

McTevia explains to WYTV why Chapter 11 is a necessity for GM

Although reports claiming GM's commitment to fund a health care trust fund for retirees will be crucial to winning ratification later this week, one industry analyst still believes bankruptcy is not only inevitable -- it's necessary.

Jim McTevia of McTevia & Associates in Michigan says, "there are things that General Motors must do that it can only do within the framework of a Chapter 11 reorganization."

Specifically, McTevia says GM needs to close hundreds more of its dealerships and more of its plants, tasks that he claims would happen much quicker in bankruptcy, and should have occurred months ago, before GM started taking on billions in federal loans.

However, not all agree Chapter-11 is the best course to take. Dave Cole of the Center for Automotive Research says, "It is very difficult to keep things clean and neat."

It's a problem Cole says could be made even more complicated, if not dangerous, by the Obama Administration's push to take a majority ownership stake in GM's future. He tells us, "It's like a third grader trying to come in and teach a college calculus class, where they really don't have an understanding or the background."

For now, members of both locals 1112 and 1714 in Lordstown will be meeting Thursday to go over the details of that proposed agreement and then take a vote. We're told a representative from the International will also be on hand to answer workers' questions.

The meetings will be in two segments both at the Metroplex in Liberty. At noon, those now on lay-off, or those working the 2nd or 3rd shifts will meet -- then at 4pm, the 1st shift will have its session. Voting will be held from noon until 6pm.

We should point out this meeting will be for active and laid-off workers only. Retirees will have a meeting of their own at a later date.