

Local 1853 UAW Chairman

February 12, 2012

MIKE HERRON - BARGAINING CHAIRMAN'S REPORT

Questions Regarding Profit Sharing For 2011

There have been many questions from our members regarding the profit sharing and what the formula is for Profit sharing checks that will be paid out based on General Motors North American Operations Profitability. As I previously covered in my last Chairman's Report, the International UAW negotiated to create a simplified, easy to understand profit sharing formula for the 48,500 UAW Represented Members that work for GM. The International UAW did a great job in reaching an agreement with the corporation that rewarded our members for their hard work in helping GM return to profitability. This profit sharing formula is indexed directly to the companies financial performance in the GM North American Operations.

According to the GM Press Releases, the GM North American Earnings EBIT adjusted (Earnings Before Interest and Taxes) Numbers for the first 3 quarters of 2011 are as follows:

1st Quarter	2.9 Billion
2nd Quarter	2.2 Billion
3rd Quarter	2.2 Billion
Total:	7.3 Billion



I have enclosed the actual language from the National Agreement with a *chart that reflects the payout amounts that will occur dependent on the level of profit (GMNA EBIT Adj) that GM attains collectively for the 2011 business year. Please keep in mind that GM has yet to announce their 4th quarter earnings. They are expected to do so on February 16th. Please also keep in mind that this profit sharing agreement has allowances in it to possibly divert up to 10% of the profit sharing to the VEBA Trust. This agreement was made to strengthen the VEBA Trust Account for Retirees.

(*See chart on page 3 of this report)

Hiring Update and Rumor Control

I have received numerous phone calls and e-mails regarding opportunities that may exist in the future for an hourly production job within Spring Hill Manufacturing. There has been no hiring of any new production team members to date despite rumors to the contrary. The process for hiring employees for new jobs in the future has not even been established yet. As soon as the process is completed, I will notify our membership immediately in my Chairman's Report. Historically, the process has featured specific referrals from our current members as well as external candidates. I have no reason to believe that this time it will be any different.

There are job interviews taking place currently for management leadership in Spring Hill. Management candidates with a background in Engineering, Production and Skilled Trades are being sought and applications are being taken at www.GM.com in the employment opportunities section. If you know someone that is looking for a managerial job, have them apply at the GM Website. Potential management candidates can review job openings and responsibilities under the Spring Hill Manufacturing Button to review current openings.

Fidelity Offers Free Individualized Counseling For Retirement Planning

The Fidelity Corporation is offering free counseling for our members that would like to learn more about their retirement planning. Local 1853 recently held training classes for our members in Spring Hill. The classes were very popular and the Fidelity Representatives did a nice job in presenting the information.

See Fidelity on next page



Penske Local 3031 Requests to Amalgamate with UAW Local 1853

During a membership meeting held two weeks ago for Penske Members from Local 3031, Penske members voted to request the right to amalgamate with UAW Local 1853. The vote was unanimous to ask the Local 1853 Membership and the International Union for their support to join our union. International Representative Dave Bortz, Local 1853 Vice President Tim Stannard and Chairman Mike Herron attended the meeting and spoke to the Local 3031 members concerning to their request.

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New Job Posting Reminder

There were 6 new jobs posted that went up on the Job Posting Board on Monday, February 6th. Spring Hill Manufacturing is seeking job applicants for the first six members of the "new core team" that will be responsible for assisting with the launch of the new Equinox Flex Line in Spring Hill. These jobs will last a minimum of 90 days, however members interested in the core launch team jobs should prepare for a longer duration.

Applicants should have knowledge of the General Assembly and Body Fab manufacturing processes. Members that apply for these Skill, Knowledge and Ability openings should have good oral and written communication skills, problem solving capabilities, be able to teach and be comfortable giving presentations to our members.

There will also be a limited amount of overtime related to the role according to management discussions that were held last week. The Candidates that are selected for these job openings will receive team leader pay for the duration of the assignment. Team members that are interested, can apply this week. Interviews will be conducted by a joint team starting the following week. The specific job responsibilities, including the actual job posting, are available at www.1853chairman.com. The jobs will close tomorrow, if you are interested apply before 8AM Monday February 13, 2012!



Penske Local 3031

Local 1853 Members supported this request from Local 3031 members in a "unanimous yes vote" at the regular Local 1853 January Membership Meeting held last Sunday. The next steps in making this amalgamation complete will be when Region 8 approves the request and gets final approval from the International UAW Executive Board at their monthly meeting in Detroit, Michigan. We will notify our members upon notification from the National Parties of the results.



Fidelity Offers Free Individualized

Members that attended these sessions were very impressed with all of the information that they learned. Additional retirement planning classes will be scheduled in the near future, however anyone that would like to get professional individual counseling and an analysis performed on their 401k should contact Fidelity Investments on Mallory Lane In Franklin by Cool Springs Galleria. The phone number to schedule an appointment is 615-771-8575.

Local 1853 Opens Discussions With Athletic Club

The membership of Local 1853 voted unanimously to support negotiations with a potential tenant and partner for the UAW Hall in Spring Hill. Any proposal that has merit will be presented at a special membership meeting for approval of our members. This prospective tenet specializes in full service athletic clubs which would offer a low price membership for our members and would also be open to the public as well.

There are many benefits to the Local 1853 membership if this deal comes to fruition including that fact that we will have a rent paying tenet that will lease a portion of the hall. Our members will also get much better exercising equipment and individual health improvement plans created by professional health experts. This company has a proven track record of working with individuals to reduce health care costs through the advancement of health, wellness and physical fitness.

The executive board will have to approve any contract terms prior to bringing the proposal to our members for their approval. We will keep you updated as we complete our negotiations and provide due diligence to this business opportunity.



Exhibit F (Profit Sharing Plan)

2.04 "Eligible Profit Sharing Amount"

Eligible Profit Share Amount means the maximum amount per Employee that may be payable in accordance with the following schedule:

GMNA EBIT Adj. \$Billions			Maximum PS/Emp	GMNA EBIT Adj. \$Billions			Maximum PS/Emp
-	<	1.25	-	6.50	<	6.75	6,500
1.25	<	1.50	1,250	6.75	<	7.00	6,750
1.50	<	1.75	1,500	7.00	<	7.25	7,000
1.75	<	2.00	1,750	7.25	<	7.50	7,250
2.00	<	2.25	2,000	7.50	<	7.75	7,500
2.25	<	2.50	2,250	7.75	<	8.00	7,750
2.50	<	2.75	2,500	8.00	<	8.25	8,000
2.75	<	3.00	2,750	8.25	<	8.50	8,250
3.00	<	3.25	3,000	8.50	<	8.75	8,500
3.25	<	3.50	3,250	8.75	<	9.00	8,750
3.50	<	3.75	3,500	9.00	<	9.25	9,000
3.75	<	4.00	3,750	9.25	<	9.50	9,250
4.00	<	4.25	4,000	9.50	<	9.75	9,500
4.25	<	4.50	4,250	9.75	<	10.00	9,750
4.50	<	4.75	4,500	10.00	<	10.25	10,000
4.75	<	5.00	4,750	10.25	<	10.50	10,250
5.00	<	5.25	5,000	10.50	<	10.75	10,500
5.25	<	5.50	5,250	10.75	<	11.00	10,750
5.50	<	5.75	5,500	11.00	<	11.25	11,000
5.75	<	6.00	5,750	11.25	<	11.50	11,250
6.00	<	6.25	6,000	11.50	<	11.75	11,500
6.25	<	6.50	6,250	11.75	<	12.00	11,750
					≥	12.00	12,000

*Eligible Profit Share Amounts will be prorated for Employees with less than 1,850 Compensated Hours in a Plan Year resulting in a prorated Profit Sharing Amount payable to such Employee.

Profit Share Amount payable is calculated by dividing an Employee's Compensated Hours by 1,850 and multiplying the result by the maximum Profit Sharing Amount payable for the Plan Year.

The example below assumes a maximum Profit Sharing Amount of \$6,500

Compensated Hours		Maximum Compensated Hours for Profit Sharing	Prorated Portion of Eligible Profit Sharing Amount	Maximum Profit Sharing Amount Per Employee	Profit Share Amount payable to Employee
1850	/	1850	100%	X \$6500	\$6,500
1500	/	1850	81%	X \$6500	\$5,270
1000	/	1850	54%	X \$6500	\$3,514
500	/	1850	27%	X \$6500	\$1,757

Answers to the Most Asked Questions

Question 1: How much will be the profit sharing checks be?

Answer 1: The profit sharing amounts will not be known until after General Motors Reports their fourth quarter earnings. It is expected that GM will be making a 4th quarter earnings announcement on February 16th. We will then know the exact amount that will be paid to our members. GM is expected to have made a profit in North America for the 4th Quarter and this amount will be added to the 7.3 Billion already earned through the first 3 quarters of 2011. Add the 4 quarters to determine the amount of profit sharing that UAW Members earned. Please see the chart in this report that outlines the payout schedule for the new simplified profit sharing plan that was negotiated by the International UAW in our most recent negotiations in 2011.

Question 2: When will the Profit Sharing Checks be paid?

Answer 2: The profit sharing must be paid by no later than March 31st of each year following the year that the profit was earned in.

Question 3: When will Spring Hill Manufacturing be taking Job Applications for new entry level jobs that will be required to support the new product launches in the flex plant and future product requirements?

Answer 3: First there have been no new hires to date in Spring Hill, contrary to some rumors. There is a process being developed that will describe how to apply for these jobs and it will be shared with everyone when available. We do not expect this process to be much different than what has occurred with other UAW represented GM Plants throughout the US when new jobs are filled. The employee referral process is typically a key component for these available jobs. GM has successfully used this process to fill the thousands of new jobs that have been offered to new GM employees for jobs created as a result of the collective bargaining between the UAW and GM. I will publish this process as soon as this planning is complete.

Question 4: If I am a team member that took the enhanced relocation plan paying our members \$30,000 to relocate to another GM Plant when the Spring Hill Assembly Plant went idle in 2009, when can I return home?

Answer 4: According to the current National Agreement Language located in Appendix A, Members accepting this type of a transfer must complete their 36 month contract prior to leaving their present facility. A member that transferred under these provisions may apply to any GM Plant including the Spring Hill Facility through the National Employee Placement Center- NEPC in order to relocate to a job opening at another GM Location. I would highly encourage any member that has aspirations to return to Spring Hill upon completion of their contractual 36 month requirements, to make application with the NEPC. This application will not become valid until the 36 months are completed. Once there is a job opening that is sent to the NEPC by GM Management, the highest seniority applicant in accordance with the Appendix A Flow Chart will be offered the job. This is the best advice for our members under the current National Agreement Provisions that would like to be reunited with their families still residing in the Spring Hill Tennessee vicinity. In addition to making application to Spring Hill, I would also advise members looking to get back to the south, consider Bowling Green and Wentzville as possible interim destinations.

Question 5: If I am a member that was laid off and took a forced or voluntary relocation to another plant and accepted the \$4800 relocation package, when can I expect to return to Spring Hill?

Answer 5: Due to the recent outstanding negotiations by the National Parties, most if not all Spring Hill members that have recall/return rights will be returned to the Spring Hill Plant in 2012. The specific dates are being developed and will be based on product launch requirements. The LGE and Equinox Flex Plants will be staffed initially with our UAW Seniority Members that have these recall rights.

Question 6: Can I leave my present GM plant immediately upon notification by GM Spring Hill of a job opening?

Answer 6: The Plant that you are currently working at must have a qualified replacement worker in place prior to your departure so that the business metric's including quality will not be impacted by your return to Spring Hill. If you qualify as having recall rights to Spring Hill, it will be important to alert your current group leader /

supervisor that you are a member that will be returning to Spring Hill so that there is an awareness that you will soon need a replacement worker for your current job. Spring Hill Management is working with the leaders of Local 1853 to establish specific return dates for every member upon completing their 6 month contractual requirements contained in the basic relocation package. Once again, **your current plant location will be the determining party when it comes to your release date**, so it is imperative that you do everything in your power to communicate with your leadership and effectively train the replacement workers that will make this all possible. I also want to caution our members that it is not likely that the day after you complete your 6 month assignment, you will be on your way home. While I wish that were the case, the return dates will be determined by management based on the new product requirements in the Spring Hill Plant.

Question 7: If I am a member that either took a voluntary or involuntary transfer, and I have recall/rehire rights, do I need to apply to the National Employee Placement Center to be qualified for a return to Spring Hill?

Answer 7: No, According to the International UAW, that is not necessary as long as you were on INVOLUNTARY LAYOFF at the time that you took the Transfer with the basic \$4800 relocation package. The Spring Hill Plant has the responsibility for Recalls under the National Agreement Appendix A Provisions pursuant to the Recalls. Notification will be sent to you and your current plant by Spring Hill Labor.

If you were a member that transferred as an ACTIVE MEMBER and took a basic \$4800 relocation package to another plant, then you will have to apply for return to former community rights through the NEPC (we have a few members that this effects). This is National Agreement Appendix A Language that defines the process parameters.

International UAW President King Comments On Possible Opel Board Appointment

International UAW President Bob King commented this past Friday on numerous reports flowing from German Newspapers that he would soon be named to the Board of Directors for Opel, a subsidiary of the General Motors Corporation. King stated, "I have not been named to the Opel Board of Directors yet." An appointment of this magnitude would signal GM's serious intention of trying to get some positive traction on a financial turn around of Opel similar to the magnificent business re-creation that GM and the UAW Pulled off in North America. Opel has been losing money for quite some time and is locked into an agreement through 2014 that prevents job cuts and plant closures. GM has been working with the German Unions such as IG Metall to cut costs and prevent the necessity for Job Loss and Plant Closures.

On Friday, President King spoke to an enthusiastic standing room only crowd at a UAW Hall in Flint Michigan. King addressed several issues during this speech commemorating the 75th Anniversary of the UAW sit down strike that followed with a Q&A with Reporters. When asked about Opel, King responded that "I think that GM should definitely keep Opel. They are a huge asset to GM and I support IG Metall and their workers. We are strongly supporting the UAW's Relationship with IG Metall and the Works Council and the workers of Europe because we believe in Solidarity, just like were asking other unions to support us in our organizing drives in the United States." President King was referring to UAW efforts to organize the Multi-National Automotive Manufacturers that are currently doing business in the United States.

President King is clearly forming strategic friendships and alliances that will be important to us in the future. King has repeatedly stated that a global approach to unionism is necessary in this new Global Economy and it is apparent that King is leading this initiative through his actions.



North American Dealers Association Convenes In Vegas

Last week automotive dealers from all over North America convened on Las Vegas for their annual meeting. Good news and optimism swept the crowd as the speakers kicked off this years event.

John Humphrey, Vice President of J.D. Powers and Associates spoke at the event. The Dealers in the crowd was very bullish on State of the Automotive Industry and the Global growth in Vehicle Demand that has started a bull market for automotive related industries.

J.D. Powers predicted that Global Automotive sales would reach at least 79.2 Million Units this year for sales of cars and trucks worldwide in 2012.

Studies have indicated that auto sales will continue to grow at a fast pace all the way through 2015 when it is anticipated that sales will eclipse the 99 Million unit mark for the world.

Equally encouraging is the bullish North American portion of this sales forecast. Current projections for 2012 sales in North America are that 13.8 million vehicles will be sold. This is a sales increase of 1.3 million units over the 2011 Sales in North America.

Automotive News is reporting that sales are anticipated to grow in the North American Marketplace through 2015. Industry experts including JD Powers believe that sales will have risen to at list 16.5 million units.

This is a 6 million vehicle increase since the Deep Recession years of 2008 and 2009. The additional projected vehicle volume will require approximately 24 full plants worth of additional production in the industry to meet the needs of the additional volume since the low sales point in 2009.

It is easy to see why GM is starting up the Spring Hill Plant in anticipation of the recovery in auto sales to pre-recession levels of 16.5 to 17 million units. GM has repeatedly stated that when they reorganized the company, GM reduced their structural costs to make money at the lowest sales volume of 10 million units in North America.

GM's Chief Executive Dan Akerson and Chief Financial Officer Dan Amman have repeatedly stated that they are positioning GM to have a "Fortress Balance Sheet that will allow the company to withstand any downturn in the economic business cycles. This is extremely important given the cyclical nature of the Automotive Industry.



In Solidarity,
Mike Herron
Chairman Local 1853

Michael D. Herron

