

# THE BUFFALO NEWS

## Auto contracts seen as 'transformational'

*Retiree health trust central to agreement*

By Matt Glynn

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Robert Kirkham/Buffalo News  
James Larese, Ford Motor Co.'s labor relations manager, and Kevin Donovan, the United Auto Workers union assistant director, discuss the impact of the new auto contracts with Marie Ceranski and Mike Quinn, labor relations executives at General Motors Corp. in Tonawanda.

Ford Motor Co. official Jim Larese thinks last year's labor agreement between Ford and the United Auto Workers could emerge as a "transformational" moment in the company's history.

"We're doing things together, and I think we'll look back at this in years to come, if we're successful in turning this business around," said Larese, labor relations manager for Ford, who traveled from Michigan to attend a panel discussion in Cheektowaga on Wednesday about last year's auto contracts.

Larese was joined by two representatives of General Motors' Town of Tonawanda engine plant and Kevin Donovan, assistant director of UAW Region 9, to discuss how the 2007 contracts between the UAW and GM, Ford and Chrysler created notable changes in areas like worker wages and retiree health care costs.

Central to last year's talks was the creation by the U.S. automakers of an independent trust, administered by the union, to handle retiree health care costs. The automakers say they needed a new approach to make themselves more cost-competitive with companies such as Honda, Toyota and Nissan.

Actuaries have estimated that every person working for Ford, GM and Chrysler today will have health care benefits for the rest of their lives, based on the plan created in the contract talks, Donovan said.

"The UAW firmly believes in protecting their retirees and their health care," Donovan said. "Otherwise, the rest of us would have been paying for all those retirees somewhere down the line. It gives us all the opportunity to be able to say, 'OK, I don't have to worry about my health care when I retire now. I can concentrate on saving for other things.' "

The two representatives of the GM engine plant credited union-management cooperation at the River Road factory with producing three sets of successful local negotiations in 2007.

That sense of partnership continues to bring new products to the plant, said Mike Quinn, general supervisor of labor relations and hourly personnel.

Even so, the plant faces new challenges to keep improving, and most recently is facing a potentially large wave of departures from its hourly work force, due to GM's new buyout offers.

"I think we've come to conclude this is kind of like parenting," Quinn said. "There's no finish line."

The Tonawanda engine plant last year contributed about \$150 million in wages to the area, said Marie Ceranski, supervisor of labor relations and skilled trades at the site, underscoring the plant's value to the local economy and the need for it to keep new work coming in.

"It's pretty crucial for all of us that we secure what we have," she said.

The GM plant employs about 1,500 hourly workers. Those workers and about 1,000 others at Ford's stamping plant in Hamburg are now considering buyout offers that could alter the size and makeup of the local work force.

Wednesday's panel discussion was organized by the Western New York Chapter of the Labor and Employment Relations Association.