

SPEEDWAY CHAIRMAN'S REPORT #323

DATE: 8/30/05

HEALTH CARE BENEFITS UPDATE (UAW-GM TALKS)

As reported in a previous Update (#322), I attended the UAW Sub-Council meetings held last week in Chicago, IL. I will provide more detail on the meeting during my report given at the upcoming September 11th regular Membership Meeting. Until then, allow me to *paraphrase* the following new information relative to the healthcare talks as communicated last week by UAW Vice President Richard Shoemaker. 1) The UAW has contracted with four (4) companies/firms/general advisors to deep dive GM's "books" (i.e. current & future financial position, corporate taxes, stock dividend pay-off, benefit plans, medical costs, transfer of assets throughout GM's holdings (divisions). Although the International Union UAW feels they possess an excellent understanding of these items of interest, our Vice President says, "We aren't too proud to solicit input from experts". 2) Defined benefit plan (currently) versus defined contribution plan (being discussed/considered). Our current plan has no cost structure limits. Under a *contribution* plan, GM would dedicate a defined amount of money (ceiling limit) to pay for healthcare costs. In looking at how this type of plan might be funded, several "non-traditional" possibilities were mentioned (i.e. using cost savings through the elimination of salaried "perks", dedicating a greater % of cash reserves--shareholder profits--stock dividends, hourly co-payments potentially adjusted, potential opportunities for savings diverted from our profit sharing and/or legal service coverage. Vice President Shoemaker stressed there has been no agreement on this area of discussion as they are merely examples of what is being considered. 3) GM continues to seek up to 2 billion in savings from our current healthcare plan by the end of 2006. Today, there are approximately 519,000 UAW (GM) retirees/spouses/surviving spouses receiving healthcare benefits with approx. 112,000 active UAW members generating income for GM or otherwise "footing the bill". According to our V.P., if a mutual agreement takes place that involves change in our "plan...the retirees will be affected. 4) The parties are not meeting daily. Instead, meetings are held periodically on an as-needed basis. 5) GM continues to remind the UAW that if a mutual agreement is NOT reached, they (GM) will unilaterally make changes in retiree benefits. V.P. Shoemaker has made clear to GM..."if you go down that road, you'll have bigger problems than you have now". 6) If the talks fail...the UAW has put forth a sincere and legitimate effort to resolve the issues. 7) GM officials, according to our V.P., blame their current troubles on market share loss...not the UAW worker.

Once again. V.P. Shoemaker believes the UAW is better served by dealing with these issues NOW rather than wait until 2007 negotiations. He maintains the issues will be resolved at a pace the International Union is comfortable with. At this time, there are no planned or scheduled meetings/opportunities for Local Union leadership to meet with V.P. Shoemaker for future updates on the talks. Local leadership will be called to Detroit should significant developments occur.

C.O.L.A. (COST OF LIVING) INCREASE

The three-month average (CPI-W) for May, June, and July 2005 is 184.7 yielding an increase of nineteen (19) cents per hour. A diversion of two (2) cents for the September 2005 C.O.L.A. was negotiated, leaving an **increase of seventeen (17) cents** to be added to the present nine-nine (99) cents. Therefore, **effective September 5, 2005, the total C.O.L.A. received in your paycheck will be one dollar and sixteen cents (\$1.16) per hour.**

RIDE & DRIVE (REMINDER)

The ride and drive "test course" has been reserved for Thursday, September 1st between the hours of 12:00 noon and 5:00 p.m. for the 16 new Members who reported to our facility on Monday, August 29th as well as the forty-seven (47) who arrived since June 2005. This session is also open to ANY Member who wants to enjoy the experience for the first time. Bring your plant ID to the test course (located immediately west of Plant 7) and join the fun!!!

**ON BEHALF OF ALL ELECTED AND APPOINTED REPRESENTATIVES,
HAVE A SAFE AND ENJOYABLE LABOR DAY HOLIDAY
WEEKEND...AND REMEMBER,**

SHOW YOUR UNION PRIDE...ATTEND THE LABOR DAY PARADE

TS:elc
opeiu 1
afl-cio

Tim Snyder, Speedway Chairman
Bargaining Committee, Local 933 UAW
(Pager 235-3125)

S H O P C O M M I T T E E

Dan Gibson(235-9568) Gary Stonehouse(235-2511) Ron Dowell(235-9531) Tim Behrens(235-9610)
Jack McCarty,Jr.(461-0539) Gary Rance(235-4248) John Nearingdner(259-8477)

