

Chattanooga Times Free Press: Corker to VW - No UAW

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NASHVILLE -- U.S. Sen. Bob Corker, R-Tenn., says he has told Volkswagen officials that he thinks it would be "highly detrimental" to the German manufacturer if the United Auto Workers organizes its Chattanooga assembly plant.

"I was asked to give input, and I did," Corker said.

The advice stemmed from his experience trying to negotiate with the union during the 2008 federal bailout of GM and Chrysler, he said.

"I certainly shared with [VW] I couldn't see how there was any possibility it could be a benefit to them to enter into a contract with UAW," said Corker, a former Chattanooga mayor.

He stressed he is not "anti-union" and said he often employed union craftsmen when he ran a construction company.

But the UAW "breeds an 'us versus they' relationship, and I just don't think it's healthy for a company to be set up in that regard," Corker said.

Bob King, president of the 400,000-plus-member labor union, said the UAW is interested in organizing the VW plant.

"We want workers there, and not just Chattanooga but all nonunion assembly facilities," King said. "We want workers to have a choice to come into the UAW."

King, who became UAW president in June, said Corker is "talking about the past and not the present or the future."

There is a difference between "this 20th century perception of UAW" and "the 21st century reality where we're proactive on all these issues of quality and productivity," he said.

The UAW is "committed to the success of the employers that we represent, Ford, GM, Chrysler," King said, and the union supports a "winning formula" for overseas transplants "whether it be Volkswagen, Toyota or Honda."

Guenther Scherelis, Volkswagen Group of America Inc.'s general manager of communication, declined to address Corker's specific comments as well as King's.

"At Volkswagen Chattanooga, the employees will decide for themselves about their representation," Scherelis said in an e-mail.

Asked if Volkswagen management would take a stance if the UAW seeks to organize a union, Scherelis replied, "Volkswagen Chattanooga has a neutral position."

VW's Chattanooga plant will employ as many as 2,500 workers starting early next year. The \$1 billion facility will produce a midsize sedan aimed at the American market.

Changing landscape

Auto companies from Japan, Germany and South Korea have flocked to the United States in recent decades, locating largely in right-to-work states such as Tennessee where workers can't be forced to join unions to get jobs.

Nissan North America operates an assembly plant in Smyrna, Tenn., and an engine plant in Decherd, Tenn.

Mike Randle, editor of Southern Business & Economic Development, said none of the foreign transplant automakers has been unionized except for a few joint ventures with American companies in other parts of the country.

"There are none in the South," Randle said. "That doesn't mean they haven't tried."

Nissan workers, for example, have twice voted against attempts to certify the UAW.

Randle said the transplants have been able to pay workers less than at Northern, unionized plants while still offering what is considered a good wage in the South.

An economic study, conducted earlier this year on behalf of The Grand Rapids Press in Michigan and other Booth newspapers, stated that "wages are typically high in the [states without right-to-work laws] compared to the Southern states."

It said Michigan had an annual manufacturing wage of about \$74,000 compared with the lowest Southern manufacturing wage of about \$53,000 in Tennessee.

"Differences in wages can be because of higher productivity and/or higher costs of living," the study by economist Hari Singh found. "However, a major factor is the level of unionization in the Non-RTW states compared to the RTW states."

Not having a union makes it easier to change how companies operate, Randle said, and also noted it eliminates the threat of union work stoppages.

Volkswagen is no stranger to unions. The UAW had a presence at a Volkswagen-owned plant that operated in New Stanton, Pa., between 1978 and 1988.

Volkswagen's parent company, Volkswagen AG, is unionized and under German law has a policy of "co-determination" that ensures union representation on the Wolfsburg-based company's supervisory board of directors.

No friend of UAW

Corker said he formed his views of the UAW when he was lead Republican negotiator with Democrats on the proposed auto-industry bailouts for GM and Chrysler in 2008.

"It was very, very apparent during the intense negotiations we were having that the success of the company was way, way, way, way down the list of what mattered," Corker said. "I just can't imagine any company of their own accord of being desirous of entering into a relationship with UAW."

But King, who noted he hopes to reach out to Corker, said any company with union employees is "going to have better quality and better productivity working with UAW because we've become experts in these areas, and we do it in a way that we really involve our membership."

The union's recent dealings with GM and Chrysler, King said, are "proving that business, labor and government can all work together [and] create jobs in the United States which we need desperately."

King said the union soon will propose to employers a less confrontational procedure for union campaigns.