



The
Flint **JOURNAL**

Genesee & GM

INSIDE GENESSEE COUNTY GOVERNMENT AND GENERAL MOTORS

http://blog.mlive.com/genesee-general-motors/2009/08/general_motors_needs_to_cut_mo.html

General Motors needs to cut more hourly workers but no more plant closings on short-term horizon

Posted by Ron Fonger | The Flint Journal | August 04, 2009 17:19PM

General Motors may need to cut thousands more jobs, but the company has no plan to close any additional plants in Flint or elsewhere, a spokeswoman said today.

Sherrie Childers Arb, a GM spokeswoman, said the company may have to add to the ranks of those on indefinite layoff in order to reach its goal of trimming its hourly workforce to about 40,500 jobs by the close of this year.

GM has about 48,000 employees following the latest employee buyout and early retirement program. The company said Monday that about 6,000 employees -- more than 400 of them in Flint -- jumped at the most recent special attrition program offer.

Production workers were offered \$20,000 plus a \$25,000 car voucher for early retirement, while skilled trades workers were offered \$45,000 plus the voucher.

Workers with 20 or more years of service were offered buyout packages of \$115,000 and the car voucher. Those with less than 10 years got \$45,000 and the car voucher to leave GM outright.

GM has not announced which type of plants might be most vulnerable to longer employee layoffs because of the underwhelming response to the offers, but auto analyst Jim Wangers said the next

60 days will be crucial to determining whether the company can make the case for keeping some of those otherwise targeted employees.

"There are some serious people at General Motors who might say, 'Give us another 60 days' " to keep making vehicles, especially if demand for the company's products starts to climb quickly, said Wangers, a retired marketing, public relations and advertising official for GM's Chevrolet and Pontiac brands.

Extension of the federal "cash for clunkers" program could help spark those kind of sales if GM convinces consumers that it will be here for the long run.

"If they are going to continue the clunkers program, and I think it's predictable they will, is GM going to get its share? That is what has yet to be proven," Wangers said.

UAW Region 1-C Director Duane Zuckschwerdt said if GM were to decide it needed to close additional plants, the Flint area doesn't have any certain candidates.

"Our (facilities) are still solid but it depends on sales," said Zuckschwerdt.

GM has already announced the closing of Powertrain Flint North but the company still has eight other operating plants and office buildings in the county.

The union leader said there has been speculation that GM could offer another buyout and early retirement program in addition to the two that have already been offered this year, but Childers Arb said that's not in the company's plans.

Zuckschwerdt said more employees would have taken a buyout if they felt more certain about the future of retiree health care or if the economy were stronger.

Van Conway, president of Conway MacKenzie Inc., agreed that GM workers would have left the company in larger numbers if they had felt better about the economy they were wading into.

"There's really nothing else out there" for people who need to continue to work, Conway said. "If people don't have (a ready) alternative they are better off (still) having a job."