

“The union is not for all of us”

Indianapolis Allison Transmission workers face stonewalling by UAW over contract terms, pensions

George Kirby, Shannon Jones
29 September 2018

More than 11 years have passed since the sale of Allison Transmission by General Motors to a pair of private equity firms. Since then workers at the Allison Indianapolis plant have reported that their rights and benefits are being undercut through the collusion between management and the United Auto Workers.

Allison Transmission was part of General Motors until 2007, when it was sold to private investment firms Carlyle Group and Onex. The deal, concluded on the eve of the 2008 financial crash, was valued at some \$5.6 billion and provided needed liquidity for a struggling GM. Allison is the world's largest manufacturer of fully automated transmissions and hybrid propulsion systems for commercial-duty vehicles.

Allison workers were promised by GM in 2007, at the time of the sale, that pensions and retiree health care costs would be guaranteed.

However, under terms of the 2007 UAW-GM contract, the company was able to unload its retiree healthcare costs into a voluntary employee beneficiary association, or VEBA, administered by the union. From the start the VEBA was underfunded, ensuring future cuts to retiree benefits. The deal also implemented for the first time a two-tier wage system that paid lower wages to new hires, splitting the older and younger generation of auto workers.

An Allison Transmission worker recently contacted the *WSWS Autoworker Newsletter* to express his anger over the UAW corruption scandal as well as to relate his own experiences with the local union in his plant.

His anger was doubled by the fact that UAW Local 933 in Indianapolis has stonewalled the filing of grievances and has yet to provide written text of the 2017 contract.

Workers ratified a new six year agreement in December last year covering 1,400 workers after an earlier proposal had been voted down. The second proposal also contained significant concessions, including the creation of essentially a third tier.

“I have not seen a contract booklet for 2017,” said the worker, “I still have my copy of the 2012 contract.” He continued, “We demand to know what is in the recent contract.

“We want to be informed of what will take place when there was an announcement of the outsourcing of skilled trades positions. According to the 2012 contract we should have the right to know. The union reports to us that the information is sensitive to the company's financial security. These contracts, per the corruption and the lack of our representation, should be null and void.”

He reported that the UAW has yet to sign the 2017 contract, despite its being ratified by the members, citing petty technicalities. He went on to explain, “Some of the UAW members got caught drinking when they were supposed to be in negotiations. There was an agreement that they were supposed to retire 90 days after contract ratification. Meanwhile, we are sitting out here in no-man's land.”

After the 2017 record profits by Carlyle Group and Onex, the company announced a sale of \$300 million worth of unsecured notes. This incensed workers, who were facing wage cuts and pension freezes. The worker wanted to know why his pension was being “held hostage.”

He continued, “I tried to apply for a pension (from GM). I was told I could not receive it unless I also retired from Allison. There was some memorandum of

understanding with the union. The money is supposed to be in a trust fund. I worked for it, I should be able to retire. They were in dire straits when they sold Allison, now they are awash with cash, but they still won't let us have our pensions.

“How can they offer to sell shares when our pensions are frozen?” the worker said. “The union is for the small group of executives for the company, not the workers producing their extra wealth.”

The worker also reported that a lawsuit was filed by a long time shift worker last April over the refusal of the UAW to process grievances against the company. The case was subsequently dismissed by the National Labor Relations Board.

Relating to the ongoing revelation of a bribery scheme aimed at influencing contract negotiations, implicating officials at the highest level of the union, he said, “Will there be any charges against [former UAW President] Dennis Williams? How can we take action against these corrupt executives?”

“The local union is corrupt just like the International in Detroit. The union is not for all of us, it is just for the select few. However, I was told that if I resigned from the union, I would not be eligible for retiree health benefits under the VEBA.”

The Socialist Equality Party and the *WSWS Autoworker Newsletter* urge Allison Transmission workers to initiate the formation of a rank-and-file factory committee, independent of the UAW. Such a committee, comprised of the most trusted militants, would take over the conduct of functions long abandoned by the UAW, including the enforcement of safety standards, the recording and resolution of grievances and the monitoring of contract negotiations.

The *WSWS Autoworker Newsletter* will give every assistance to workers interested in conducting such a struggle. For more information contact auto@socialequality.com.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact