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## Dissidents in UAW Add to Pressure on Union's Chief

### Friction May Reduce Room To Bargain With Car Firms; A Ratification Controversy

By JEFFREY McCracken

Growing resistance from auto workers is putting pressure on the head of the industry's most powerful union and threatening the tenuous ties he has forged with Detroit's Big Three.

United Auto Workers union President Ron Gettelfinger recently agreed to make concessions on health-care benefits to General Motors Corp. and Ford Motor Co., which have been battered by heavy losses. But union members ratified both deals by relatively slim margins.

The deal to raise drug co-payments for union workers at Ford and charge monthly health-care premiums to Ford-UAW retirees squeaked by earlier this month with 51% of the vote, well short of the 80% or more typical for union-backed initiatives.

Now, some UAW workers and plant-

level union officials are questioning the accuracy and integrity of the vote tally. Two officials said they are considering challenging the results and pushing for a recount. UAW spokesman Paul Krell declined to comment.

The matter, which could come to a head next week as union members return to work from their holiday break, is another sign of the complex challenges facing Mr. Gettelfinger. In finding ways to cut costs—and try to save jobs—at GM, Ford and their respective former parts-making units, Delphi Corp. and Visteon Corp.,



Ron Gettelfinger

he is taking increasing flak from union members who think he has already given away too much. One dissident group has threatened to picket the Detroit auto show on Jan. 8, when the automotive press arrives.

Though he can be blunt and combative in public, behind the scenes Mr. Gettelfinger and his aides have taken an increasingly flexible approach to bargaining. Besides endorsing cuts in health-care benefits for UAW retirees of GM and Ford, the 61-year-old Mr. Gettelfinger agreed to a two-tier wage structure at Delphi and Visteon.

The Delphi and Visteon deals angered some UAW members. But so far, this month's ratification vote at Ford has generated the most controversy, both because of the narrow victory margin and because the proposal—which is expected to cut \$650 million from Ford's estimated annual health-care bill of \$3.5 billion—was defeated by a 2-1 margin at some of Ford's biggest plants.

"It's a very, very close vote, but there aren't extensive, detailed procedures for regulation of ratification votes in the UAW," says Ellis Boal, a Charlevoix, Mich., labor lawyer who is scheduled to meet with Ford UAW members next week.

The controversy is sure to raise questions about how much more room Mr.

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## UAW Chief Faces Union Dissent

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Gettelfinger has for maneuver, particularly with DaimlerChrysler AG's Chrysler Group, the only one of the Big Three whose car and truck business is profitable. Mr. Gettelfinger, who is up for re-election next year, has said he won't take an offer back to members if he knows it won't pass, which could be the case if he were to agree to health-care concessions at Chrysler.

Though he prefers negotiations to confrontation, Mr. Gettelfinger can play hardball. After Delphi, the nation's largest maker of auto parts, filed for bankruptcy-court protection in October, its chairman and chief executive, Robert S. "Steve" Miller, asked the court to slash UAW wages to \$9.50 an hour from \$25. Mr. Gettelfinger called him to say it wasn't worth discussing. "I don't negotiate with a gun to my head," Mr. Gettelfinger said, according to a person familiar with the conversation.

Soon after, he and UAW Vice President Richard Shoemaker began warning that the union could strike Delphi, a move that would hurt GM, which depends on Delphi for parts. Alarmed, GM, which had tried to insulate itself from its former unit's woes, reversed course and declared it was prepared to help negotiate a settlement.

Now, the UAW and GM are discussing ways the auto maker might help cushion the blow for thousands of Delphi factory workers who otherwise might lose their jobs and retirement benefits as Delphi restructures. Mr. Gettelfinger, a former chassis repairman for Ford, is seeking a "soft landing" for Delphi's UAW members through buyouts or wage subsidies financed by GM. He has warned GM that without its intervention, union dissidents could mount unauthorized strikes against the parts maker.

GM, meanwhile, has outlined plans to close more plants, and Ford is preparing to do the same as both companies, hurt by global competition and slow-selling vehicle lineups, fight to stave off bankruptcy. For Mr. Gettelfinger, that will be a prelude to 2007, when the UAW must negotiate new labor contracts with all three domestic auto makers.

The union chief, an Indiana native who has held his post since 2002, acknowledges that concessions have tested his leadership. But he sees even more risk in refusing to give ground to the auto makers. "We want them to survive," he says, avoiding the bankruptcy process that has cost some steel and airline workers their pensions.

"He is trying to navigate a situation that is frankly impossible," says Pete Pestillo, who until May served as chairman and chief executive of Visteon. "He is the right man for the job, if there is such a person."

In an effort to keep Visteon and Del-

phi afloat, Mr. Gettelfinger last year reluctantly agreed with Mr. Pestillo on a two-tier wage agreement under which new hires would have a lower pay scale than veterans, topping out at \$16 an hour, rather than \$28. The UAW had long insisted on equal pay for equal work.

An increasingly vocal minority in the 1.2-million-member UAW is questioning such decisions. It accuses Mr. Gettelfinger of being too willing to accept auto makers' complaints about financial distress, at a time when auto executives continue to receive big pay packages.

Todd Jordan, a 28-year-old machine operator at a Delphi plant in Kokomo, Ind., is among those critics. Disgusted with the two-tier wage deal, he launched a Web site called thefutureoftheunion.com to undermine UAW efforts to get members to accept concessions. Mr. Jordan, a third-generation auto worker, says site traffic has jumped to 20,000 hits a week from 500 since Delphi's bankruptcy filing.

If Delphi moves in bankruptcy court to void union contracts covering 24,000 UAW workers, some dissidents favor calling for a walkout at plants in Michigan and New York, where their support is strongest. That could force GM to halt production within days, says David Cole, director of the Center for Automotive Research in Ann Arbor, Mich.

"The union has failed us and adopted the company's view on things," says 55-year-old Gregg Shotwell, a Delphi machine operator in Coopersville, Mich., and one of the dissident leaders.

The dissidents have already had an effect on Mr. Gettelfinger's tactics. When GM approached the UAW earlier this year for reductions in retiree health-care benefits, Mr. Gettelfinger sought to head off criticism by hiring investment bank Lazard Ltd. to study the auto maker's finances. Lazard's report persuaded Mr. Gettelfinger, who holds an accounting degree from Indiana University, that GM's financial condition was precarious enough that the company risked being unable to deliver on existing health-care obligations to retirees.

In October, he struck a deal with GM that will impose the first-ever monthly health-care premiums on UAW retirees. The deal, which will save GM about \$1 billion annually, also means higher drug co-payments for active workers. In a subsequent letter to retirees, the UAW's Mr. Shoemaker wrote: "Were GM forced to file for bankruptcy, it is likely that health-care benefits for its UAW retirees would be reduced in ways far more drastic than required by the proposed settlement—if not eliminated entirely."

Even so, the deal won approval by only 61% in a ratification vote—another squeaker by UAW standards.