

CAW-CANADA / GENERAL MOTORS BARGAINING REPORT



HIGHLIGHTS OF THE TENTATIVE AGREEMENT BETWEEN CAW-CANADA AND GENERAL MOTORS
PRODUCTION AND SKILLED TRADES SEPTEMBER 2012

PUSHING THE PATTERN FORWARD

HIGHLIGHTS

- Ratification bonus
- Cost of living lump sum payments
- Employment commitments
- Protection of current pension benefits
- New capital spending
- No two-tier system



MESSAGE FROM THE PRESIDENT

Ken Lewenza

Fighting for the pattern

When we opened 2012 negotiations, all the companies (GM, Ford, and Chrysler) tabled a shopping list of demands for major concessions from the current workforce. Our members sacrificed in 2009, when the industry was on the edge. Things have turned around since then, and now the companies are profitable.

Yet they still had the nerve to demand more concessions, that if anything, were even larger than the 2009 sacrifices: the complete elimination of our defined benefit pension plan, cuts in active wages, eliminating 30-and-out retirement, and enormous concessions in local practices.

The companies were actually more aggressive now than in 2009. Back then, they needed our help to survive – and they knew it. Today, however, they've regained their strength ... and they turned their power against the union. They all threatened major disinvestment and job loss if we didn't bow to their demands.

In short, we faced a corporate "common

front." How did we respond? That's where our pattern bargaining system, which we've followed for decades in Canada, proved its worth once again.

Once it was clear things were going nowhere, we imposed a deadline for a work stoppage on all three companies – the first time we've ever done that in Canada. Somebody had to show they were willing to seriously negotiate, or else the whole industry would stop work.

Finally, one company – Ford Canada – signalled they were willing to reach a deal. We bargained with Ford an agreement that protects wages, pensions, and benefits, and recognized our members for their sacrifices with annual bonuses.

Then it was up to your elected CAW-GM bargaining representatives to take that pattern to General Motors. Of course, the other companies always complain they "can't afford" the pattern. But that's just standard rhetoric. Eventually they agreed that our agreement can work at GM as well as it can at Ford.

Pattern bargaining allows the CAW to concentrate its collective strength on one company at a time, and create a level playing field on compensation that extends throughout the auto industry.

GM would never have agreed to this tentative contract without our pattern bargaining tradition. It's a strategy that's worked for decades, and it worked again in 2012.

I join all the members of your CAW-GM Master and Local Bargaining Committees in unanimously recommending this tentative agreement for your ratification.

In solidarity,

Ken Lewenza
CAW National President



Standing up for our principles

As we entered 2012 negotiations, we all recognized the many challenges still confronting Canada's auto industry: the overvalued Canadian dollar, turbulent financial markets, huge imports from Asia and Europe. The union and its members cannot be blamed for these problems. But we can't ignore them, either.

So we took a balanced but principled approach. We did our best to secure jobs and investment (recognizing that investment decisions depend on many factors, not just labour). But we stuck to our guns on crucial matters of principle, rejecting concession demands and preserving our vision of fair, decent auto jobs for the future.

One example of this principled approach was cost-of-living protection. The companies all demanded that COLA be removed permanently (including the current 33 cent float). We rejected that completely. Past generations fought for the principle of inflation-protection, and we were not going to give it up.

But we also recognized that fixed cost increases right now (as would result from normal COLA wage adjustments) would hurt our case for future investments, given the Canadian dollar. So we found a pragmatic compromise. We keep the current 33 cent float (remember, that 33 cents an hour is worth \$2750 over the next 4 years!). We keep the COLA language in our contract. The quarterly adjustments in June 2016 are reinstated.

In the meantime, to offset inflation we negotiated annual lump sum bonuses (\$2000 per year in 2013, 2014, and 2015). Our real incomes are protected, but our fixed costs do not increase. It's a pragmatic, principled solution.

Another example was our approach to new hires. We were determined to reject a permanent two-tier system. What's at stake is nothing less than the future of Canada's middle class. If high-productivity jobs in the auto industry can't pay decent wages and benefits, to support a family, then no-one is safe.

Instead of a two-tier system, the CAW proposed to adjust our existing new hire growth-in schedule. Also, SWEs now have a pathway to become full seniority members. GM pushed us to the wall on these issues. But we resisted.

In sum, these were incredibly challenging negotiations. But we held fast to our principles on issues like cost-of-living and two-tier, while confirming future investment and jobs. That's why I join with your entire CAW-GM Master Bargaining Committee in unanimously recommending this tentative agreement for your ratification.

In solidarity,

Peter Kennedy
CAW National Secretary-Treasurer



MESSAGE FROM THE CHAIR

A fair contract for all members

Collective bargaining has not been easy in the auto industry in recent years, and 2012 was no exception. But this round of talks really shouldn't have been so confrontational. CAW members at GM have made tremendous sacrifices that contributed to the successful turnaround of the company. Our proposals were modest - our members simply wanted to share in the company's new found success.

Despite the rebound in profits, GM (like Ford and Chrysler) actually tried to make even more deep cuts to our contract. These concession demands would have set our members back decades (like eliminating our 30-and-out pension, eliminating COLA, and gutting our overtime pay). They were unacceptable to every member of the committee, just as they would have been unacceptable to our members.

When the initial pattern agreement was reached with Ford, GM claimed it could not meet the pattern. It was only thanks to the

tenacity, determination and solidarity of the bargaining committee, backed up by strong membership support that ensured we maintained the pattern established at Ford. I'm pleased to report that we were able to negotiate an agreement that rewards our members' contributions and creates fairer conditions in our workplaces, for all CAW members.

The new tentative agreement puts strong limitations on the use of the SWE program in Oshawa, as per the original intent, and will provide a pathway for SWEs to become full seniority members. The new agreement also secures work in our facilities and should allow us to achieve, for the first time in decades, full employment at General Motors' operations in Canada. This means a more secure future for our existing members and workers yet to come.

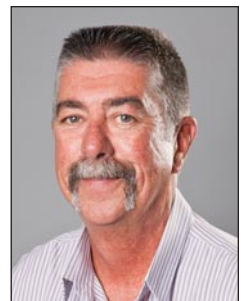
I'd like to extend my sincere thanks on behalf of your CAW-GM Master and Local Bargaining Committees for the support of the

membership and their families throughout this challenging set of negotiations. The membership in every facility was unwavering in their support for the bargaining

committees and this gave us a great deal of strength at the bargaining table. I'd also like to thank the committees who worked around the clock to reach this agreement. I join with the entire GM-CAW Master Bargaining Committee in unanimously recommending this tentative agreement.

In solidarity,

Chris Buckley
CAW/GM Master Bargaining Committee Chair
and CAW Local 222 President



WAGES

WAGES

Base rates will remain unchanged for the life of the collective agreement.

Current earnings:

Assembler	Production Technician	Trades
\$34.19	\$34.48	\$40.58
includes 33¢ COLA	includes 33¢ COLA	includes 33¢ COLA

The current 33¢ per hour cost-of-living allowance float remains unchanged until June 2016. Cost-of-living adjustments will be reactivated beginning with the June 2016 COLA payment.

ANNUAL LUMP SUMS

To offset the impact of ongoing price increases on the cost-of-living, lump sum bonuses will be paid prior to the Christmas shutdown in:

• December 2013:	\$2,000
• December 2014:	\$2,000
• December 2015:	\$2,000
Total:	\$6,000

PENSIONS

The terms of the pension plan remain unchanged for current members. The lifetime pension and 30-and-out Special Allowance continue in their current amounts:

Current Actives	Basic Lifetime (per month per year of service)	Special Allowance (per month to age 65)
Benefit Class A, B, C	\$68.00, \$68.25, \$68.50	\$3,515
Benefit Class D	\$81.00	\$3,895

- Current retirees and surviving spouses will also stay at their current pension amounts.
- Effective January 1, 2013, future retirees will have the option to take the commuted value (lump sum) of the pension at retirement in lieu of a monthly pension.



RATIFICATION BONUS

The CAW has negotiated a ratification bonus. Active employees, as of the Monday following notice of ratification, and members on the inactive roll who performed work for the company between January 2, 2012 and the Monday following notice of ratification will receive a **\$3,000 bonus**. Only active Supplemental Workforce Employees (SWEs), as of the Monday following notice of ratification, will also receive the \$3,000 ratification bonus.

The ratification bonus will be paid out to active employees no later than 2 weeks following the notification of ratification. All eligible inactive employees will be paid out upon their return to work or no later than the end of the calendar year.

RECOMMENDATION

Your Master Bargaining Committee and all Local Bargaining Committees unanimously recommend this tentative agreement and urge you to vote in favour of it.

TERM

This is a four-year agreement which expires on September 19, 2016 at 11:59 p.m.

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PRODUCTION, INVESTMENT AND RESTRUCTURING

GM has confirmed product and investment commitments that should ensure employment opportunities for virtually all CAW members at GM during the life of this agreement. The company made the following production and restructuring commitments:

OSHAWA:

- Extend production in the Oshawa Consolidated Plant (producing the Equinox and Impala) to June 2014. This supports the continuation of 750 positions, with the potential for a second shift in the same time frame which would add another 750 positions.
- Add a third shift in the Oshawa Flex Plant in the first half of 2013 and operate it for the duration of the collective agreement, supporting approximately 900 positions.
- Continue production of the Chevrolet Camaro to the end of the current generation model lifecycle.
- Continue production of the Buick Regal for the duration of the collective agreement.
- Continue production of the Cadillac XTS for the duration of the collective agreement, with total program investment in Oshawa of \$117 million.
- Begin production of the next generation Chevrolet Impala, launching in the first quarter of 2013 and continuing for the duration of the collective agreement, with total program investment of \$68 million.

ST. CATHARINES:

- Extend production of the High Feature V6

Engine in St. Catharines for the duration of the collective agreement.

- Populate third shift machining for the GF6 Transmission in October 2012. A third shift for the GF6 Transmission assembly will be added in the first quarter of 2013.
- Launch production of a Gen 5 V8 Engine in the fourth quarter of 2013, with production continuing for the duration of the collective agreement, with total program investment of \$235 million.
- Continue production of the 6 Speed Front Wheel Drive Transmission through the life of the collective agreement, with total program investment of \$254 million, including the third generation of this program, launching in the second half of 2015.

CANADIAN MANUFACTURING:

GM has also committed that it will meet the production targets and thresholds specified in its Canadian Operational Continuation Agreement with the Governments of Canada and Ontario for the duration of this collective agreement.

WORKFORCE RESTRUCTURING:

- With the launch of the Gen 5 V8 Engine in late 2013, approximately 100 new positions will be created, allowing an equal number of St. Catharines-based employees working at remote locations to transfer back to their home base on a seniority basis. Further transfers home on a seniority basis will be facilitated by ongoing retirements and attrition. Based on actuarial forecasts all St. Catharines members working away from home

should have an opportunity to transfer home by the end of the agreement.

- In St. Catharines, work previously identified as potential outsource opportunities within the 2007 COA that is outsourced by the company prior to December 2016 will yield enhanced retirement incentives to a maximum of 65 positions.
- Due to the expected closure of the Oshawa Consolidated Plant in June 2014, Document 12 language will apply at that time to all permanent job losses, and a restructuring canvass will be conducted according to existing collective agreement language.

SWEs AND TRANSITION TO NEW HIRES:

- The side letter allowing unlimited use of SWEs in Oshawa is revoked effective with the end of the third shift in the Consolidated Plant.
- The future use of SWEs will be governed by the original intent and wording of the 2006 COA agreement under which SWEs are used on a temporary flexible basis, for a maximum of 8 months, only during model launches and for other purposes on mutual agreement with the local union.
- When new hiring is required in order to attain the Oshawa production plans, returning SWEs have preferential hire rights (as per existing local contract language), and will be given a one-time choice upon recall whether to return to work as a SWE (same wage and benefit) or as a regular new hire (new starting wage, benefit grow-in schedule, and seniority).

SKILLED TRADES

APPENDIX "R": JOB SECURITY AND SKILLED TRADES WORK OWNERSHIP

The company aggressively came after the work ownership language in this round of negotiations. The union fought back, resisted the company's demands, maintained this important job security language, and did not give in to any concessions on Appendix "R."

FUTURE APPRENTICESHIP OPPORTUNITIES

The union has positioned itself for future apprenticeship opportunities at locations with full employment, where there

will be a need to begin the process of replacing our skilled trades workforce who are reaching retirement age.

The company and the union will meet within 90 days of ratification, and annually thereafter, to review plant staffing needs, employee demographics, attrition rates, product cycle plans and forecasts to consider potential need for future apprenticeships.

SKILLED TRADES UNION EDUCATION PROGRAM

Funding has been secured to continue with this valuable program to our skilled trades.

INSURANCE BENEFITS

All benefits, including Survivor Income Benefits, are maintained at current rates.

	Assembler (\$33.86 hourly rate)	Trades (\$40.25 hourly rate)
S&A	\$830	\$990
EDB under 10 years	\$2,925	\$3,500
EDB 10 or more years	\$3,215	\$3,850
AD&D	\$38,500	\$46,250
Life Insurance	\$77,000	\$92,500



HEALTH CARE BENEFITS

HEALTH CARE

- **HEALTH CARE CONTRIBUTION** There is no increase to the monthly health care contribution amount.
- **DENTAL FEE SCHEDULE** The Ontario Dental Association (ODA) Fee Schedule will be updated from 2008 to 2011 effective January 1, 2013. A 2-year lag will continue over the term of the agreement. Example: in 2016, the 2014 ODA will be in effect.
- **DENTAL HYGIENIST** A Dental Hygienist will be recognized as a dental provider.
- **PRESCRIPTION DRUGS** The union resisted company demands to increase the co-pay and the out-of-pocket maximum. The co-pay remains at 10% to a maximum of \$310.
- **OVER-THE-COUNTER DRUGS** The federal government

introduced a rule that medical plans covering OTC drugs, even with a prescription, will lose their tax-exempt status. In such a case, all health care benefits would become taxable to the employee. To avoid this problem, effective January 1, 2013, OTC drugs, other than certain life-sustaining drugs, will no longer be covered under the health care plan. A schedule of life-sustaining drugs will continue to be covered, including insulins, nitrates, allergy serums, injectable vitamins, diabetic testing agents, needles and syringes, and vaccines.

- **LONG TERM CARE** Effective January 1, 2014 the maximum long term care rate for new entrants will be reduced from \$1,200 to \$800 per month. Current residents of long term care facilities, and those entering prior to January 1, 2014, will remain at current coverage levels (Long Term Care covers current active members).

CHILD CARE

Child care subsidy is maintained.

INCOME SECURITY

Income security benefits are maintained for the duration of this agreement at the current benefit levels.

THE SPECIAL CONTINGENCY FUND

The Special Contingency Fund has been renewed for current programs at existing levels.



WORKPLACE TRAINING PROGRAM

Company funding for the Workplace Training Program is renewed.

Curriculum will continue to be developed to reflect current issues.

NEW HIRE PROGRAM

10-Year New Hire Grow-In Program

To enhance our opportunities for new investments and hiring in Canadian facilities without creating a permanent second class of worker, the CAW and GM have agreed to a 10-Year New Hire Grow-In Program. This program avoids the permanent two-tier system first demanded by the companies, expanding our current 6-year grow-in. New hires start with a lower package of wages and benefits and grow in to full compensation after 10 years.

The new Grow-In Program applies only to new employees hired after ratification.

Wages start at 60% of the starting base rate and reach 100% after year 10 of seniority. Wages then catch up (as necessary) to any intervening base rate increases in subsequent years. COLA is paid after the wage reaches the full prevailing base rate.

WAGE AND VACATION SCHEDULE		
Seniority (yrs. completed)	Wage (% base rate)	Paid Vacation (hrs)
Start	60	4%
1	60	80
2	60	88
3	65	96
4	70	104
5	70	112
6	75	120
7	80	120
8	85	120
9	90	120
10	100	180

New hires receive full health benefits, overtime premiums, and statutory holidays (same as existing employees), as specified in the collective agreement. New hires receive child care subsidy after 1 year of seniority.

The pension for new hires will be a hybrid DB/DC plan, providing one-half of the defined benefit under the current plan, along with a parallel defined contribution plan. New hires will pay \$1 per hour to the pension in years 1-4, \$1.50 in years 5-7, and \$2 in year 8 and after (to a maximum of 2080 hours per year). Skilled trades pension benefits and contributions are 20% higher, consistent with the traditional 20% wage and pension differential.

The 30-and-out pension with special allowance is still available on or after age 55. No additional benefits are accrued after 30 years of service or age 55 (whichever is later). 75% accrued DB pension benefit is allocated for the first 10 years of service (proportionate with the wage grow-in).

Income security: new hires receive short work week after 3 years (current practice), no SUB credits for years 1-5, half SUB credits for years 6-10, and full SUB credits after year 10. New hires are eligible for incentives in restructuring events after 5 years.

Shift premiums: 50¢ for afternoons and \$1 for midnights until after year 10 (when existing premiums will apply).

Retiree health benefits: these benefits are funded through a contribution of \$1 per hour (phased in after year 10) to a group trust for new hires.

Other: new hires receive dependent scholarship benefits after 10 years, a pro-rated life insurance benefit (proportional to wage grow-in) in years 1-10, and no legal service benefits. Existing language regarding LTD and S&A continues to apply.

Skilled trades: newly hired apprentices' wages are specified in our apprenticeship progression. Newly hired journeypersons begin work at the full rate (as per existing practice).

Specific timing on the phase-in of final provisions after year 10 will be confirmed in collective bargaining prior to the first new hires reaching 10 years seniority.



PAID HOLIDAY SCHEDULE: 66 DAYS DURING THE CONTRACT

Friday, October 5, 2012	Friday before Thanksgiving	Friday, October 10, 2014	Friday before Thanksgiving
Monday, October 8, 2012	Thanksgiving	Monday, October 13, 2014	Thanksgiving
December 24, 25, 26, 27, 28, 2012	Christmas Holiday Period	December 24, 25, 26, 2014	Christmas Holiday Period
Monday December 31, 2012	Christmas Holiday Period	December 29, 30, 31, 2014	Christmas Holiday Period
Tuesday, January 1, 2013	Christmas Holiday Period	January 1, 2, 2015	Christmas Holiday Period
Friday, March 29, 2013	Good Friday	Friday, April 3, 2015	Good Friday
Monday, April 1, 2013	Easter Monday	Monday, April 6, 2015	Easter Monday
Friday, May 17, 2013	Friday before Victoria Day	Friday, May 15, 2015	Friday before Victoria Day
Monday, May 20, 2013	Victoria Day	Monday, May 18, 2015	Victoria Day
Friday, June 28, 2013	Friday before Canada Day	Friday, June 26, 2015	Friday before Canada Day
Friday, August 30, 2013	Friday before Labour Day	Friday, September 4, 2015	Friday before Labour Day
Monday, September 2, 2013	Labour Day	Monday, September 7, 2015	Labour Day
Friday, October 11, 2013	Friday before Thanksgiving	Friday, October 9, 2015	Friday before Thanksgiving
Monday, October 14, 2013	Thanksgiving	Monday, October 12, 2015	Thanksgiving
December 23, 24, 25, 26, 27, 2013	Christmas Holiday Period	December 24, 25, 2015	Christmas Holiday Period
December 30, 31, 2013	Christmas Holiday Period	December 28, 29, 30, 31, 2015	Christmas Holiday Period
Wednesday, January 1, 2014	Christmas Holiday Period	Friday, January 1, 2016	Christmas Holiday Period
Friday, April 18, 2014	Good Friday	Friday, March 25, 2016	Good Friday
Monday, April 21, 2014	Easter Monday	Monday, March 28, 2016	Easter Monday
Friday, May 16, 2014	Friday before Victoria Day	Friday, May 20, 2016	Friday before Victoria Day
Monday, May 19, 2014	Victoria Day	Monday, May 23, 2016	Victoria Day
Friday, June 27, 2014	Canada Day	Friday, July 1, 2016	Canada Day
Friday, August 29, 2014	Friday before Labour Day	Friday, September 2, 2016	Friday before Labour Day
Monday, September 1, 2014	Labour Day	Monday, September 5, 2016	Labour Day

Note: For the National Parts Distribution Centre (Woodstock, Ontario), in lieu of the Friday preceding Thanksgiving (October 5, 2012; October 11, 2013; October 10, 2014; October 9, 2015) the Civic Holiday will be observed instead (August 5, 2013; August 4, 2014; August 3, 2015; August 1, 2016).

HEALTH AND SAFETY

The Master Health and Safety Committee has negotiated a number of changes that will help create safer and healthier work environments at General Motors' facilities and stay current with important related issues. The following improvements have been negotiated:

- The establishment of a GM-wide nanotechnology committee with necessary training and equipment.
- Increased training for the lift truck, die crews and crane.
- Annual training location and course material must be agreed to by the MJHSC.
- Any new policies must be agreed to by the MJHSC.

- A new blood pressure and blood sugar testing program.
- Improvements to Doc 74 language on ventilation, CCOHS information, inspections and investigations.

ERGONOMICS

A number of improvements to the ergonomics program have been negotiated:

- Annual training has increased from three days to five.
- New policies and procedures must be agreed to by the national ergonomics representative and the company.
- Improved language in letter on ergonomically acceptable back-up plans.

Your CAW-Canada Master Bargaining Committee at General Motors



KEN LEWENZA
President



PETER KENNEDY
Secretary-Treasurer



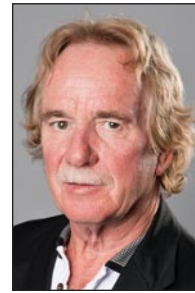
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