

Report: UAW made secret deal for unionization of EV company Rivian based on profitability

Shannon Jones
22 December 2024

Work at Rivian? Join the rank-and-file movement fighting for workers' interests! Fill out the form at the end to discuss getting involved with the International Workers Alliance of Rank-and-File Committees. Your identity will be kept confidential.

Electric vehicle maker Rivian has agreed to a neutrality agreement with the United Auto Workers on union organizing at its plants contingent on the company achieving profitability, according to a report by *Bloomberg News* on December 19. The deal further reveals the degree to which the UAW apparatus works to defend corporate profit interests.

Since Rivian's founding in 2009 the EV maker has never posted a quarterly profit, losing \$1.1 billion in the third quarter of 2023 alone. It built just 57,000 vehicles in 2023.

The report of the secret deal follows the announcement by the Biden administration that Rivian qualified for a conditional loan of up to \$6.6 billion dollars from the US Department of Energy for the construction of an EV plant in Georgia. *Bloomberg* previously reported that Rivian's reluctance to cut a deal with the UAW had been one of the factors holding up the federal loan.

The Biden administration and the Democratic Party have promoted UAW and other unionization efforts to an unprecedented degree in recent years. The administration of UAW President Shawn Fain—which came into office in 2023 posturing as militant “reformers”—reciprocated with all-out backing for Biden and then Kamala Harris' failed presidential campaigns.

The strategy of the Biden administration over the past four years has been to rely on the UAW and other union bureaucracies as a means of containing and suppressing the class struggle. The White House worked closely with Fain and the UAW apparatus to sabotage the struggle by Big Three autoworkers in 2023. Severely limited “stand-up strikes” which the UAW called at only a small number of plants resulted in contracts which have allowed the automakers to enact a wave of mass layoffs and terminations of temporary workers.

As of this writing neither Rivian management nor the UAW have commented on the reports of the agreement. Rivian stock, however, was up 4 percent on the report. The UAW had already formed an organizing committee among employees at Rivian's electric truck and SUV plant in Normal, Illinois. The Normal operation employs around 8,000, the majority production workers.

The Rivian deal again reveals the alignment of the UAW apparatus with corporate profit interests. Rather than insisting that the interests of workers must take top priority, the union bureaucracy proceeds on the opposite basis, that workers' livelihoods and safety must take a back seat to Rivian's powerful shareholders such as Amazon and BlackRock.

Also notable, but not surprising, is that the UAW's reported deal with Rivian was reached entirely behind the backs of the workers it is

nominally seeking to represent. This secrecy is in line with the typical conduct of the UAW apparatus.

Just last week, a federal judge in Detroit ordered the UAW to produce records and documents the union has been withholding in relation to an ongoing corruption investigation into Fain's administration.

The brutal work regime at Rivian, including long hours, low pay and unsafe conditions, has undoubtedly created a mood of resistance among workers. There is a growing understanding of the need for collective struggle.

However, workers looking for a way to fight will not find it in the UAW apparatus. The record of the UAW's betrayals over the past 45 years has included the decimation of jobs and waves of factory closures in the auto industry, along with the elimination of defined benefit pensions, the spread of part-time and temporary work, stagnating pay and the end of the eight-hour day.

Whether or not the UAW establishes a presence at Rivian, workers at the plant will find they require collective organizations to fight for the interests of the rank and file.

The *World Socialist Web Site* and the International Workers Alliance of Rank-and-File Committees (IWA-RFC) call for the formation of rank-and-file factory committees independent of the bureaucratic UAW apparatus. These committees, democratically run by workers themselves, have been established by militant workers in a growing number of industries to map out a strategy to fight job cuts, oversee line speeds and health and safety, and counterpose the will of shop-floor workers to the dictates of management.

Reports of injuries at Rivian: “Cracked skull,” “amputated finger,” vomiting “Rivian blue”

Workers at Rivian have ample reason to organize a fight back, confronting intense exploitation and working conditions that have resulted in numerous safety citations.

An October report in *Bloomberg* provided an extensive account of injuries at the plant, including: “A cracked skull. A foot fracture. A back laceration so severe it required surgery. An amputated finger.”

The *Bloomberg* report noted that Rivian had more initial safety violations categorized as “serious” (21) than any other US auto company, despite the fact that it only has one plant.

Many injuries are also not reported, sources told *Bloomberg*. One former employee was quoted as saying that said she “complained to doctors last year of vomiting bile with a ‘Rivian blue’ hue after painting automobiles

without a respirator.”

The worker said she was assigned to the paint room “for about \$23 an hour plus benefits, spraying the vehicles, eight hours a day, six days a week.”

She said that she was given a polyester suit, rubber gloves and plastic goggles. Within weeks she complained of dizziness and was soon also suffering nausea, diarrhea and weight loss and was forced to leave her workstation often to use the bathroom. She asked for a respirator, but management refused, telling her it was uncomfortable and hot.

Only after she went to see a doctor about symptoms including “blue tinged vomit” did management finally relent. A complaint reported to OSHA (the Occupational Safety and Health Administration) was dismissed after the company filed a rebuttal.

“The worker was eventually terminated, the company citing a lack of documentation to justify her absences for illness,” *Bloomberg* reported.

In other incidents the article recounts, a worker “at the paint shop’s entrance suffered a lower back laceration that required hospitalization and surgery. Two months later, an employee working on an electric delivery van suffered a finger amputation when struck by a control handle. The next month, a worker’s skull was fractured when they hit their head and fell.”

The report additionally pointed to several instances of safety issues involving forklifts. According to an OSHA report in September 2023, a forklift driver suffered foot fractures from contact with a structure, while another suffered “traumatic injuries” when a tugger was hit by a forklift. OSHA also reported the unsafe practice of pushing empty carts by “bulldozing” them with forklifts.

UAW bureaucracy facilitates low wages at EV battery factories, mass layoffs at assembly plants

The UAW apparatus sees the unionization of Rivian workers primarily as an opportunity to increase its dues income.

Talk from UAW President Shawn Fain about a “just transition” to electric vehicles has not been based on the premise of defending the existing jobs and pay scales of UAW members, but rather on ensuring the corporate “competitiveness” of battery plants and other EV production facilities. To this end, the UAW has agreed to substandard pay and benefits at a number of facilities in exchange for union recognition.

In a statement reporting the high injury rate at the Normal factory, the UAW criticized Rivian for not following the example of its corporate partner Volkswagen in agreeing not to contest unionization, citing the joint statement issued by VW with the UAW touting their “many common goals.”

In its most recent contract offer to Chattanooga workers VW offered a 14 percent raise over four years, far below even the totally inadequate 24 percent raise contained in the sellout agreement the UAW negotiated with the Detroit automakers in 2023.

Earlier this year Volkswagen invested \$5 billion in Rivian to partner in the development of software for electric vehicles. In November, VW upped its stake to \$5.8 billion and said it was forming a joint venture with Rivian.

Similar to the UAW bureaucracy’s role in the US, the German union bureaucracies and corporatist “works councils” are collaborating with VW management to 35,000 jobs and impose wage freezes in order to boost profits.

The kind of deal that the UAW plans to impose at Rivian can be seen in its recent agreement with Stellantis to unionize the company’s joint venture battery operation with South Korea-based Samsung SDI in

Kokomo, Indiana.

Part of the arrangement involves a “leasing” agreement with Samsung SDI. Nearly simultaneously the Department of Energy approved a \$7.5 billion loan to assist the Stellantis-Samsung battery joint venture. In what amounts to a quid pro quo, the UAW is actively recruiting laid-off Stellantis workers for the plant. Simultaneously the UAW agreed to suspend its “Keep the Promise” campaign it had launched last summer against Stellantis, which was aimed from the beginning at heading off boiling rank-and-file anger over mass layoffs.

The UAW has put up no opposition as Stellantis has slashed thousands of jobs, nearly 4,000 just since September, including at the company’s Kokomo operations. The Stellantis Tipton Transmission plant has been put up for sale, with the threatened loss of 1,000 jobs. At other Stellantis transmission plants in Kokomo 387 supplemental workers were fired earlier this year.

A significant factor in the recent announcement by Fain that the UAW was suspending its “Keep the Promise” campaign was the unionization agreement with Stellantis covering the Kokomo battery plant.

Conditions at the Kokomo battery operation are abysmal. Workers are subjected to rotating 12-hour shifts to ensure the plant can operate 24 hours a day, seven days a week. There are reports of abuse of immigrant workers. Both immigrant and native-born face low pay, \$19 per hour, and degrading conditions such as lack of running water and safety equipment, with workers being subjected to skin irritation and rashes from hydraulic washers splashing chemicals. There are also reports of frequent fires.

A member of the Stellantis Kokomo Rank-and-File Committee told the WWSWS that the UAW was doing the job of the human resource department by blackmailing laid-off Stellantis workers to go to work at the Samsung SDI battery plant, even though the pay is lower, and a union contract is not in effect. The worker said workers are being told that if they turn down work at the battery plant it is the equivalent of a “quit” and they lose all rights, including state unemployment benefits as well as company paid supplemental unemployment benefits.

The arrangement established by the UAW with Stellantis in Kokomo is in line with deals it has made with GM and Ford in relation to EV plants set up by those companies.

In June, the UAW agreed to a sellout deal at the Ultium Cells battery plant in Lordstown, Ohio. The factory is a joint venture between General Motors and South Korea-based LG Energy Solution. The contract locked in a pay scale lower than under the national UAW-GM contract, setting a precedent for all electric vehicle workers. It also set a contract expiration separating Ultium Cells workers from the national UAW-Big Three contract.

In 2023, Ford granted the UAW the ability to organize workers at the battery plant it is supposed to be building in Marshall, Michigan, under the expedited card check procedure, foregoing a union election. The deal is based on the understanding that workers at the plant will earn near-poverty wages, according to a document submitted to the state legislature, which has provided huge tax breaks and incentives to underwrite the project.

Objective conditions are forcing workers from the Big Three to Rivian to the auto parts companies into struggle to defend their jobs, living standards and safety conditions against intensifying management attacks. But to secure their interests workers must establish militant organizations of their own: rank-and-file committees. Such committees are fighting to oppose the interests of shop floor workers to the dictates of management, both corporate-controlled parties and the UAW bureaucracy as part of the International Workers Alliance of Rank-and-File-Committees.

Work at Rivian? Join the rank-and-file movement for workers’ interests! Fill out the form at the end to discuss getting involved with the International Workers Alliance of Rank-and-File Committees. Your identity will be kept confidential.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact