those involved in the program are paid for by national joint training funds.

The national contract also raises the pay for team leaders, UAW members who act as little more than junior foremen. The team leader position is often a steppingstone to more lucrative positions in the union hierarchy.

In addition to providing jobs to UAW officials and cronies, these joint programs undermine, and in fact render meaningless, contract protections for workers,

since they for the most part operate outside the grievance and arbitration procedure.

For example, The National Job Security, Operational Effectiveness and Sourcing Committee (NJSOESC), under terms of a Memorandum of Understanding (m-01), has the blanket authority to “waive, modify or change” sections of the contract in the name of “preservation or increase of job opportunities.” This nullifies the existence of the national contract since the UAW and management can change its provisions at will, without a vote of the workers. In addition, the NJSOESC has the extraordinary authority to “periodically review and evaluate the operation of this Memorandum of Understanding and make mutually satisfactory adjustments to its provisions during the agreement.”

The structure allows the union executives to first lower labor costs in UAW factories before FCA decides on outsourcing work. It also brings the UAW into the process of overseeing cost cutting at UAW supplier companies.

Another case is the National Joint Committee on Health and Safety consisting of representatives of Fiat Chrysler management and the UAW, which investigates deaths and serious injuries on the job. Such a procedure makes a mockery of any supposedly adversarial relation between the union and management. In practice this means that the UAW is a partner in the cover-up of health and safety violations by the company.

Indeed, the health and safety bureaucracy comprises a substantial portion of the national agreement, establishing a host of positions for UAW officials on a variety of committees, including: the Division Health and Safety Review Board, Joint Safety and Health Audit Program, Joint Health and Safety Training subcommittee, Local Joint Committee on Health and Safety and the Ergonomics Committee, to name a few.

These boards whitewash the deterioration of safety, which is the direct product of the UAW’s collaboration in management’s relentless speedup and cost cutting. The contract, for example, specifically sanctions the continued practice of “working alone,” which may have contributed to the death of 53-year old skilled tradesman Donald Megge at the Fiat Chrysler Jefferson North Assembly plant in Detroit earlier this year.

The biggest payoff to the UAW in the 2015 national

agreement is the setting up of a union run health care co-op. The UAW is being given control of a multi-billion dollar investment fund and will take over the provision and rationing of health care benefits. Similar in concept to the Voluntary Employee Beneficiary Association, or VEBA, set up for retiree health care, the co-op would serve as a source of perks and privileges for UAW officials. UAW President Dennis Williams, along with Norwood Jewell, UAW vice president for Fiat Chrysler, Jimmy Settles, UAW vice president for Ford, and Cindy Estrada, UAW vice president for General Motors, all collect salaries from sitting on the VEBA board in addition to their union salaries.

The UAW Retiree Medical Benefits Trust is valued at \$60 billion and is one of the largest private investment funds in the US, if not the world. It has provided business opportunities and Wall Street connections for the budding investment managers in the top echelons of the UAW. The *Detroit Free Press* noted that the operations of the UAW Retiree Medical Benefits Trust—which operates out of the UAW-GM Center for Human Resources building at 200 Walker Street in Detroit and has an office for its investment team in Ann Arbor—was “oddly secretive.”

An examination of the 2015 UAW-Fiat Chrysler national agreement further illustrates the transformation of the UAW into a business, whose officials have no accountability to the membership. Its income is increasingly tied to subsidies from the auto companies and it functions as a force hostile to the interests of workers trapped within it.

The primary task facing autoworkers seeking to defend their jobs, wages, benefits and working conditions is to break with this organization and construct new organs of struggle.

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