

# The future of electric vehicles looms over negotiations in the US autoworkers strike

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Striking United Auto Workers member Chris Jedrzejek, right, and his father picket outside Ford Motor Co.'s Michigan Assembly Plant Monday, Oct. 2, 2023, in Wayne, Mich. Credit: AP Photo/Mike Householder

On the picket lines at a Ford factory west of Detroit, many striking

workers don't think the electric vehicle revolution is coming for their jobs—at least not in the near future.

But just in case, they're backing United Auto Workers President Shawn Fain's quest to unionize EV battery factories at Ford and Jeep maker Stellantis, matching a breakthrough concession made by General Motors last week.

So far, neither Ford nor Stellantis has agreed to the change, which would pull employees at all 10 U.S. battery factories proposed by Detroit automakers into national contracts with the UAW, all but assuring they'll be unionized.

Fain also wants workers at the plants to make top UAW assembly plant wages, which now are \$32 per hour.

With the UAW strike now in its fourth week, EVs and their potential impact on job security have become central to union negotiations with the automakers. Contract talks are likely to determine whether those plants—mostly joint ventures with South Korean battery companies—are union, which may have long-lasting consequences as the auto industry transforms itself.

"The battery plants are going to be the make-or-break issue," said Sam Abuelsamid, a mobility analyst for Guidehouse Insights. "It's going to be a critical factor for them to get good labor agreements at these plants."

In short, if electric vehicles replace gas-powered ones, most UAW workers at engine and transmission plants will lose their jobs. And if lower-paying battery plants aren't union, workers won't have anywhere to get the same wages and benefits.



Striking United Auto Workers member Chris Jedrzejek, right, and his father picket outside Ford Motor Co.'s Michigan Assembly Plant Monday, Oct. 2, 2023, in Wayne, Mich. Credit: AP Photo/Mike Householder

Ford and Stellantis thus far don't want to pay top union wages, fearing that will push up their costs over Tesla and other competitors with nonunion battery plants mainly in the U.S. South. That could make Detroit's EVs more expensive and harder to sell.

The issue, festering for months behind pay and cost-of-living increases, restoration of retirement benefits for new hires and even a 32-hour workweek, became huge Friday when GM agreed to unionization.

Stellantis didn't comment directly on GM's move, but Ford said workers

will have to choose once they are hired at plants that haven't been built yet. Although Ford said it's willing to work with the union, the company said it's investing billions in battery plants that have to operate "at sustainably competitive levels."

Last month, Ford CEO Jim Farley accused the union of using the battery plant issue to hold a potential contract agreement hostage. Ford has decided to locate three of its four proposed battery plants in Kentucky and Tennessee, states where workers and politicians could be more hostile to the UAW. The company has put on hold a fourth plant to be built in Michigan by Ford itself.

Before GM changed its stance, the automakers said they have South Korean joint venture partners at nine of 10 battery factories, and those partners have to be at the bargaining table.

Automakers are telling workers their jobs are secure, but the union doesn't see that in the transition to electric vehicles, Fain said. Instead, the companies want to pay "poverty wages" at the new plants and drive down pay in the industry, he said.

"It's really hard to envision a future for us where we have no piece of the battery," said Fain, adding that 20%—almost 30,000—of the union's 146,000 members at the Detroit Three now work in factories that make internal combustion engines and transmissions.





Construction continues on a battery plant, part of a \$5.6 billion joint project by Ford Motor Co. and battery maker SK, on March 24, 2023, in Stanton, Tenn.  
Credit: AP Photo/ Adrian Sainz, File

Farley and other auto executives have said that because EVs have fewer moving parts, they will require 30% to 40% fewer workers to assemble than gasoline vehicles. But GM CEO Mary Barra insists there will be enough work to bring everyone along.

A study by Carnegie Mellon University backs her up, in part, finding that it will take more labor to build electric vehicle batteries, motors and drivelines than engines and transmissions for combustion engine vehicles.

On the picket line at the Ford plant in Wayne, Michigan, where Bronco SUVs and Ranger pickups are made, workers questioned whether people would buy EVs because of their limited travel range and lack of charging stations. But they also see a future where buyers could switch, and they think wages at the battery plants should match what they make.

"They're part of Ford and should be unionized as well," said Chris Jedrzejek, who has worked for the company 23 years. "I'm sure that Ford would rather not have their battery plants unionized, but with the actions of GM, they set the precedent."

He doesn't believe the company line that higher-wage union battery plants would make Detroit's EVs too pricey. The pay at nonunion Toyota assembly plants, for instance, is similar to the top wage of UAW workers, he said, although Jedrzejek concedes that many Ford workers have better benefits such as pensions.

"I think it's just a bunch of rhetoric just to try to scare us into signing a bad deal," he said.

Worker Todd Lauerman, who has been with Ford a dozen years, said making the battery plants union is crucial because fewer workers may be needed to build EVs, and the issue has to be settled this year because if the plants start running and aren't union, "it's going to be a lot harder to get it in the next contract."



Ford Motor Co., executive chairman Bill Ford, announces the automaker's new BlueOval Battery Park, Monday, Feb. 13, 2023, in Romulus, Mich. Credit: AP Photo/Carlos Osorio, File

It's likely GM agreed to unionize its four U.S. battery plants because workers probably would have voted for the union anyway, Abuelsamid said. The UAW, he said, will use this to try to organize other Korean-owned battery plants.

One GM plant in northeastern Ohio already has voted for the UAW, two more are right next to GM assembly plants in Tennessee and Michigan, and the fourth is near South Bend, Indiana, not far from other GM factories.

"They may have thought they were going to get unionized one way or another, let's just get it done," said Harry Katz, a professor of collective bargaining at Cornell University.

Stellantis' staying quiet may mean it's willing to work a deal, but Ford's public statements so far indicate it will fight bringing its plants into the national UAW contract.

Katz, though, thinks Ford will eventually have to agree to the template set by GM. "On a matter of principle like this, I don't see them agreeing to anything other than the pattern," he said.

Without organizing the battery plants, union wins on wages and benefits could be only temporary because membership would decline if the battery factories are nonunion, said Marick Masters, a business professor at Wayne State University.

"It could turn out to be a Pyrrhic victory if inroads aren't also carved out at the nonunionized factories that will play a pivotal role in the industry's future," Masters said.

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