



STATE OF THE UNION

UAW LOCAL 375 NEWSLETTER

January 2019



President
Jessie Wilson

Presidents Report

I recently sat thru a class highlighting the future direction of the auto industry. It was very eye opening.

The auto industry is making a major transition from the combustible engine to the electric one. Hard for some to believe. Some even thought this day would come earlier since the first electric cars were introduced during the nineties. But the different hybrids and models sold to the public up to this point in time have had low to decent sales. So there has been little motivation to make the jump. But now several factors have changed.

First, Tesla came unto the scene with fully electric cars and sold numbers almost equal to Mercedes Benz creating a disruption in the industry. China has become the biggest market for electric autos selling a total of 1 million units across all models. This has shown everyone there is a market for electrics and that even higher sales can be achieved.

Second, governments are implementing higher fuel standards and some are making mandates for electric vehicles to be sold. President Obama mandated corporate fuel economy standards to reach 54.5 mpg by the year 2025. China increased its

standards to 54.5 mpg to match the US by 2025. But also mandated electric vehicles only to be sold for 2030. India has said it will mandate electric only vehicles to be sold for 2030. UK and France have mandated electric vehicles only by 2040.

In August 2018 the Trump administration said it wants to freeze standards at 2020 levels which would be 37 mpg. But this change could get tied up in courts from legal battles with states. 19 attorney generals have said they will challenge this standard.

Lastly, the VW dieselgate scandal exposed how the car maker used technology to disguise how bad the engines emissions were. The settlement to the scandal was not only a 17.4 billion fine to the US government but also the creation of a subsidiary called Electrify America. This company will spend 2 billion over a 10 year period installing fast charging electric stations across America with a complete date of 2027. This creates the infrastructure for consumers to charge anywhere.

Auto companies thought between diesel, hybrids and gas engines they would hit the 54.5 mpg fuel average but the VW scandal took diesels out of the equation. In California and Chi-

na, smog has become such a major problem it sometimes covers entire cities.

In June 2018 Sergio Marchionne, one month before his passing, presented FCA five year plan. He showed that FCA plans for 25 of its vehicles to be Plug In Hybrids and 8 vehicles to be full on Battery Electric vehicles by the year 2022. The man stayed ahead of the current trends that's for sure. FCA is positioned to have electric vehicles on the road years before the 2025 deadline.

In Solidarity,
Jessie Wilson

Auto Industry Quick Takes

MERCEDES-BENZ & BOSCH TO OFFER SELF DRIVING RIDES

Mercedes-Benz parent company Daimler and auto supplier Bosch plan to launch a self-driving car pilot for the public in San Jose, California, in the second half of 2019. The two German auto companies have been quietly collaborating to deliver advancements in an increasingly competitive global race to make autonomous cars a reality.

USED CAR PAYMENTS HIT RECORD \$400 PER MONTH AS PRICES TOP \$20,000

The average price of a used vehicle hit an all-time high for the third quarter of 2018, according to car-buying advice site Edmunds. At \$20,084, the average price was up 3.5 percent from the same period a year earlier and up nearly 19 percent from five years earlier.

FORMER TESLA EMPLOYEE INDICTED FOR 9.3 MILLION EMBEZZLEMENT SCHEME

Salil Parulekar, 32, was indicted 11/8/18 in a California federal court on wire fraud charges for allegedly orchestrating a scheme in which he tricked his employer into sending money to himself instead of a supplier.

*GM OFFERS BUYOUTS TO 18,000 SALARIED WORKERS

General Motors is offering voluntary buyouts to 18,000 salaried workers, acknowledging Wednesday that if it does not get enough takers, it may consider layoffs in early 2019.

*DIESEL EMISSIONS ACCUSATIONS COST FCA 800M

Fiat Chrysler Automobiles said it made \$642 million in net profit in its first quarter after the death of former CEO Sergio Marchionne.

But that figure was dragged down by what the company estimates its alleged U.S. diesel emissions scandal will cost it — \$812 million (713 million euro).

PEOPLE LEFT KEY FOBs INSIDE THEIR CARS AND AUTO THEFT HIT AN 8-YEAR HIGH

Thieves stole more vehicles in 2017 than they had in any single year since 2009. With the proliferation of push-start buttons that can be activated as long as the key fob is inside the vehicle, it's easier than ever to drive off with someone else's car. Vehicle thefts totaled 773,139 in 2017, according to recently released FBI statistics. That's up 12.6 percent from the all-time low of 686,803 in 2014.

FIAT CHRYSLER AGREES TO PAY SOME JEEP, RAM OWNERS UP TO \$3,000 IN DIESEL DEAL WITH FEDS

Fiat Chrysler Automobiles has long denied any intentional wrongdoing in its alleged diesel cheating scandal, but federal authorities made clear Thursday in announcing a settlement in the case that they believe the automaker actively deceived regulators and the public for years.

As part of the settlement, owners of affected vehicles will be eligible for up to \$3,000 in cash.

GM, FORD, TOYOTA SALES FALL IN DECEMBER, BUT AUTO INDUSTRY POSTS SURPRISINGLY SOLID 2018

U.S. auto sales appear to have enjoyed a surprising, albeit slight, uptick in 2018, according to analyst estimates. In December, Ford and Toyota posted sales declines of 8.8 percent and 0.9 percent, respectively. But Honda and Nissan outpaced expectations with sales increases of 3.9 percent and 7.6 percent, respectively. Edmunds.com estimated full-year sales of 17.3 million vehicles. Sales totaled about 17.2 million in 2017.

Union Meetings

TBD

Caravan Knight 9am-9:30am

Black River 9:30am-10:30am

Mapal 10:30am-11am

FCA 11am - Noon

Upcoming Events

Martin Luther King Day

01/21/19

UAW Region 1 Bowling

Tournament

02/09/19

Upcoming Events