



# LOCAL 506 UNION NEWS

Volume 67, Issue 6

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Thursday, June 16, 2016

## The History behind the Future

B.A. Mike Ferritto

Front page headlines in a 1955 edition of our 506 News “**Erie Workers Idled While GE Profits Soar**”.

In that article it’s stated “GE carrying out its master plan to shift profit making manufacturing southward to low wage areas, regardless of the cost to workers employed in its established plants, GE this past week laid off hundreds of experienced Erie workers and has started to dismantle refrigeration lines”.

That year, 1955, GE closed the doors on Refrigeration and Room Air Conditioner. Thousands upon thousands of Erie GE Workers and their families paid the economic price as a result of that decision by GE.

Almost three decades later the company announced that they would move Diesel Engine south to Grove City. In the 1981 edition of the UE News it was said that “**it makes no sense**”.

**It made no sense** to leave the skilled workforce that has proven to be highly profitable.

**It made no sense** to say you need room to expand, with factory space within the plant and several vacant factories in Erie.

**It made no sense** from a moral viewpoint to pull a major operation out of the Erie community while receiving a huge cut in local taxes. All while young people in Erie are looking for jobs.

**It made no sense at all...** unless you are an anti-union corporation that is willing to spend millions of dollars, and even willing to make your production less efficient, in order to weaken the bargaining power of the Union. It appeared that making UE local 506 smaller was a top priority in GE Corporate Headquarters.

Over the next decade, the Union fought to secure language that would force the company to bargain over transferring production and non-production work. In June of 1991 at contract negotiations the union secured Article 23 section 5b & 5c. The language was viewed to give the Union opportunity to influence GE’s decisions once they notified the union of their intent to transfer work.

Shortly after the decision bargaining was established in January of 1992 the company transferred Bldg.63 Drive Systems Operations work to GE Salem, Virginia site.

In June of 1993, UE News headlines read **WE MEANT IT! DID YOU GE?** In that article generated by the company’s notice of their intent to transfer Bldg. 22 Fuel Tanks, it read, “We are painfully reminded of the company’s decision in January of ‘92 to transfer Drive Systems Work”. Those are bad memories we’re not interested in revisiting, or reliving again. Workers and their

families harbor feelings of hopelessness and despair following such announcements of “Intent to Transfer Work”. The Unions “Intent” is to engage the company in “hopeful”, meaningful discussions regarding this work. Never just to deal with emotions of hurt and despair in the aftermath of the GE announcements of its intent to transfer work.

On the heels of that announcement on June 30<sup>th</sup>, GE announced their intent to transfer DM&G. The curious part was that when they handed out the GE COMMUNICATOR (a monthly news update exclusively for DM&G workers) on July 1<sup>st</sup>, the headlines read **DM&G: AN IMPORTANT GE BUSINESS AT THE ERIE PLANT**. Another interesting note was when they held an informative meeting the company spokesman, who flew into to address the workers, stated that they didn’t want to move D.C. out of town. Why? Because according to the D.C. boss “it would cost the company a lot of money to move all the machinery out of town.” Not a word was mentioned about the workers or their families.

At the conclusion of the 45 day bargaining period, the **company** requested an extension based on the progress that was made at the bargaining table. The trouble was, when the extension was exhausted the company reverted back to their original proposal as their final offer.

On April 9, 2013 the company announced intent to transfer EVO Locomotive and AC Wheel Machining Assembly.

*Continued on Page 6, Column 1.*

## JUNE MEMBERSHIP MEETING NOTICE

### Agenda:

- Officers Report
- Reduction in Work Force Update
- Decision Bargaining Update
- Committee Reports and General Business Matters

### MEMBERSHIP MEETINGS & TIMES ARE:

Thursday, May 19, 2016 (All meetings)

7:20 a.m. (Officers reports only)

12:30 p.m. (2nd Shift)

3:20 p.m. (1st Shift)

**No Food Will Be Served At Meetings**

## C.P. Steward's Report

By Leo Grzegorzewski

On June 1<sup>st</sup> the Union and Company conducted our monthly Step II grievance meeting held in bldg. 42-4 at 9:00 am. There were a total of 34 grievances heard at that meeting. The results are as follows. Twenty four cases were closed or settled, seven were put on hold and three were sent to Step III. The three sent to Step III entailed (1) The Company's refusal to pay PLOWed employees hired after June of 2007 (Earn as You Go) their unused vacation at the time of permanent lay off. The Company's position is; those employee's on Earn as You Go vacation status are only entitled at the time of lay off what they earned so far that year. The Unions position is; an employee under the Earn as You Go status is paid out what those individuals have qualified for at the time of permanent layoff through self-termination (Article VIII paragraph 5) quits, discharged, dies or retires. We believe those employees who are separated from the Company through no fault of their own but because the company transferred work to other facilities, or failed to provide work and sustain employment, they are entitled to all vacation that they would have been eligible for that calendar year. (2) The Company's refusal to pay employees Warn pay if they were TLOWed during the sixty day period from November 6, 2015 through January 5, 2016. The Company's belief is; if you worked past January 5<sup>th</sup> equal to or more days then you were TLOWed during the sixty day period you received your sixty day pay. Consequently the company owes you nothing with regards to Warn pay. The Unions position is; the sixty day Warn period is guaranteed pay for those employees who are TLOWed during those defined dates and subsequently PLOWed.(3) The Union grieves the Company not informing the Union of Rad Fan Blades being built in Texas. We have requested an emergency Step III meeting on this grievance.

Brother and sisters as you know Decision Bargaining has begun. Who knows what the next fifty days or so is going to reveal. The company's past history in Transfer of Work negotiations and what came out of those meetings is fresh in all of our minds. Off Highway, EVO Locomotives and Axle Shafts all have dealt a terrible blow to this union. We have nothing to show over those negotiations but new work rules and attendance policy that puts our members at high risk of losing their jobs that sustain their families. More recently the DC to AC conversion work that was going to be our work has been moved to Texas for 2017. Although the conversion work is not actually a transfer of work situation, it was still promised to the Erie site. We proved we could do the work on time and on budget now it will be done in Texas. What kind of message did that send to the hard working people of Erie? **The company suggests, trust us, this time will be different.** Only time will tell. I am not optimistic as to what will come out of these negotiations. If the past holds true, we can expect nothing different from the company. I do know one thing for sure, we must stand together during these difficult times as we always do. **U.E. 506 The Members run this Union, I'll say no more.**

## President's Report

By Scott Slawson

As we go through the transfer of work discussions you will continue to hear from the company on things like efficiency and cost. They will claim we spend too much time on product and cost too much per hour to be competitive. We are constantly reminding them there are other ways to boost efficiency and reduce costs outside of stripping wages and benefits. Prior to 2009, when a majority of the plant was still on piecework, the Erie plant was capable of easily producing close to 1000 locomotives per year. After the layoff of over a third of our membership and a half baked attempt at implementing LEAN manufacturing we struggle to produce less than 600 a year. We didn't ask for these changes and even cautioned the company they would be counter-productive. Over the years the company has tried to adopt the "flavor of the month" with new and innovative ideas for manufacturing. The problem is, they only wanted to do it the "GE way". They have and continue to bring experts in from outside to tell them what they are doing wrong. Recommendations are made and still the company doesn't listen. In the recent LEAN workout in building 12 the Sensei stated that input from the floor was critical to the process. He also said the standard of work had much room for improvement. The Erie management team felt the standard of work was spot on and from feedback we've received much of the input from the floor wasn't taken into consideration.

Efficiency should be based on the actual time we are able to work on the products we build. There are several factors that are no longer calculated into the process. If a part was damaged, material or parts weren't available, equipment wasn't running properly, etc... we had the ability to track that. Now we have to rely on our managers ability to communicate why and when we are not spending time on product. The new equation is simply hours worked verses hours produced. This is not a true measurement. Erie is not simply an assembly facility, it is a manufacturing site.

As far as cost per hour is concerned, it is easy to argue the company has artificially inflated our cost structure, making it difficult for us to compete. By continuing to send work away there is less product to flush our overhead rate against driving up costs. Constant movement because of layoff, recall and hiring drives costs up. This leads to training and loss of production. Rather than transferring work out creating these issues it would be more cost effective to bring work here and prevent much of the unnecessary movement. The elimination of lower coded jobs in favor of higher coded jobs and ratio of Union to management layoffs also elevates costs. These are just a few of many examples of why the company says we are too costly, but these are situations the company, not the Union, have created.

*"Let no person or group of persons instill in your minds by rumors, insinuations or printed propaganda, a lack of confidence in your organization, because you are the Union."*

James A. Kennedy, UE 506 Business agent, June 1947

# Erie Plant Daywork Rate Structure For Hourly Employees Effective June 27, 2016

\* MINIMUM STARTING RATES IF HIRED AFTER  
AUGUST 5, 1991

<u>RATE SYMBOL</u>	<u>HOURLY RATE</u>	<u>MINIMUM STARTING RATE</u>	<u>95%</u>	<u>90%</u>	<u>85%</u>	<u>80%</u>	<u>75%</u>	<u>70%</u>
R-3	28.050	---	26.650	25.245	23.845	22.440	21.040	19.635
R-4	27.895	---	26.500	25.105	23.710	22.315	20.920	19.525
R-5	28.250	---	26.840	25.425	24.015	22.600	21.190	19.775
R-6	28.380	R-4	26.960	25.540	24.125	22.705	21.285	19.865
R-7	28.495	R-5	27.070	25.645	24.220	22.795	21.370	19.945
R-8	28.650	R-6	27.215	25.785	24.355	22.920	21.485	20.055
R-9	28.810	R-7	27.370	25.930	24.490	23.050	21.605	20.165
R-10	28.810	R-8	27.370	25.930	24.490	23.050	21.605	20.165
R-11	29.010	R-8	27.560	26.110	24.660	23.210	21.760	20.305
R-12	29.180	R-9	27.720	26.260	24.805	23.345	21.885	20.425
R-13	29.380	R-11	27.910	26.440	24.975	23.505	22.035	20.565
R-14	29.565	R-11	28.085	26.610	25.130	23.650	22.175	20.695
R-15	29.880	R-11	28.385	26.890	25.400	23.905	22.410	20.915
R-16	30.285	R-12			R-12			
R-17	30.895	R-13			R-13			
R-18	31.530	R-14			R-14			
R-19	32.430	R-15			R-15			
R-20	33.485	R-16			R-16			
R-21	34.565	R-17			R-17			
R-22	35.680	R-18			R-18			
R-23	36.665	R-19			R-19			
R-24	38.125	R-20			R-20			
R-25	38.680	R-21			R-21			
R-26	39.185	R-22			R-22			
R-27	39.660	R-23			R-23			
R-28	40.230	R-24			R-24			

**JOB RATE**

- R-6 thru R-15
- R-16 thru R-18
- R-19 thru R-21
- R-22 and Up

**PROGRESSION**

One step at the end of each one-month period from M.S.R. to job rate.

One step at the end of each one-month period from M.S.R. to R-15; one step at the end of each three-month period from R-15 to job rate.

One step at the end of each three-month period from M.S.R. to R-18; one step at the end of each six-month period from R-18 to job rate.

One step at the end of each six-month period from M.S.R. to job rate.

Progression increases should be calculated from starting date.

\* Employees hired after 8/5/1991 on R-15 or below, will progress one step (+5%) every 6 months (4 months after 1/1/2008).

Pay rates updated due to a (\$.20) COLA

## Erie Plant Incentive Rate Structure For Hourly Employees Effective June 27, 2016

<u>RATE SYMBOL</u>	<u>TIMING RATE GETS</u>	<u>A.E.R.</u>	<u>M.T.O.</u>	<u>M.S.R.</u>
I-8	0.570	29.010	28.650	28.250
I-9	0.600	29.010	28.650	28.250
I-10	0.630	29.010	28.650	28.250
<b>I-11</b>	<b>0.670</b>	<b>29.010</b>	<b>28.650</b>	<b>28.250</b>
I-12	0.700	29.550	29.010	28.650
I-13	0.740	29.550	29.010	28.650
<b>I-14</b>	<b>0.780</b>	<b>29.550</b>	<b>29.010</b>	<b>28.650</b>
I-15	0.820	30.285	29.655	28.765
I-16	0.870	30.285	29.655	28.765
<b>I-17</b>	<b>0.920</b>	<b>30.285</b>	<b>29.655</b>	<b>28.765</b>
I-18	0.970	31.530	30.920	29.110
I-19	1.020	31.530	30.920	29.110
<b>I-20</b>	<b>1.080</b>	<b>31.530</b>	<b>30.920</b>	<b>29.110</b>
I-21	1.145	31.530	30.920	29.110
I-22	1.210	31.530	30.920	29.110

### GETS CONVERSION FORMULA

Where Minimum Does Not Apply	Break Even Point	Where Minimum Does Apply
I - 8 and I - 9: Earnings X 5.3753 + 25.3113	1.1776	Earnings X 4.9699 + 25.7889
I - 10 and Up: Earnings X 5.3753 + 25.1818	1.2013	Earnings X 4.9699 + 25.6694

### WAGE STRUCTURE MODIFICATION - GETS

Apply the appropriate adder from the table below to each planned hour earned according to the timing rate of the voucher.

This adder is applied after the conversion formula calculation.

I-17	0.087
I-18	0.170
I-19	0.294
I-20	0.466
I-21	0.885
I-22	1.298

## TRADE BENEFITS

Time may be running out for you to take advantage of some your Trade benefits under the current GE petition #83328. If you had not had a TAA appointment with a case manager at the PA CareerLink®, you need to do so prior to your 26 week deadline. **Note: If your separation date from the company was January 8<sup>th</sup>, 2016 your final deadline for a TAA appointment is July 9, 2016.** Failure to do so, may affect your TRA cash benefits, specifically associated with the income support should you decide to attend Trade Approved Training. For more information, please refer to your

UCP-11c handbook provided at the various Trade meetings held at the union hall. If you don't have the document, you may use the following link to obtain access:

<http://www.uc.pa.gov/UCP%20Forms/UCP-11C.pdf>

To meet with a case manager, please call 814-455-9966 ext. 669<tel:814-455-9966;669> and provide your name and contact information (phone number) followed by your last day of work at GE. Please keep a log of the time and date you called.



## TAA

Due to the concerns being raised by our members, the Local has been working with our local CareerLink® to address the problems. Below are the responses explaining what has been done to address our concerns.

- 1) They having realized some of the issues with phone calls not being returned on a timely basis, the regional management team made changes to their processes to help improve the turnaround time on the call backs and appointment scheduling.
- 2) They relieved three case managers of work that was preventing them from seeing TAA (trade) appointments.
- 3) The sister office in Venango County is taking over pulling the messages from the 669 hotline left by the GE dislocated workers.

Currently the Oil Region (Venango County) staff has accomplished the following:

- 584 calls have been logged from the hotline from May 2 – June 2 (recorded on a spreadsheet in the Oil Region office), which represents approximately 356 individuals (many have called multiple times),
- 148 return calls have been made by the Oil Region staff over approximately 2 work weeks, leaving 208 calls to make. After additional research only 186 calls remained,
- An additional 471 calls have been made by the Oil Region staff to report TABE scores and next steps during the same time frame, and
- A total of 619 calls have been made between May 12 and June 2.

Unfortunately, Joy Manufacturing has become trade affected, so we are shifting the phone calling and appointment scheduling from Venango to the PA CareerLink® Delaware County @ Chester. They will be calling individuals who have left messages on the 669 hotline to set up TAA appointments and answer questions. We expect to have all the messages left prior to June 6 on the 669 hotline caught up/called back no later than the end of next week.

### Important Information:

If a GE dislocated worker is intending to go back to school for occupational training, he/she must take a TABE assessment. If you haven't already taken a TABE assessment then please call the front desk at 814-455-9966 Ext. 402. They are scheduling individuals for TABE assessments every Thursday and Friday mornings at the PA CareerLink® Erie County. If you have other questions please wait until your TAA appointment or call the 669 number.

PA CareerLink® has been working hard to deplete the enormous backlog and are now calling individuals who have taken the TABE recently with a goal of notifying them within a week of the assessment. Beginning Monday, June 13, 2016 they will have three additional staff dedicated to work with the GE dislocated workers. They will be calling with TABE results, next steps, and setting up TAA appointments for the individuals they call.

Upon completing the TABE assessment, receiving a call from a CareerLink representative and being made aware of the TABE results, the GE dislocated worker will be either going into re-mediation (if the scores are not at the level required for approval by the Trade Coordination Services staff in Harrisburg), or if the grade levels are high enough, will be scheduled for a TAA appointment.

It is important for all to understand that even though a training organization or school says you are accepted into a program, you **cannot** start until you have a TAA appointment where a training application will be completed and sent to Trade Coordination Services for their approval.

In addition, when a CareerLink staff member calls and notifies an individual that they need re-mediation, they will provide two resources for this training. They are GECAC and the IU5. Currently GECAC's re-mediation program is temporarily filled. The good thing about the IU5 program is they offer the re-mediation at various locations in the county which makes it convenient. If you are notified that you need re-mediation, you will also be scheduled for a TAA appointment the following week giving sufficient time to set up the re-mediation. At this appointment you will need to know what organization is doing your re-mediation, the re-mediation schedule, and times.

Again, until you complete the re-mediation and score at the acceptable level for the intended occupational training, you will not be able to begin training, and expect to have trade cover the cost of the program. Trade Coordination Services is the final approval.

## Claims Filing Deadline

### Health Reimbursement Account (HRA) or Flexible Spending Account (FSA or LPFSA)

You have until June 30, 2016 to file claims for reimbursement from 2015. With the exception of orthodontia, an Eligible Expense is considered incurred when the service or supply is rendered, ordered, or received. Any forfeited money is used for the administration of the accounts and to offset plan losses. All claims must be submitted to the FSA administrator and substantiated on or before June 30, 2016. In some cases, such as prescription drug claims paid using your savings account card, substantiation will occur automatically. IRS regulations require substantiation of HRA and FSA funds. At the discretion of the HRA Administrator, failure to do so will result in recoupment of unsubstantiated amounts, offsetting future claims, disabling of your savings account card, and/or imputation of income for unrecovered amounts.

You may also reimburse yourself for any eligible 2015 HRA or FSA expenses until June 30, 2016.

After June 30, up to \$500 of eligible, unused 2015 FSA funds will be transferred to your 2016 FSA account. All leftover HRA funds rollover automatically.

Health spending account phone number and Website  
WageWorks (HRA/FSA/LPFSA) 1-888-303-3006  
Wageworksge.com/ge

*Continued from Page 1*

In a May 10, 2013 UE News Supplement the headline read “**UE Local 506 Deeply Upset with GE’s Bargaining Position**”. In the supplement it described while bargaining GE had told the 506 bargaining committee: “You have our proposal. Our proposal is to move the jobs to Texas and subcontract the work.”

On May 30, 2013 because so much time was focused on work rules and attendance policy with no substantial discussion on jobs, UE suggested continuing bargaining until July 1, 2013. GE politely told the UE bargaining team “Thanks, but no thanks.”

On July 28, 2014 the company issued a notice of intent to transfer Bldg. 18 Truck, Axle Machining. UE proved to GE they could be more profitable producing all axles for transportation and recover the cost of a new machining center in 1.3 years, well short of the 2 year timeline they requested.

GE replied “We just aren’t interested.”

On May 26, 2016 GE notified the Union of the intent to transfer 181 jobs. During that meeting a GE spokesman was asked why, when asked directly in a prior meeting, did he not tell the Union Executive Board of more possible reductions? He stated “I was restricted by a non-disclosure agreement”. A week prior during a meeting regarding the company’s Reinvent Erie layout UE President asked, “Where do the RAD FANS fit into the model?” GE spokesman stated “RAD FANS would remain right where it’s at.” Appendix A, of the transfer notice said otherwise. That raised concerns with the Union entering into decision bargaining.

At the Union’s request the company will sit down to bargain for our jobs. As in the past, the Union will bargain in good faith. Which brings me to my point, the word faith. The word itself brings positive light to any situation. The word faith gives us the belief there is hope. We can have faith that the Union will do its best to keep these jobs. We can only **hope**, the company will bargain in good faith. We all know the old saying, you can hope in one hand and shit in the other and see which one fills up first.



On May 23, 2016 Tom Bobrowicz was sworn in as Local 506 Vice President/ Recording Secretary. Tom was elected in a special election held to fill the vacancy that was created when former VP/RS Mike Ferritto was elected to Business Agent. Tom expressed his gratitude to the Membership, Stating “I look forward to serving the members and fulfilling the duties of this office, I want to thank everyone for their support.”

## Important Medical Plan Numbers and Web sites

### WageWorks (HRA/FSA/DCFSA/LPFSA)

Wageworks.com/ge  
1-888-303-3006

### GE Benefits Center

OneHR.ge.com  
1-800-252-5259

### Dental Care

Metlife.com/dental  
GE Dental Benefits Claim Center  
1-888-529-8474

### Vision Care

davisvision.com  
GE Vision Care Benefits Center  
1-800-433-9375

### Disability Benefits Center

1-800-392-0789

### HAVING A BENEFITS ISSUE?

Call Mark Kresse at 875-6620

Or Tom Smith at 875-6873

### HAVING A PERSONAL PROBLEM?

Call Keith Eller at 875-4EAP (Ext. 4237)

JULY 2016						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4 Independence Day	5	6	7	8	9
10	11	12	13 618 MEMBERSHIP MEETING RAGE MEMBERSHIP MEETING	14	15	16
17 UE GOLF TOURNAMENT 9:00am	18	19 506 EXECUTIVE BOARD MEETING	20	21 506 MEMBERSHIP MEETINGS	22	23
24	25 FINAL DAY OF DECISION BARGAINING	26	27	28	29 STEP II GRIEVANCE MEETING	30
31						