

Local 1853 UAW Chairman

Feb 10, 2013

MIKE HERRON - BARGAINING CHAIRMAN'S REPORT

Profit Sharing Payments For The 2012 Calendar Year

There have been many questions from our members regarding the profit sharing and what the formula is for the 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 Union 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 only. To put it simply, for approximately every billion dollars in profit that GM North America earns before interest and taxes (EBIT-Earnings Before Interest and Taxes) qualified GM employees earn \$1000.

According to the previous GM Press Releases pursuant to Earnings, the GM North American Earnings EBIT adjusted Numbers for the first 3 quarters of 2012 are as follows:

1st Quarter-- 1.7 Billion

2nd Quarter -- 1.97 Billion

3rd Quarter-- 1.82 Billion

The Total after 3 quarters financial performance in 2012 equates to 5.49 Billion dollars according to the financial news releases to date by GM.

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 2012 Business year. Please keep in mind that GM has yet to announce their 4th Quarter earnings. They are expected to do so on February 14th at 9 am CST. The 4th quarter financial performance will be added to the totals for the first three quarters to derive the total profit sharing checks for 2012.

How Much Should We Expect To Earn For The 2012 Profit Sharing?

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 4th quarter earnings announcement on February 14th at 9 am CST. 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 5.4 Billion already earned through the first 3 quarters of 2012 to determine the amount of profit sharing that UAW Members have earned for 2012. Please see the chart that I have included 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.

When will the Profit Sharing Checks be paid?

According to the terms collectively bargained in the UAW-GM National Agreement, the profit sharing checks must be paid by no later than the March 31st of each year following the year that the profit was earned. Last year the checks were paid in the second week of March.

White Shirt Day Is Monday February 11th

White Shirt day is the day that is celebrated every year in February when UAW Members across our nation celebrate their victory in the fight for respect and dignity. The wearing of white shirts is a symbolic message to management that the workers have equality and deserve to be treated with respect. The UAW Sit Down Strike was the epic battle for respect and resulted in the birth of a new movement called the United Autoworkers in 1937.

The Sit-Down Strike began Dec. 30, 1936 at the General Motors Fisher Plant 2 and later spread to other General Motors' plants in Flint, including Fisher 1 on South Saginaw Street, where workers were earning 55 cents an hour to start.

The autoworkers were striking to win recognition of the United Auto Workers (UAW) as the only bargaining agent for GM's workers; they also wanted to make the company stop sending work to non-union plants and to establish a fair minimum wage scale, a grievance system and a set of procedures that would help protect assembly-line workers from injury.

The Flint sit-down strike was not spontaneous; UAW leaders, inspired by similar strikes across Europe, had been planning it for months. The strike actually began at smaller plants: Fisher Body in Atlanta on November 16, GM in Kansas City on December 16 and a Fisher stamping plant in Cleveland on December 28. The Flint plant was the biggest coup, however: it contained one of just two sets of body dies that GM used to stamp out almost every one of its 1937 cars. By seizing control of the Flint plant, autoworkers could shut down the company almost entirely.

So, on the evening of December 30, the Flint Plant's night shift simply stopped working. They locked themselves in and sat down. "She's ours!" one worker shouted.

The Flint strike ended 44 days later after workers refused to leave the plants that they occupied and GM finally agreed to recognize the union as sole bargaining agent for the workers, creating new power, benefits and higher wages for hourly employees. In essence this was the start of the middle class that is under fire today.

White Shirt Day has been celebrated since Feb. 11, 1948 when workers decided to send a message of equality to their bosses. Workers wear white shirts to send the message that blue-collar workers have earned the right to the same respect as management counterparts.

The unions and the UAW are the main reason we have a middle class. (The sit-down strikers) stood their ground when it wasn't necessarily a popular thing to do.

Historians in Flint Michigan stated that about 1000 strikers were at Fisher 1 on Jan. 11, 1937 when Flint police attempted to storm that plant using tear gas, according to Flint Journal files.

Eventually, something incredible happened to help bring the standoff closer to an end when then-Michigan Gov. Frank Murphy called in the National Guard – to go to the plants and protect workers from police and corporate thugs.

The strike ended after 44 days on Feb. 11, 1937, when GM recognized the UAW and negotiated a first contract. Sit-downers walked out of the plant to find a parade with thousands of supporters.

Many UAW Workers nationwide will be wearing white shirts on Monday to send a message that is still as relevant today as it was in 1937. All workers in the United States deserve to be treated with dignity and respect and no one deserves to be treated like a rented mule.

2013 Auto Sales Off to a Strong Start

Automobile Sales for 2013 are off to a brisk start in North America with January sales accounting for 1,050,938 units sold. US economists are projecting annual sales in North America to reach the 15.4 Million unit mark for the first time since 2008. Sales for the first month of 2013 were 15.1% higher in comparison to January 2012 sales. January's Sales performance was also the third straight month of improving auto sales that would equate to seasonally adjusted sales rates of well over 15 million units. I expect 2013's profit sharing checks to be lucrative based on sales projections and GM's financial performance.

In Solidarity,
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