



Drive Unit Update

On Sunday February 25th we held a Drive Unit Information meeting at the union hall. I would like to thank those who were able to attend and for the questions and concerns they raised. This gave us an opportunity to answer questions with factual information about the future of St Catharines. This update is for the members who were not able to be in attendance. The information contained in this leaflet pertaining to the Drive Units is meant to give you some of the details that were discussed at the meeting and is in no way an exhaustive update. Further questions should be directed to your shop committeepersons.

Since the signing of the 2007 Competitive Operating Agreement that helped secure the GF6 Investment which also helped secure the upgrade to Gen5, St. Catharines has repeatedly done the right things over the years to position itself for potential future investment by being a high producing, cost competitive plant. Not everyone liked the changes that were made in '07 but they were necessary to ensure the plant stayed open which we all have benefited from. Since then, St. Catharines continued to build its reputation by winning awards within the Company for best in manufacturing and quality for all the products we've produced during those years.

In 2012 and 2016 bargaining the Local Union continued to bargain to position us for future investment. By 2020 bargaining we tried to capitalize on the trend of electric investments that were announced during the Ford and Stellantis negotiations. Of the Big 3, GM negotiated last in 2020, but the Company didn't have new core work to award us during this time even though we knew we had done enough to earn it. We managed to negotiate the DCT transmission, which was only assembly work, building from customer supplied parts, supplementing the main producer, on one shift employing 50 members. But the Company did give St. Catharines a separate letter to confirm to the Union 'that based on past operating performance, St. Catharines is well positioned to be considered for future product allocation and commits to explore and consider potential product programs and investment opportunities for the facility.

You may recall the priority for the Union for 2020 GM negotiations was primarily to reopen the Oshawa truck plant. But what you may not know, for the Company to agree to re-open Oshawa, the Local Committee would need to come into agreement on a new Competitive Operating Agreement(COA). They did, and Oshawa re-opened with their truck investment.

Three weeks later Cami would be called upon to move their bargaining timeline ahead 10 months to discuss what would be the Brightdrop Investment. They too would be required to agree to terms of a new COA, which of course they did, and the investment was awarded.

These two new agreed to COAs would help secure investments for these GM of Canada facilities and would set a pattern for future investments. In time we would learn what those details were in the Oshawa and Cami COAs and noticed similar topics between the two agreements. This gave us an insight into what the Company would likely talk to us about when our turn came. Those topics were TPTs, Material Handling, Trades training, Quality sorts, and Misc Workplace issues.

Two years later in November 2022, the Company approached Union Leadership to discuss the potential of product investment for St. Catharines. In order to continue those discussions Union representatives were required to sign non-disclosure agreements as the information being discussed was confidential to GM. The Union was presented with information pertaining to Drive Units for Battery Electric Vehicles. There were 2 sites already identified who would be making Drive Units. St. Catharines could potentially be the 3rd site if terms of a new COA would be agreed to. The Company informed us they had conducted a study of the square footage of the plant, along with the expiring timelines of existing product. They determined that St. Catharines had the capability to build Drive Units. We got the impression that we were the only ones being talked to for site 3 but the Company made it clear that other facilities had the capability, like Tonawanda, so it was ours to lose.

Nearly a month later we came to terms for a new COA for Drive Units. February 20th, 2023 Company Executives, Local Plant Leaders along with Unifor Leadership and Local 199 Members participated in the announcement of the Drive Unit Investment for St. Catharines.

It's important to note that some of the information contained in the new COA is still considered GM confidential. GM reserves the right to maintain certain information confidential to ensure their competitive advantage and potential market share within the Electric Vehicle Market space.

Items that are still considered confidential are the total dollar value of the investment from the Company, the pending government support, and the names and number of electric vehicles that get drive units that have not already been publicly announced.

This is why there was limited information pertaining to Drive Units in our ratification Highlighter. The Company would only agree to the two bullet points that were published in that highlighter. As a reminder, those two points were:

- 1) Negotiated commitment from company to provide investments to the plant to ensure job protection, without loss, and continued operations in the transition to drive unit production.
- 2) Every full-time worker will have employment when drive units are in production.

Recently the Company communicated to the Union that while some details are still GM Confidential, the working conditions are no longer. This gave us the opportunity to communicate the details of the COA with the membership.

The following information compares some of the COA details pertaining to working conditions.

It's worth noting that Oshawa had 18 items negotiated in their COA, Cami had 13 and St. Catharines has 8.

- 1) The creation of a new Drive Unit Division consisting of Assembly, Machining, Bev IMM, Bev Electrician.
- 2) TPTs – Oshawa 15%, Cami 30% (if awarded Battery Electric Assembly work – which they were), St. Catharines 18%. At the time of the writing of this COA the Company made a point of mentioning we had 25% TPTs in the plant. All full-time members currently laid off must be called back before TPTs can re-enter the plant. Keep in mind 154 of these TPTs were converted to Full-time at bargaining which will reduce the number of TPTs the Company will now need for the Drive Unit area.
- 3) GSC/Material handling – Oshawa agreed to outsource their material handling group to a 3rd party. Cami did not have Material Handling mentioned in their COA. The Company initially demanded to outsource GSC/Stores/TOOL Tech plantwide in St Catharines to a 3rd party. It was agreed to keep GSC in areas now considered 'old' work consisting of the V8 and DCT, all ramps and yard drivers. New technology in seegrads and vecnas and a small number of 3rd party will be used to move and stage material in the new Drive Unit Area, similar to how GF6 originally was set up.
- 4) Quality Sorts – Oshawa and Cami out sourced quality sorts to a 3rd party plantwide with no restriction on the kind of sort or the duration of sort. St. Catharines' old arrangement allowed 3rd party to sort customer supplied defects for 3 days or 9 shifts. New agreement gives 3rd party one extra day to perform the same type of work. 4 days or 12 shifts.
- 5) 5 minute Wash-up time – the Company wanted to eliminate this plant wide. It was agreed to keep the washup time in the old work areas of V8, DCT and GSC. The two 5 minute washup periods are eliminated in the new Drive Unit Area
- 6) Skilled Trades training – IMM's will be trained to content from the 433A classification and captured on the versatility charts and be expected to work to their level of ability. Electricians will be trained from the 442A classification and captured on the versatility charts and be expected to work to their level of ability.
- 7) Transfer Lock-in period. St. Catharines will maintain the 6 month lock-in period for assembly and GSC and the 24 month for Machining and Trades transfers.
- 8) Pending Government support.

There are additional details pertaining to the Drive Units themselves. We will be making a high volume of front-wheel drive (x76) and rear-wheel drive (x77) units, and we will have the capacity for future expansion for an all-wheel drive (x84) units. Some vehicles take more than one drive unit.

Machines should start being installed this summer in the old HFV6 area. Start of regular production is scheduled for summer of 2025. There will be an assembly room similar to the DCT room. Other facility upgrades include mechanical, structural, architectural, electrical to support the new business.

We understand there is a lot of information contained in this leaflet that will generate questions. Please contact your shop committeepersons for further information.

Issued by,

Trevor Longpre, GM Unit Plant Chairperson

On behalf of the Bargaining Committee, Scott Little, Tony Verde, Stan Kuczma, Ed Steers Cope343/nw