



# LOCAL 506 SUPPLEMENT

© 21 Biroscak Printing Co. Inc.

Thursday, June 20, 2013

## ERIE GE WORKERS TWICE AS EFFICIENT AS NEW TEXAS PLANT

**Erie, Pa** – A financial analysis of documents and other information obtained by UE Local 506, including documents obtained during the ongoing decision bargaining indicate that the Erie GE plant is at least twice as efficient as the new plant in Texas, where the company now proposes to transfer 950 jobs. During two months of bargaining, GE has provided UE with information which contains both production and employment records for both Erie and Texas. In addition, union officials have obtained substantial production information from shop leaders including information on production in Texas. The union is not producing any documents or the specific numbers because some of that information may be subject to a confidentiality agreement with the company.

UE Local 506 through its counsel Ronald DiNicola asked Erie forensic financial expert, James Schaffner of Schaffner Knight Minnaugh & Company, to assess all of the data received. Mr. Schaffner reviewed a large volume of financial records including publicly filed or reported documents and other materials and determined that as of April the Fort Worth plant takes substantially more labor hours to build a locomotive than it does in the Erie plant. With respect to locomotive production, Schaffner concluded: "The Erie Plant's production [efficiency] is twice that of the Fort Worth facility at April 30, 2013."

In April, GE released figures suggesting that Erie workers were spending less time on product than their Fort Worth counterparts. Scott Duke, the union president, called the charge ludicrous, "this financial analysis demonstrates why the Erie plant was so important to the company earning \$5 billion in record setting revenues in 2012." "Our union is doing something right. We managed to help this company make over a billion dollars in profits last year and get off to a very strong 2013." "Give us a chance and we will outperform Caterpillar every day of the week as we always have," he said.

GE's Erie and Texas plants also produce motorized wheels for off-highway vehicles (OHV), in addition to locomotives and Schaffner also found that Erie was substantially more efficient in OHV manufacturing. In addition, it is clear that the company cannot make any significant improvements in profits in the short term by shifting OHV production to Texas, a period which Schaffner concluded might take five to ten years.

Commenting on these new findings, Duke said: "We have repeatedly said that UE Local 506 members in Erie build the best locomotives and OHV wheels in the world and Mr. Schaffner's conclusions fully support our case." President Duke added, "GE needs to keep the 950 jobs here in Erie. Our proposal to keep all of the 950 jobs here along with more than \$20 million in savings is the best solution for our members, for the community, and for GE's profits."

Negotiations between GE and UE Local 506 are ongoing and by agreement of the two sides are scheduled to conclude no later than midnight, June 22. We will continue to keep you informed about all important developments.