

CAW-Canada/General Motors

B A R G A I N I N G R E P O R T

HIGHLIGHTS OF THE TENTATIVE AGREEMENT BETWEEN CAW-CANADA AND GENERAL MOTORS

PRODUCTION AND SKILLED TRADES

SEPTEMBER 2005

Highlights

- wage increases
- improved pensions
- benefit improvements
- skilled trades gains
- improved restructuring incentive
- new retirement allowance
- new vehicle purchase plan
- auto insurance subsidy

1985  2005
20
ANNIVERSARY
ANNIVERSAIRE

PROTECTING OUR JOBS BUILDING OUR INDUSTRY

Message from Buzz Hargrove

In most ways, our 2005 Big Three bargaining was totally unprecedented: uncharted waters, for both the union and the companies. Like I've said for months, there was "no business as usual" in this round of bargaining.

But in some respects, 2005 bargaining was like déjà vu, all over again - to quote Yogi Berra. A company in deep financial trouble. Demands for big union concessions in the U.S. And an expectation that Canadian workers should cough up, too.

That was exactly the scenario we faced back in 1982, when Chrysler was near-bankrupt.



We had an incredible confrontation - involving the company, governments, and our own union in the U.S.

We endured long strikes. We were attacked without mercy in the media, and by right-

Continued on Page 11



Message from Jim O'Neil, Secretary-Treasurer



General Motors was the last company the CAW dealt with in 2005 Big Three bargaining, and that was no accident. GM faces some daunting challenges: financial losses, debt downgrades, huge U.S. health expenses, and the impending bankruptcy of Delphi Corp.

It seems incredible that we could negotiate a collective agreement with GM, despite its problems, and even make some forward progress. How were we able to defend the integrity of our contract, in such a challenging economic context?

The answer lies in our system of pattern bargaining.

Under this system, we negotiate the main provisions of our contract with one company, and then repeat those provisions at the other two companies. The system began in the 1950s. It was our effort to "take wages out of competition." By establishing identical wages and benefits across the auto industry, we could force companies to compete on other grounds (such as product quality), rather than by trying to drive down wages.

Another advantage of pattern bargaining is that it maximizes the union's bargaining strength. We choose the first company where we can negotiate the best agreement for our members, their families, and communities, with the least sacrifice.

In 2005, we relied heavily on this tradition. Without it, there is no way we could have negotiated an agreement with GM featuring the modest wage increases, pension improvements, and other gains (such as our new employee purchase / auto insurance discount) contained in this contract.

We had our eye on GM from the beginning, knowing it would be the hardest company to deal with. That's partly why we set the

pattern at Ford - another company experiencing tough financial times. If Ford could afford the pattern, why not GM?

The pattern was solidified at DaimlerChrysler. By the time we came to GM, the pressure on the company was irresistible. They had to accept the pattern, or face a certain strike - just when the company could least afford one.

It was only 9 years ago that GM last tried to break our pattern bargaining system: in 1996, when they forced us into a 3-week strike until accepting the pattern agreement (containing our pioneering "work ownership" language) first negotiated at Chrysler. The company clearly didn't want a repeat of that disastrous experience.

So we used pattern bargaining to our advantage in 2005. But we used it responsibly. We made sure the pattern we set at Ford was affordable for GM - even the pension improvements, which GM initially tried to reject. And the solidarity of CAW members across the three companies was essential to our success.

We've negotiated a good agreement for the tough times we live in. Now we'll do our best - by building top-quality cars and trucks, with superior productivity and competitive cost - to help GM get through these tough times.

I join with Chris Buckley and the CAW-GM Master Bargaining Committee in unanimously recommending this tentative agreement for your ratification.

Jim O'Neil, *National Secretary-Treasurer*

Message from Chris Buckley,

Chairperson of Master Bargaining Committee & President of Local 222



I have been involved in many previous rounds of CAW-GM bargaining. But without a doubt, the 2005 bargaining was the most challenging - and the most frustrating.

It was pretty obvious from the beginning that GM could not be the pattern company this year. They were in the worst financial shape. They were demanding big concessions from the UAW. Trying to set the pattern with this company, would be like trying to get blood from a stone.

So the CAW decided to bargain with GM last, after the pattern was well established (including at Ford, which has its own financial problems). Our pattern contract is responsible, and GM can clearly afford it - especially with the world-beating productivity and quality of our Canadian plants. But it was still an incredible fight to get GM to eventually accept the pattern.

In CAW bargaining, however, it's not just the pattern agreement that matters. The local agreements, negotiated by local committees, are just as important and at Local 222 we went down to the wire. Without local agreements in place, no settlement can be reached.

GM's approach to local bargaining was as frustrating as it was short-sighted. At first, the company claimed we had to "buy" our own pattern: making local concessions to offset the cost of the pattern economics (especially the pension improvements). They even

demanded that we give up two minutes of paid relief from every shift. Whoever dreamed up that bright idea, has clearly never worked on an assembly line.

We didn't buy into this logic at all. A pattern is a pattern.

What we did commit to, however, was ensuring that GM's Canadian facilities are competitive and cutting-edge in technology, productivity and work practices. After all, there's no doubt that GM is going to downsize: they have already announced 25,000 job cuts in the US. We want Canada to avoid the brunt of this type of downsizing.

I am incredibly proud of your elected local bargaining committees, at every single location. They bargained tough, but responsibly. They drew a line in the sand: they refused to give up concessions. But they moved forward in key areas to make sure our plants have the best chance to win new investment and new product commitments, from this struggling company.

Most important of all, they stuck together. The unity and solidarity between Oshawa, St. Catharines, Windsor, and Woodstock was crucial to winning this tentative contract. And I am very proud to recommend it for your ratification.

In solidarity,

Chris Buckley, *President, CAW Local 222*
Chair, CAW-GM Master Bargaining Committee

Wages

- WAGE INCREASES \$0.45 / \$0.30 / \$0.30
- COLA FORMULA MAINTAINED
- ASSUMES INFLATION OF 2%, 2%, 2%
- Special Trades Adjustment of \$0.41



Wage and COLA Increases

| | ASSEMBLER | PRODUCTION TECHNICIAN | TRADES |
|--------------------------|---|---|---|
| CURRENT EARNINGS | \$31.55 includes \$1.67 COLA | \$31.84 includes \$1.67 COLA | \$37.53 includes \$1.67 COLA |
| 1st Year Increase | | | |
| BASE | \$0.45 | \$0.45 | \$0.86 |
| COLA | \$0.56 | \$0.56 | \$0.56 |
| End of 1st Year | \$32.56 | \$32.85 | \$38.95 |
| 2nd Year Increase | | | |
| BASE | \$0.30 | \$0.30 | \$0.30 |
| COLA | \$0.58 | \$0.58 | \$0.58 |
| End of 2nd year | \$33.44 | \$33.73 | \$39.83 |
| 3rd Year Increase | | | |
| BASE | \$0.30 | \$0.30 | \$0.30 |
| COLA | \$0.44 | \$0.44 | \$0.44 |
| End of 3rd year | \$34.18 | \$34.47 | \$40.57 |
| TOTAL INCREASES | | | |
| BASE | \$1.05 | \$1.05 | \$1.46 |
| COLA | \$1.58 | \$1.58 | \$1.58 |
| | \$2.63 | \$2.63 | \$3.04 |

Wage and COLA Summary

| | ASSEMBLER | PRODUCTION TECHNICIAN | TRADES |
|-------------------|---------------|-----------------------|---------------|
| 1st Year Increase | \$1.01 | \$1.01 | \$1.42 |
| 2nd Year Increase | \$0.88 | \$0.88 | \$0.88 |
| 3rd Year Increase | \$0.74 | \$0.74 | \$0.74 |
| TOTAL | \$2.63 | \$2.63 | \$3.04 |

Base Rate Changes

| | CHANGE ASSEMBLER | CHANGE PROD. TECH. | CHANGE TRADES |
|--------------------------|------------------|--------------------|----------------|
| Current base rate | \$29.88 | \$30.17 | \$35.86 |
| AIF Year 1 | \$0.45 | \$0.45 | \$0.86 |
| COLA fold-in | \$1.62 | \$1.62 | \$1.62 |
| Base Year 1 | \$31.95 | \$32.24 | \$38.34 |
| AIF Year 2 | \$0.30 | \$0.30 | \$0.30 |
| Base Year 2 | \$32.25 | \$32.54 | \$38.64 |
| AIF Year 3 | \$0.30 | \$0.30 | \$0.30 |
| Base Year 3 | \$32.55 | \$32.84 | \$38.94 |

PENSION PLAN IMPROVEMENTS

Negotiating the 2005 pattern pension agreement at General Motors proved to be incredibly difficult. GM was determined that it would not follow the pattern we had established at Ford, and carried through to DaimlerChrysler. Although we had negotiated a responsible and reasonable agreement, it was clear that GM was determined that it would not apply to them. They argued that the pattern pension agreement was too expensive and they proposed major changes. Instead of cost of living protection for current retirees, they proposed changes such as annual lump sum payments, which would not become part of a retiree's or surviving spouse's basic pension, and which would have to be renegotiated in each new agreement.

Despite their resistance, up against a strike deadline, GM has agreed to a pension settlement which follows the pattern and which makes significant progress for both current and future retirees. Although the last few years have created a very tough environment due to collapsing capital markets and falling interest rates and have presented enormous challenges on the pension front, we have nevertheless met our priorities.

Current retirees will continue to receive annual P-COLA, with the first adjustment to be effective as of October 1, 2005. In addition, all current retirees and surviving spouses will receive increases in their monthly pensions through increased basic benefit rates as described below. These improvements will ensure that all retirees and surviving spouses will maintain or exceed the purchasing power of their pensions in relation to inflation.

We have also made major enhancements for those retiring in the future. Over the term of the agreement future retirees will have their basic lifetime benefits increased by between \$8 and \$11, per month per year of credited service (depending on classification). The 30 and out benefit increases over the agreement total \$415 per month for production and \$525 for skilled trades. P-COLA will also be applicable for future retirees.

In addition, future retirees will be entitled to a Retirement Allowance of \$25,000 (not applicable if they qualify for the restructuring benefit).

Future Retirees

CLASS C (EG. PRODUCTION TECHNICIAN)

| | <u>BASIC</u> | <u>30-N-OUT</u> |
|-----------------|--------------|-----------------|
| CURRENT | \$60.50 | \$3,100 |
| OCT/2005 | \$65.50 | \$3,335 |
| OCT/2006 | \$67.00 | \$3,425 |
| OCT/2007 | \$68.50 | \$3,515 |

CLASS D (E.G. ELECTRICIAN)

| | <u>BASIC</u> | <u>30-N-OUT</u> |
|-----------------|--------------|-----------------|
| CURRENT | \$70.00 | \$3,370 |
| OCT/2005 | \$76.00 | \$3,645 |
| OCT/2006 | \$78.50 | \$3,765 |
| OCT/2007 | \$81.00 | \$3,895 |

* ONCE RETIRED, PENSIONS ARE INDEXED

Pension Plan Example

EXAMPLE, 30-N-OUT AT AGE 60, OCTOBER 2005

| | MONTHLY PENSION, PRODUCTION TECHNICIAN | | | MONTHLY PENSION, SKILLED TRADES | | |
|-------------------------------|---|----------------|--------------|------------------------------------|----------------|--------------|
| | CURRENT | PROPOSED | CHANGE | CURRENT | PROPOSED | CHANGE |
| BASIC | \$1,815 | \$1,965 | \$150 | \$2,100 | \$2,280 | \$180 |
| SPECIAL ALLOWANCE | \$1,285 | \$1,370 | \$85 | \$1,270 | \$1,365 | \$95 |
| TOTAL | \$3,100 | \$3,335 | \$235 | \$3,370 | \$3,645 | \$275 |
| WITH EARLY CPP (\$580) | \$3,680 | \$3,915 | | \$3,950 | \$4,225 | |

Pension Plan

Improvements, Basic Pension

- **Production:** 1st year increase of \$5.00
Total increases of \$8.00
- **Trades:** 1st year increase of \$6.00
Total increases of \$11.00

Improvements, 30-N-OUT

- **Production:** 1st year increases of \$235/month
Total increases of \$415/month
- **Trades:** 1st year increases of \$275/month
Total increases of \$525/month

Retirement Allowance

Effective October 1, 2005, a Retirement Allowance of \$25,000 will be made available during the term of the agreement to employees who retire and who are not eligible for the restructuring incentive.

Optional Forms of Pension

Effective January 1, 2006, retiring members will now have the option of electing to take a monthly pension with a guaranteed number of basic pension payments. The guarantee period options will be 60, 120 or 180 months. The value of the pension will be the actuarial equivalent of the normal form of pension.

This benefit is like insurance: for a premium, members will be able to ensure that their basic pension will be paid for a specified number of months. If the member passes away prior to the guaranteed number of payments being made, the remaining number of payments in the guarantee period will be paid to the member's designated beneficiary (in accordance with the member's election at retirement).

Credited Service Restoration

Employees who lost credited service because of layoffs during the time period of January 1, 1997 through December 31, 2001 will be credited with such service, based on their seniority as of October 1, 2005 according to the following schedule:

| Seniority as of Oct.1, 2005 | Restored Service |
|---------------------------------|------------------|
| 20 years or more | 100% |
| 15 years but less than 20 years | 75% |
| 10 years but less than 15 years | 50% |
| 5 years but less than 10 years | 25% |

Past Retirees

PCOLA has been retained for all past retirees and will be payable October 2005, October 2006 and October 2007.

Following the application of the October 2005 PCOLA,

- Pre-Oct. 1993 retirees will have their Basic benefit increased by \$1 per month per year of credited service.
- Those who retired between Oct. 1993 and Sept. 1999 will have their Basic benefit increased by \$2 per month per year of credited service (with corresponding increases in the 30-n-out benefit).
- Those who retired on or after Oct. 1999 will have their Basic benefit increased by \$1 per month per year of credited service (with corresponding increases in the 30-n-out benefit).

Strong Pensions; Secure Future

The run of corporate bankruptcies and insolvencies of the last few years have stripped thousands of workers of their pension entitlements. Too many Canadians now wonder if the same could happen to them. Looking forward to a secure retirement shouldn't be left to the spin of a pension roulette wheel. Workers and their families shouldn't be left at the back of the line when corporations 'liquidate' their assets. Instead workers should be able to look forward to a retirement with dignity.

The CAW has launched a national campaign through our Union and Politics Committees to change Canada's pension system. The goal is to improve the public pension system and to provide stronger protections for

workers facing corporate restructuring and dramatic financial turbulence.

In this round of bargaining the CAW and the company have signed a joint letter which will focus government attention and apply pressure for needed reforms. The letter calls on policy makers to reverse the erosion of public pension benefits. It recognizes the responsibility employers have to contribute to the lifetime income security of employees. It urges government to play an active role in providing income security to pension plan members. And it calls on regulators to set up a pension guarantee system that will provide an effective 'back up' for employer sponsored defined benefit pension plans.

GM Commits to Pension Security

General Motors has committed to make an additional annual contribution into its Canadian pension plan, over and above its legal minimum contributions, to enhance the security of future pension benefits. This extra annual payment will be equal to GM's annual payment to Ontario's Pension Benefit Guarantee Fund (PBGF).



Job and Income Protection Program

Income Security Fund

A total of \$440 million in Income Security Funds will be available during the life of this agreement. These funds will be available to pay all SUB, Short Work Week, Separation Pay, IMP, VTEP, PRIMP, Document 12s and 13s and retirement allowances during this contract.

Restructuring Incentive (Document 12s)

- The Restructuring Incentive has been increased from \$60,000 to \$70,000. The Restructuring Incentive is payable to employees who are eligible for immediate retirement in the event of a plant closure or restructuring event;
- This program encourages senior employees to retire and lessens the impact in cases where a company initiated restructuring would have resulted in the layoff of junior employees.

Special Job Security Incentives (Document 13s)

We have re-negotiated for the next three years a program designed to cushion the impact of productivity improvements and in some cases, loss of work that result in an excess of employees at GM operations in Canada.

A major aspect of the program is a specific number of incentive opportunities available at each location. These opportunities can be used to ensure that layoffs are avoided or minimized. These incentives include eligible retirements through 30-and-out, and Mutual Early provisions (age 55 or more with 10 or more years) enhanced with a \$70,000 payment. As well, other opportunities include Voluntary Termination of Employment (VTEP) payments.

The number of incentive opportunities allocated to each location are as follows:

| | |
|----------------------------|-------------------------------|
| • Oshawa.....1,400 | • Windsor Transmission....350 |
| • St. Catharines.....1,050 | • Woodstock.....100 |

- These incentive opportunities are available during the term of the 2005 Master Agreement;
- Local parties will determine the exact timing of incentive opportunities;
- If the union and the company agree, allocations may be moved between locations to meet existing circumstances;

These special Document 13 opportunities do not replace, but are in addition to, Document 12 offers, which will still be made available for potential job loss due to restructuring actions taken by the company.

Other Income Security Measures

- Through the term of this agreement, SUB credits will only be cancelled at a rate of one for each week of Regular Benefit;
- Funding for the Annual SUB Level has been increased by 2 cents in each year of the agreement;
- **The restructuring benefit under the job and income security program has been increased from the current \$60,000 to \$70,000.**

Work Standards in Assembly Plants:

- Resisted company demand for a two minute reduction in break time;
- More advance planning and stronger union input when Standard Time Data charts are introduced, changed and validated;
- Provisions which commit the company to immediately address overcycle conditions through containment actions.

Oshawa Job Security

- product allocated to all three assembly plants beyond the current agreement;
- three shift system to continue at truck plant and car plant # 1 (barring downturn in demand);
- GM continues with Brownfield Conversion/Beacon investments;
- job loss from normal productivity growth triggers \$70,000 restructuring incentives;
- minimum \$25,000 retirement allowance paid to future retirees;
- construction skilled trades department maintained for the life of the agreement, but reduced by attrition.

Job Security At St. Catharines

- secured 222 jobs related to non-core work;
- negotiated new investment (\$170 million) and 104 jobs for high-feature V6 mod;
- negotiated 1050 Document 13s and special enhanced opportunities to offset current layoff situation and future volume reductions;
- no demolition of West Side component plant.

Windsor Transmission Plant

- existing product portfolio produced beyond life of agreement;
- remain sole source for G6, Cobalt, Malibu, Malibu Maxx, Pursuit, HHR;
- employment levels determined solely by sales volumes;
- better positioned to win next-generation product;
- implementing local measures to deal with short-term market-determined layoffs;
- resisted amalgamation of trades.

Woodstock Highlights

- Enhanced retirement packages;
- 4 day July weekend remains intact;
- AVO rights strengthened;
- Fought off reduction of departments.

Employee Purchase & Auto Insurance Discount

General Motors, like DaimlerChrysler and Ford have recently extended their employee-purchase plan on some vehicles to the general public. As a result, the CAW bargaining committees decided to bargain a new program for our Big Three members.

At the same time auto insurance is a rising burden for many families. The insurance industry charges blatantly unfair rates to boost their profits. Like health insurance, public group auto insurance (such as in Manitoba, Saskatchewan, or B.C.) is much fairer and cost effective.

The CAW has attempted to address this issue with an innovative new benefit negotiated in this 2005 pattern contract. The **Employee Purchase and Auto Insurance Discount** should also help sales of **North American Big Three** vehicles.

- The CAW is in negotiations with insurance carriers to establish a new, discounted group auto insurance program for all CAW active employees at the Big Three which also will be available to their spouses and dependents as well as CAW retirees and their spouses.
- The large group of potential subscribers in this plan will permit CAW to bargain substantial discounts.

- CAW has negotiated that all active members are entitled to receive a special \$2000 discount on the purchase of a new vehicle through General Motors' employee-purchase program – on top of the normal employee discount. Each CAW active employee is entitled to one \$2000 discount over the life of the collective agreement.
- Vehicles purchased with this special discount must be manufactured by General Motors in North America (some exclusions).
- For active CAW members who purchase a new vehicle, General Motors will pay a special \$1000 subsidy at the time insurance is arranged, under the CAW Auto Insurance Plan.
- The one-time \$2000 employee purchase discount will be available (to active members only) for vehicles purchased **on or after October 1, 2005**.
- The group auto insurance program will be launched **no later than May 1, 2006**. Those who purchase a vehicle **on or after October 1, 2005**, but before the trust is set up, will receive the \$1000 subsidy as soon as the trust is set up.

Legal Services Plan

Benefit Changes

1. Hourly rate will be \$110 (effective January 1, 2008) (also includes the block fee from \$100 to \$110 for deeds, for conflicts and for Quebec notarial marriage contracts).
2. Family law coverage: twelve (12) prepaid hours (effective January 1, 2006).
3. Civil litigation coverage will be provided up to 2 prepaid hours (effective January 1, 2007).
4. Fees for real estate sales will be set at \$400 (effective January 1, 2007).
5. For claims of \$3,000 or less, four (4) prepaid hours (effective January 1, 2007) (includes estate, real estate, landlord/tenant, consumer and administrative law).
6. Estate litigation coverage for claims greater than \$3,000: ten (10) prepaid hours (effective January 1, 2007).
7. Criminal law coverage: four (4) prepaid hours (effective January 1, 2008).



RECOMMENDATION

The CAW/General Motors master bargaining committee has negotiated a tentative agreement that enhances our wages, pensions and benefits in a responsible manner; wins important commitments to job security and new investment; and provides generous measures to minimize the impact of restructuring on our members.

Your master bargaining committee and all local bargaining committees unanimously recommend this tentative agreement and urge you to vote in favour of it.



Paid Holiday Schedule

| | | | |
|---------------------------|----------------------------|---------------------------|----------------------------|
| * Friday, October 7, 2005 | Friday before Thanksgiving | Friday, April 6, 2007 | Good Friday |
| Monday, October 10, | 2005 Thanksgiving | Monday, April 9, 2007 | Day after Easter |
| December 26, 2005 | Christmas Holiday Period | Friday, May 18, 2007 | Friday before Victoria Day |
| December 27, 2005 | | Monday, May 21, 2007 | Victoria Day |
| December 28, 2005 | | Friday, June 29, 2007 | Friday before Canada Day |
| December 29, 2005 | | Friday, August 31, 2007 | Friday before Labour Day |
| December 30, 2005 | | Monday, September 3, 2007 | Labour Day |
| January 2, 2006 | | *Friday, October 5, 2007 | Friday before Thanksgiving |
| Friday, April 14, 2006 | Good Friday | Monday, October 8, 2007 | Thanksgiving |
| Monday, April 17, 2006 | Monday after Easter | December 24, 2007 | Christmas Holiday Period |
| Friday, May 19, 2006 | Friday before Victoria Day | December 25, 2007 | |
| Monday, May 22, 2006 | Victoria Day | December 26, 2007 | |
| Friday, June 30, 2006 | Friday before Canada Day | December 27, 2007 | |
| Friday, September 1, 2006 | Friday before Labour Day | December 28, 2007 | |
| Monday, September 4, 2006 | Labour Day | December 31, 2007 | |
| *Friday, October 6, 2006 | Friday before Thanksgiving | January 1, 2008 | |
| Monday, October 9, 2006 | Thanksgiving | Friday, March 21, 2008 | Good Friday |
| December 25, 2006 | Christmas Holiday Period | Monday, March 24, 2008 | Day after Easter |
| December 26, 2006 | | Friday, May 16, 2008 | Friday before Victoria Day |
| December 27, 2006 | | Monday, May 19, 2008 | Victoria Day |
| December 28, 2006 | | Friday, June 27, 2008 | Friday before Canada Day |
| December 29, 2006 | | Friday, August 29, 2008 | Friday before Labour Day |
| January 1, 2007 | | Monday, September 1, 2008 | Labour Day |

* Woodstock gets the Canada Day four-day weekend instead of Thanksgiving. For example in the first year Friday June 30, 2006, and Monday July 3, 2006; in year two Friday June 29, 2007 and Monday July 2, 2007; and in the year three Friday June 27, 2008 and Monday June 30, 2008

Special Payment: In this round of bargaining the annual Special Payment is set at \$1,700

Skilled Trades

Progress has been made for skilled trades during this challenging 2005 round of bargaining:

Wage and Pension:

There are wage and pension adjustments to reflect the special skilled trades differential.

Training and Certification:

The agreement provides training for certification, to enable skilled trades to perform work covered by present and future legislation changes, such as Technical Standards and Safety Authority (TSSA).

New Technology Training and Planning:

The agreement provides supports for a regular schedule of meetings for new technology training and planning. Included is a resolution mechanism to address issues arising from the new technology training.

Apprenticeship Program:

The company has affirmed its commitment to the program and the Master Skilled Trades Committee will meet annually to discuss apprenticeship candidate recruitment.

Level Scheduling:

Provision to support level scheduling of skilled trades work throughout the year.

International or Canadian Relief Work:

The agreement provides leaves of absences for skilled trades to participate in international or Canadian relief programs/agencies.



Training and Education

The 2005 agreement further develops our training and education programs.

Workplace Training Program:

The workplace training program has been expanded to include more courses, additional funding and a process that ensures company commitments are met.

Tuition Assistance for Members:

Expanded the eligible courses to include on-line programs at accredited colleges and universities and established a process to handle appeals.

Basic Skills Upgrading:

The company has agreed to provide facilities, equipment, classroom materials and supplies when courses are running.

Retired Workers Fund:

Provided more support for initiatives under the retired workers' program.

Education and Program Funds:

Increased funding for union sponsored education programs including health and safety, paid education leave (PEL) and the skilled trades.

Labour Studies:

Renewed the commitment to direct billing of courses under the CAW/McMaster University Labour Studies program.

Ongoing Review:

The training committee will review the eligibility requirements and related matters of programs supported by the tuition assistance programs.





BUZZ HARGROVE

wing politicians. We ended up forming an independent Canadian union. But what we achieved through it all, was to establish a fundamental principle that continues to guide the CAW today: Workers don't need a union to walk backward, and the CAW will not bargain concessions.

I cannot express how important our no-concessions policy was to the success of our 2005 Big Three bargaining. The companies started bargaining by demanding big concessions: like replacing wage increases with lump sums, abandoning COLA (even for pensioners), 10% co-pays on prescriptions, and giving up a week of paid time off per year.

Even after we established our no-concessions pattern contract with Ford, GM still wanted concessions - like not meeting our pension pattern, cutting our SUB credits, outsourcing construction skilled trades work, demolishing part of the components plant in St. Catharines, and cutting relief time at all locations.

How did we defeat these concession demands - despite GM's financial troubles, and despite the concession demands on the UAW in the U.S.? First and foremost, we did it because we have our own Canadian union. We are masters in our own house. And over the 20 years of our history we have made it crystal clear that any employer will spark a huge confrontation if they try to take away the rights and benefits we fought for over past generations.

In short, our credibility as a union was our most precious asset in our 2005 bargaining. Thanks to that credibility, the unity of our Big 3 bargaining committees, and the solidarity of our members, at all three companies, we rejected concessions. We protected as many jobs as possible in a period of major market share losses to offshore producers. And we even made some responsible, forward progress - with real wage increases, pension and benefit improvements, and an innovative new employee purchase and vehicle insurance discount.

Of course, while I feel great about the agreements we negotiated in 2005, I can't help but worry about the change that is coming to our auto industry. The flood of imports to North America undercuts the Big Three's market share further

every year. It infuriates me that we can't sell anything back to Asia. In short, we get all the downside of globalization, but none of the upside.

Meanwhile, DaimlerChrysler has eliminated over 2500 jobs in Canada and the U.S. and we know that GM and Ford are going to, once again, restructure dramatically. We've tried to protect their Canadian operations as best we could through our bargaining - but we'll never fully avoid the cutbacks.

So our next priority as a union will be to step up our pressure on government for a fair, sustainable auto policy. We've got to win access to fast-growing Asian markets for our Canadian built products - or else we must limit their access to our own market. We've got to make sure that the Beacon Project goes ahead, with its major investments in new products and in new technology at several GM Canada locations.

And we've got to do everything we can to help GM get through the next few challenging years. The best thing we can do for GM, and for our own future job security, is to ensure that GM's Canadian plants continue to be the most productive, highest-quality operations they have.

I can't think of a more fitting tribute to the CAW's 20th Anniversary, which we are celebrating this year, than a tentative agreement protecting the wages and jobs of Canadian workers, and positioning the CAW as a central force in steering the Canadian industry through the rough waters that lie ahead. I join with Chair Chris Buckley, the CAW-GM Master Bargaining Committee, and members of all local committees, in unanimously recommending ratification of this agreement.

Yours in Solidarity,

Buzz Hargrove,
National President



Childcare Benefit:

In the last round of bargaining we expanded coverage to include before- and after-school care for children through age 8. The union went into bargaining looking to bring the benefit to even more children, and we accomplished this by **expanding coverage to children through age 10**. More than 1,000 additional children are now eligible. In addition, children who turned age 6, but are not yet eligible for before- and after-school care will be covered. **The full-day and half-day subsidies will apply through August 31st of the year in which the child turns age 6.**

Childcare Benefit:

- fees reduced by up to \$12 per-day subsidy;
- up to \$2,400 per year, per child;
- available for children 10 and under;
- all licensed non-profit care eligible;
 - full-time;
 - part-time;
 - group care;
 - in-home care;
 - before-school care;
 - after-school care;
- existing CAW centres to continue.

Tuition Assistance for Dependent Children:

The amount of financial support provided to dependent children attending college or university has been increased to \$1,500.

Employment Equity:

- New leadership training program;
- Recognize Dec. 10, Human Rights Day and March 21, Eliminate Racism Day;
- Refresher training for Women's Advocates;
- Emergency protection procedure for women in the workplace who are threatened by violence and stalking behaviour.

Pregnancy, Parental and Adoption Allowance

Pregnancy, Parental and Adoption Allowance has been expanded to pay full SUB benefits if an employee is not eligible for EI due to a previous layoff or approved Maternity Leave of Absence.



Improved Insurance Benefits

There will be annual increases in the rates for future S & A, EDB and Life Insurance claims as a result of the base rate increases in each year of the agreement, as well as the fold-in of \$1.62 of the current \$1.67 COLA float.

In addition, any new COLA generated will continue to be folded-in on each anniversary date for the purpose of calculating these benefits.

Insurance Examples (including projected COLA)*

| | September 19/05 | September 18/06 | September 17/07 |
|------------------------------|-----------------|-----------------|-----------------|
| Production Technician | | | |
| S&A | \$ 795 | \$ 815 | \$ 840 |
| EDB under 10 | \$ 2,800 | \$ 2,860 | \$ 2,955 |
| EDB over 10 | \$ 3,080 | \$ 3,150 | \$ 3,250 |
| Life Insurance | \$74,000 | \$75,500 | \$78,000 |
| Electrician | | | |
| S & A | \$ 930 | \$ 955 | \$ 970 |
| EDB under 10 | \$ 3,285 | \$ 3,380 | \$ 3,440 |
| EDB over 10 | \$ 3,615 | \$ 3,715 | \$ 3,780 |
| Life Insurance | \$87,000 | \$89,000 | \$91,000 |

* COLA is projected at 2% in each year of the agreement. Actual benefit levels may be higher or lower depending on actual inflation.



Optional and Dependent Life Insurance

- There will be an open enrollment period in early 2006. During the open enrollment period employees actively at work will be permitted to increase their coverage, without evidence of insurability, as follows:
 - by one schedule for Optional group life, and by two schedules for Dependent group life insurance.

Employees actively at work who have not previously enrolled will be permitted to enter the programs up to schedule V.
- Dependent Group Life Premiums will be reduced by 10 per cent effective January 1, 2006.

Health Care Benefits

Eye Exams (New)

In recognition of government delisting of eye exams, coverage will now include one eye exam every 24 months, paid to a maximum of \$65 per exam. (Effective October 1, 2005).

Vision Care

Effective October 1, 2005, the vision care plan will provide benefit coverage as follows:

- Single vision: \$200 every 24 months
- Bifocal: \$255 every 24 months
- Multi-focal: \$325 every 24 months
- Contact lenses: \$210 every 24 months
- Up to \$325 may be applied to the cost of laser eye surgery. This benefit would be in lieu of any claim under the vision care plan for the next 24 months.

Dental Plan

- The annual maximum has been established at \$2,800.
- The orthodontic lifetime maximum will now be \$3,600. (Both of these maximums are effective October 1, 2005).
- Effective January 1, 2006, benefits payable shall be based on the Provincial Dental Association fee guide in effect for the previous year.
- Coverage for supplementary bite-wing x-rays will be provided once every 12 months, instead of once every 9 months.

Chiropractic Benefits

The annual maximum has been set at \$450, effective Oct. 1, 2005.

Speech Therapy

The annual maximum benefit for Speech Therapy will be \$1,100, effective Oct.1, 2005.

Paramedical Coverage

The annual maximums for Naturopaths and Podiatrist/Chiropodist have each been increased to \$325, effective Oct. 1, 2005.

Psychologist Services

Up to \$500 will now be available to be applied against the cost of a psychological assessment for children under the age of 14 (once per lifetime), and will be applied against the annual maximum in the year it is claimed.

Prescription Drug Program

- Effective January 1, 2006, prescription drugs will be covered at the cost of available generic drugs. Brand name drugs will be provided where determined to be medically required.
- The maximum dispensing fee covered under the plan will be capped at \$11 per prescription.
- The current 35¢ co-pay per prescription has been maintained.

Semi Private Hospital

Effective January 1, 2006, semi private hospital room coverage will be provided to a maximum of \$200 per day.

Long Term Care

Effective January 1, 2006, the maximum rate for semi-private accommodation will be set at the current level of \$1,724.32 per month. Current residents of long term care facilities will be exempt from this provision.

PSA Test

Effective October 1, 2005, coverage will be provided for PSA tests, once annually, for men age 50 or older. The maximum payable for this test will be \$15.

Chronic Care

Effective January 1, 2006 Chronic Care Benefits will be modified to provide reimbursement for up to \$30 per day for semi-private accommodation, and a maximum reimbursement of up to \$60 per day for the chronic care co-pay charge following expiration of the co-pay benefit period paid by the provincial government. Current recipients of chronic care benefits will be exempt from these provisions.



Health, Safety, Environment and Ergonomics

Health and Safety:

Asbestos:

- Disturbed asbestos to be removed not encapsulated;
- All exposures to asbestos will now be entered on the employee's medical record.

Training:

- 24 hours of health & safety training for all committeepersons;
- Update the Confined Space and Lockout & Test Booklets;
- New 3 hour Workers' Centre Health and Safety program for committeepersons, health and safety reps and supervision.

Public Access Defibrillators:

- Discuss pilot program for public access defibrillators at all locations.

Safety Shoes:

- Safety footwear suppliers to clearly display Canadian made products.

Environment:

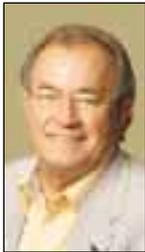
- Environment committees to review developments around Extended Producer Responsibility (dealing with vehicles at the end of their life), fuel cells and other leading-edge environmental technology issues and practices;
- Legislative training to be part of the Environment Committees Annual Training Conference.

Ergonomics:

- Jobs identified as ergonomically unacceptable will be immediately contained to reduce risk of injury to workers, until permanent solutions are implemented;
- Ergonomic checklist to be used by supervisors;
- Ergonomic training on local ergonomic process for ergonomic representatives, health and safety representatives, committeepersons, industrial engineers and supervisors;
- Advanced notification of job design changes.



Your CAW-Canada Master Bargaining Committee at General Motors



BUZZ HARGROVE
President



JIM O'NEIL
Secretary-Treasurer



CHRIS BUCKLEY
Chairperson of Master Bargaining Committee & President of Local 222



PETER KENNEDY
Assistant to the Secretary-Treasurer



JIM STANFORD
CAW Economist



JOHN SCANLAN
National Representative



SYM GILL
Director, Pensions & Benefits



JEFF WAREHAM
National Representative, Pensions & Benefits



DAVID ROBERTSON
Director, Work Organization & Training Department



JOHN BETTES
Director, Skilled Trades



COLIN HESLOP
National Representative, Skilled Trades



BILL MURNIGHAN
National Representative, Research



LYLE HARGROVE
Director, Health, Safety and Environment Fund



JIM HOY
Plant Chairperson, Local 222, Oshawa



PAT BLACKWOOD
Skilled Trades, Master Chairperson, Local 222, Oshawa



RON SVAJLENKO
Skilled Trades, Representative, Local 222, Oshawa



TERRY McDONALD
Skilled Trades, Representative, Local 222, Oshawa



STEVE DRINKWALLER
Area Chairperson, Local 222, Car Plant, Oshawa



JIM BEAUDRY
Area Chairperson, Local 222, Truck Plant, Oshawa



LARRY CONBOY
Area Chairperson, Components, Local 222, Oshawa



RON McINTOSH
President, Local 199, St. Catharines



DOUG ORR
Plant Chairperson, Local 199, St. Catharines



TERRY WHITE
Shop Committeeperson, Local 199, St. Catharines



PETER BARBER
Skilled Trades Rep., Local 199, St. Catharines



GARY MARTIN
Skilled Trades Rep., Local 199, St. Catharines



BILL REEVES
President, Local 1973, Windsor



KEN BRUNER
Chairperson, Local 1973, Windsor



RANDY REGIER
Skilled Trades Rep, Local 1973, Windsor



CHARLIE AUSTIN
Chairperson, Local 636, Woodstock



PAUL GOGGAN
Health and Safety Coordinator, GM



DIANE CUNNINGHAM
Employment Equity Coordinator, GM



KEVIN SHIELDS
Training Coordinator, GM



DAVID VYSE
Training Coordinator, GM



KAREN CLARK
Ergonomic Coordinator, GM



MIKE MICHAUD
Skilled Trades Coordinator, GM

CAW TCA
CANADA
www.caw.ca