

FREEP: UAW signals it would trade lower wages for new jobs

Mar 30, 2011

BY BRENT SNAVELY AND CHRISSIE THOMPSON
DETROIT FREE PRESS BUSINESS WRITERS

Last week, several UAW members railed against the Detroit Three's lower, second-tier wage -- with one bargaining convention delegate even sporting a button opposing it. But expanding that unpopular wage is shaping up to be an important part of the UAW's strategy to win more jobs.

The union is open to using an outsize number of \$15-an-hour workers at idled factories if it would result in new jobs, said UAW Vice President Joe Ashton, who will lead contract talks with General Motors this year. The current UAW contract expires on Sept. 14.

Better wages and benefits are still important, Ashton said Tuesday. But the No. 1 priority is securing new jobs, including reopening GM's idled plants in Spring Hill, Tenn., and Janesville, Wis., and keeping its Shreveport, La., factory from closing next year.

"We will look at anything when it comes to negotiations that will retain jobs," Ashton said.

Although GM says it doesn't need to open more plants right now, the union is pushing the issue as it nears full employment of its autoworkers, adding to a UAW membership that may have grown last year for the first time since 2005.

UAW may have expanded in 2010

After years of membership declines, the UAW's ranks may have stabilized, or even increased, in 2010 after the union successfully organized nearly 10,000 new members in casinos and higher education -- and because the Detroit Three added workers under a controversial wage structure that may be the key to even more growth.

This week, the union is required to file its 2010 annual report and disclose its total members as of Dec. 31.

Gaining members would be a major achievement for the union in today's political and economic environment, said Harley Shaiken, a professor at the University of California at Berkeley who specializes in labor issues. However, he added, it will likely do little to diminish the union's challenge as it tries to organize automotive workers at non-unionized U.S. plants.

Under UAW President Bob King, the union has made winning new jobs with GM, Ford and Chrysler a priority as it prepares for contract talks this summer. The union also has outlined aggressive goals for gaining other new members.

Agreeing to the expansion of the second-tier wage -- even as many members oppose its existence -- may be a key strategic move on the part of the union's leadership.

On Tuesday, UAW Vice President Joe Ashton said the union would be open to having more plants with work forces that mirror the one in Orion Township. At least 40% of the workers there will make the second-tier wage, a unique pay structure the UAW agreed to in exchange for reopening the factory to build the Chevrolet Sonic subcompact, which was slated for overseas production.

The UAW is seeking to get products for idled GM plants in Spring Hill, Tenn., and Janesville, Wis., and prevent a plant in Shreveport, La., from closing next year. "The No. 1 thing going into negotiations is jobs," Ashton said.

Cathy Clegg, GM's vice president of labor relations, said GM is meeting demand with the plants

it already has open. She said the Shreveport plant is also owned by Motors Liquidation, the entity that kept all of GM's unwanted assets when it exited its 2009 bankruptcy. As for whether GM can reopen Shreveport, Clegg said: "I'm a never-say-never person."

Ashton said he's optimistic that at least Spring Hill and Janesville will reopen. As for Shreveport, he said: "We differ. ... But we still believe GM has an obligation to those workers."

The union's focus on growing entry-level jobs comes as the Detroit Three approach full employment among UAW members.

Ashton has predicted GM will bring about 2,000 laid-off workers back to plants by September, bringing the automaker essentially back to full employment. After that, GM will start hiring. Ford and Chrysler also have nearly recalled all laid-off workers.