



LOCAL 506 SUPPLEMENT

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Tuesday, June 18, 2013

Union Proposes Keeping All 950 Jobs, More Than \$20 Million Savings To GE and No Wage Freeze

Yesterday, the UE Local 506 Negotiating Committee met with GE and submitted a detailed proposal. UE proposed that the Company retain all 950 jobs in Erie and keep Ft. Worth as an overflow plant to produce locomotives and OHV wheels only when Erie is producing at capacity.

Union bargainers submitted a detailed list of cost savings under which GE can save more than \$20 million per year in 2013 and 2014. Savings will be achieved by correcting the parts-flow issue in the plant, reducing absenteeism, rearranging the break schedule, and eliminating costly severance and retraining costs that would be caused by the job cutbacks which GE proposed on April 9.

The Union's proposal requires the Company to guarantee that none of the 950 jobs can be moved prior to June 21, 2015, when the UE-GE National Agreement expires. In exchange, UE bargainers indicated a willingness to change some work rules and attendance procedures.

New Machining Center for Erie OHV Operations

UE Local 506 also proposed a big new investment for OHV to install a state-of-the-art machining center in Building 12. Under the union's proposal, GE's investment for the new machining center would be matched by government funds which UE is seeking to obtain. The new machining center would save GE several million dollars per year in Erie OHV production and labor costs.

UE Bargainers Reject Wage Freeze

Despite the fact that the Union showed GE how to save more than \$20 million in annual costs, GE expressed its disappointment that UE would not agree to a wage freeze. UE bargainers were emphatic in rejecting a wage freeze. Business Agent Wayne Burnett told GE that: "It's insulting for the Company to come after our wage increases after all the money our members have made for GE, especially in the last year when GE Transportation earned profits of more than \$1 billion dollars."

UE National President Bruce Klipple reminded the Company that UE made creative proposals to maintain all of the jobs and continue to keep the plant competitive. He repeatedly urged the Company to give serious consideration to those creative proposals.

Representing the UE in bargaining on Monday were, UE Local 506 President Scott Duke, Business Agent Wayne Burnett, Chief Plant Steward Mike Hayes, Vice President Mike Ferritto, UE International Rep. Gene Elk, and UE National President Bruce Klipple.

Bargaining will continue on Tuesday morning. We will keep you informed on all major developments and provide detailed reports during our regular monthly meeting on Thursday, June 20.