

SPEEDWAY CHAIRMAN'S REPORT #361

DATE: 12/20/06

2007 ALLISON PRODUCT LINE FORECASTS

Each year, the Allison Transmission sales department contacts customers to establish sales "forecasts" for the upcoming year. Forecasts are helpful from a planning standpoint and are based on the customer needs. Forecasts can also fluctuate as they may be influenced by factors such as the economy, Federal emission laws, weather, etc. 2006 was Allison's best year ever!!! 2007 forecasts have been released and if all goes well...2007 could be our 2nd best year in our history. The 2007 forecasts are summarized as follows:

Plant 4 (LCT) – During the 1st half of 2007, projections are to build at greater than 10-20% above our current capacity. The 2nd half of 2007, schedules should be extremely accelerated; perhaps at the same pace as 2006 or even greater. **Plant 6 (WT)** – Forecasts are consistent for 2007 with build rates approximately 20% greater than our current stated capacity. **Plant 12** – Despite changes in Federal emission laws, 2007 forecasts are to build at a 5% increase above our current stated capacity. **Plant 14** – In early 2006, a handful of afternoon shift manpower was added in some areas. By year-end 2006, approximately 40 employees work afternoons which marks the first time a 2nd shift has been manned in nearly 15 yrs. The manpower addition was due, in part, to schedule increases and the recent \$133 million investment from the Federal Government. Additional requisitions are planned for 2007 further increasing the size of Plant 14's workforce. **Plant 15** – 2006 schedules were for 2,200 units while the 2007 forecasts is 3,000 units; which is twice the actual capacity. During 2006, a second shift was added for the first time in nearly 15 years while manpower levels went from approximately 28 hourly employees to about 61 by year-end. Expect these *two-shift* numbers to grow during 2007. **Plant 17** – Forecasts project 2007 to be a busier year than 2006

CHRISTMAS HOLIDAY PAY PROCEDURE/ELIGIBILITY

REQUIREMENTS & 2007 VACATION ENTITLEMENT PERIOD

Payroll drafts for pay period ending December 17, 2006 will be calculated and delivered in the usual and customary manner. If you are absent from work on the regular payday for *this* period, your check will be mailed. Payroll drafts for period ending December 24, 2006 will include payment for actual hours worked including applicable overtime. This paycheck will be mailed in time to be received on the customary payday. Payroll drafts for pay period ending December 31, 2006 will be calculated in the usual and customary manner including the appropriate holiday pay (December 25th – 29th, 2006) for eligible employees. It will include any actual hours worked during the holiday period at the applicable holiday overtime rate and paid in the usual and customary manner on 1-5-07 (day and midnight shifts).

Basic eligibility requirements for 2006-2007 Christmas Holiday period: The six (6) designated paid holidays, for the Christmas holiday period are December 25th-29th, 2006 and January 1, 2007. Employees must work the last scheduled workday prior to the holiday period (ordinarily 12-22-06) and the next scheduled workday after the holiday period (1-2-07) to qualify for holiday pay for the entire holiday period. An employee whose absence is unexcused for the last scheduled workday prior to the period will be disqualified for holiday pay for Monday, December 25, 2006. An unexcused absence for the next scheduled workday after the period will be disqualified for holiday pay for Monday, January 1, 2007. If you have an unexcused absence for both of these "qualifying days", you will not be eligible for holiday pay for any of the six (6) days in the holiday period. In the case of holiday payments where the employee did not work (unexcused absence) on such "qualifying day(s)" and therefore is not entitled to full holiday pay, adjustments will be made in the payroll for week ending January 14, 2007. **NOTE:** Employees who accept work during the Christmas holiday period and are absent (unexcused) will not receive full holiday pay.

Holiday Pay Deferral: The 2006-2007 Christmas Holiday period can be defined under the provisions of Document 134 of the National Agreement. Employees working on holidays during *this* period will be allowed to defer holiday pay and schedule additional time off through December 21, 2007. *****2007 Vacation Entitlement Period:** Pursuant to Para. 186 of the National Agreement, the 2007 eligibility year for vacation entitlement purposes begins January 1, 2007 and ends with the pay period in which December 31, 2007 falls. **Therefore, eligible employees may begin using the NEW 2007 vacation time off entitlement beginning January 2, 2007.**

2007 ERGONOMIC SAFETY SHOES (VOUCHER)

The 2003 Local Negotiations produced an important ergonomic and safety benefit for our Membership providing 100% Union made Red Wing steel-toed shoes/boots throughout the life of our current Local Agreement. You should be receiving your **2007** voucher in the mail shortly after the Christmas holiday period...so be on the lookout!!! The 2007 voucher (\$125.00) is redeemable from January 2007 through June 1, 2007.

QUALITY NETWORK PLANNED MAINTENANCE AWARD

Planned maintenance has been a joint strategy of UAW/GM Quality Network for about 15 years. The Allison QNPM group has been working together since 1995 to establish planned maintenance, not just for the maintenance department, but all manufacturing. Last week, our QNPM group (**manufacturing/production operators, maintenance Skilled Tradespersons, Jobsetters, Engineers, Supervisors, Managers**) received *Phase 3* recognition from UAW/GM Quality Network Leadership from the Center for Human Resources. The *Phase 3* award is the highest Quality Network award making us part of the "Best of the Best" in General Motors. Congratulations to the entire group for a job well done!!!

On behalf of the Shop Committee and all Elected & Appointed representatives, I want to wish the Membership and their families a safe and enjoyable Christmas Holiday. As always, if you are traveling during the Holiday's, please buckle-up!!! We look forward to your safe return to work in 2007.

**** Have A Happy New Year ****

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Tim Snyder, Speedway Chairman
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SHOP COMMITTEE

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