

The Saginaw News

Delphi Energy leaders receive update

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Workers at Delphi Energy & Chassis Saginaw Operations were meeting today with UAW International representatives for an update on negotiations with the bankrupt company.

United Auto Workers Local 467 President Jim Hurren called the planned sessions "general information meetings." The meetings are not open to the public.

"People have questions about if we become an independent supplier plant, just general information," Hurren said. "People have questions about what's going to happen. They want to hear it from someone in authority."

The plant, 2328 E. Genesee in Saginaw, is up for sale by the Troy-based auto parts maker. It employs about 1,000 hourly workers. No suitor has publicly come forward.

The UAW is holding meetings with Delphi locals around the country to update members on talks between Delphi, the former parts-making operation of General Motors Corp., and private equity investors who have pledged to pump up to

\$3.4 billion into the struggling company.

Delphi denied it was discussing specifics of the talks with union members.

UAW International representatives were at Flint East on Wednesday.

Delphi also has placed Delphi Steering, headquartered in Buena Vista Township, up for sale, but has identified Platinum Equity, an investment group from Los Angeles, as a potential buyer. UAW Local 699 represents about 3,300 hourly workers there. UAW International meetings will take place for those workers Monday, May 7, said Gary Shepherd, who represents the plant as an international representative with Region 1-D.

He called the meetings an update to the local unions on contract talks.

"The international union wants to make sure the people realize the gravity of the situation at Delphi," he said.

UAW union President Ron Gettelfinger, speaking to reporters at a Wednesday news conference to announce DaimlerChrysler's plans to invest \$1.78 billion in Michigan plants, also talked about Delphi. He stopped short of saying that the union is developing strike plans against Delphi.

Last month, the union rejected a wage offer from Delphi that it called insulting. Gettelfinger said at the time that the UAW has done probably too much for the company. The union has approved mass buyout and early retirement offers and has allowed a two-tier wage scale that pays new hires less than veteran workers.

Delphi has said that talks are continuing.

Meanwhile, GM and Delphi will greatly reduce the fund choices in their 401(k) plans for hourly and salaried employees later this summer, according to a Grand Blanc firm that advises workers on the plans and other financial issues.

Wednesday, a top GM official confirmed the change. A Delphi spokesman declined to comment.

Essentially, the new plans significantly trim the number of mutual funds offered in the two companies' retirement savings plans.

"What we are doing is restructuring the fund lineup," said Preston Crabill, GM's director of pensions and savings.

"We started a study of our fund lineup structure about 15 months ago. We hired Morningstar (Inc., an investment research firm) to look for gaps and opportunities where there might be funds missing from our fund lineup," he said.

David Kudla, chief executive and investment strategist for Mainstay Capital Management in Grand Blanc, said the moves will slice choices for hourly and salaried worker alike from about 70 mutual funds to fewer than 40 funds.

Only 16 of the original funds offered will remain in the plans, Kudla said.

Some 401(k) experts and studies say too many fund choices actually can become detrimental, causing investors to become too conservative or freezing them in indecision, Crabill said.

In addition, the national average for fund choices is about 16 funds, so GM will remain well above that benchmark, he said.

But Kudla said more choices are better.

"I don't agree with that (argument about too many choices.) I think that is a short-sighted view of a 401(k) plan. I always look at fewer options as worse," he said.

Kudla's firm makes its money managing more than \$500 million in assets for a wide array of GM, Delphi, Ford, Visteon Corp., DaimlerChrysler and other investors. He's seen this kind of "rationalization," or pruning of fund choices, before. In 2002, Ford culled its plan from 61 to 36 funds, Kudla said.

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