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LABOR NEGOTIATIONS

UAW approves Delphi contract

Plants, wages part of cuts as sides move into local talks

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BY JEWEL GOPWANI
FREE PRESS BUSINESS WRITER

Delphi worker Ken Blackmer was stocking parts on the assembly line at Flint East on Friday when he heard that UAW members at the auto-parts maker had approved a contract proposal that would save his plant.

"I just got this big smile on my face," said the bearded 54-year-old. "I wanted to holler, 'Yahoo!'"

Blackmer, one of hundreds of relieved workers in Flint, got one of the better ends of the deal. He expects to keep his job and his wage of about \$15 an hour. Just a few weeks ago, Blackmer thought he'd have to start looking for a job, expecting the plant to be shut down.

But his union brothers and sisters at 10 UAW plants face just that fate in this contract, approved by 68% of voting members.

It's part of Delphi's plan to shrink its business and cut costs through wage and job cuts as it reorganizes in Chapter 11 bankruptcy.

The contract includes:

- The closure of 10 UAW plants, including the one in Coopersville.
- Promises of contracts to supply GM for most of the 11 plants that will stay open, including four that Delphi will keep. Seven will be sold.
- Wage cuts of about \$10 an hour for 4,000 workers at Delphi's highest UAW production wage level. Those workers will be offered \$105,000 over three years in exchange for taking lower wages, as first reported in the Free Press.

Those workers also will have the right to flow back to GM as positions open up, and they will be offered buyouts.

"It's a remarkable moment in labor relations that employees ratify deep pay cuts and a whole new paradigm in their work relationship," said Mike Whitty, a labor-relations professor at the University of Detroit Mercy.

The UAW deal is an important step for Delphi as it negotiates financing deals that help it emerge from bankruptcy protection.

From here, UAW locals will start negotiating local agreements, in which Delphi and GM have started to ask for flexibility on issues including work rules, job classifications and outsourcing. Flexibility on those issues often leads to layoffs and workers taking on more responsibilities, Whitty said.

"We're not resistant to the idea of looking at flexibility, but fairness continues to be critical," said Mike Hanley, president of UAW Local 699, which represents about 2,300 workers at Delphi's Saginaw Steering plant.

Delphi also is in contract talks with its five smaller unions that represent 3,000 workers.

Workers in Lockport, N.Y., a plant Delphi plans to keep operating, voted against the deal. About 1,200 of the 2,200 UAW workers eligible to vote in

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(HEATHER ROUSSEAU/Special to the DFP)

Delphi employees Gina Funsch, 23, of Clio and Reno Ybarra, 31, of Flint leave the Local 651 UAW hall after voting Thursday.

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ADDITIONAL INFORMATION

Contract highlights

- Traditional workers -- at about \$28-an-hour wages -- would get cash payouts, including buyouts of as much as \$140,000, or buy-downs of \$105,000 over three years to make up for a wage reduction.
- Traditional workers would get to flow back to General Motors Corp. as positions become available.
- Newer workers, making \$14 to \$18.50 an hour, would see no wage cut and smaller wage increases than in the current contract.
- The proposal would let Delphi close 10 UAW plants, keep four plants and sell seven, including selling three plants by way of GM.
- Newer workers who are laid off would get a severance package of \$1,500 for every month of service up to \$40,000.
- Skilled-trade workers would get a onetime payout of \$10,000 to make up for higher out-of-pocket health care

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