



LOCAL 506 SUPPLEMENT

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Work Transfer Bargaining Continues

Bargaining over GE's decision to transfer 950 jobs to Texas and selected vendors continued again this week on Monday, Tuesday, and Wednesday (May 13-15), although our the meetings on May 13 and 15 were only conducted in the afternoon.

On Monday afternoon, GE Transportation Global Finance Kevin Uht gave a presentation in which he generally outlined production costs here in Erie and in Texas. Throughout the presentation, Mr. Uht claimed that Erie overall production costs were higher than in Fort Worth. UE bargainers corrected his claims, stating that his generalized cost figures were based upon erroneous assumptions.

Mr. Uht did admit that he had used GE's "standard work times" in making his case. On behalf of Local 506, Chief Steward Mike Hayes commented: "You're making assumptions using bad numbers. The 'standard work times' do not reflect how long it takes for us to produce a part. When GE first started assigning these numbers to our jobs, we told you that we couldn't do the work in the amount of time you gave for the jobs, they were just goals which we try to make, but normally can't achieve."

UE International Rep. Gene Elk, after viewing GE's "book price" (the overall cost per hour, like a car dealer charges a set price for each hour of labor) compared the total cost of producing locomotives in Erie and Texas and commented: "Even with lower wages per hour in Texas, there seems to be only a small difference between the two plants in overall labor cost when you factor in the actual production time." Without actually providing any supporting information, company bargainers claimed that a locomotive made in Texas uses 10-20 percent less labor hours.

Information Slowly Being Given To UE

On Tuesday May 14, bargaining was slowed to a standstill by GE's continuing insistence that the union sign a "confidentiality agreement" protecting it against a leak of detailed production costs which UE bargainers have requested. GE lawyers and UE's legal staff had been trading proposals to satisfy GE demands. Finally, during mid-afternoon on May 14, GE agreed to the last confidentiality proposal provided by the UE Legal Department and the company began releasing some additional information, like the labor time it projects for producing specific parts and assemblies in Fort Worth.

However, on the issue of work which it proposes to transfer from Erie to vendors, GE is continuing its refusal to provide UE with the price it intends to pay vendors and is only providing its claimed "savings." Without supplying the vendor's price for these parts, "GE is stopping us from making the case that we can do the work cheaper and better in Erie and we're not going to tolerate that," Elk said.

No Proposals From GE

With the confidentiality issue resolved, union bargainers once again attempted to re-direct the talks and UE Local 506 President Scott Duke asked GE to specifically outline its proposals. GE claimed: "Our proposal is move the work from Erie, but we will listen to any offers that UE wants to make." Pres. Duke reminded GE that it had previously raised

“work practices” it seeks to change in order to improve productivity and urged the company to discuss those issues. Toward the conclusion of the May 14 session, GE agreed to outline its productivity ideas, but in a chilling warning stated “we need more than a change in work practices, we must look at Erie wages.” Union bargainers once again warned that we will not propose any wage freezes, cuts, or reductions.

“Work Practices” Discussed

On Wednesday afternoon, GE provided a list of approximately fifteen work practice issues which it claimed could lead to significant productivity improvements in Erie. One GE bargainer said that his goal is to establish “a new factory” here in Erie. Among the work practices GE raised to establish the “new factory” are: changes in break times and lunch times, a new and stricter time and attendance policy, a new and stricter set of work rules, a site-wide ban on cell phone usage in production areas, and greater “flexibility” with new job classification, cross-training, and temporary assignments.

For discussion purposes, GE provided sample copies of work rules and an attendance policy it had recently established in the newly opened Schenectady battery plant. GE did agree that the Schenectady attendance policy would not be suitable in Erie and said it would offer revisions of the current Erie policy during sessions to be held next week.

Lunch breaks were also discussed. GE claims that most Erie workers take a 20-minute “on-the-clock” lunch break in addition to the 10 minute morning and afternoon breaks and is seeking to eliminate the “unauthorized” lunch. The company raised the alternative of establishing either an unpaid 20 or 30 minute unpaid lunch and extending the work day, or eliminating “unauthorized” lunches and strictly enforcing the current two ten-minute breaks.

Big Amtrak Locomotive Order Awarded To Siemens

On Wednesday Union bargainers also expressed our unhappiness that GE seemed uninterested in a new 70 unit locomotive order worth almost \$500 million dollars, which Amtrak announced on May 13. The order was ultimately awarded to a unit of Siemens, which will produce the locomotives in Sacramento. We reminded GE that at the company’s request a UE Local 506 officer had accompanied Lorenzo Simonelli in jointly lobbying Congress for this order in 2010. Since 2010, GE has shown little interest in Amtrak, even though it now complains that Erie and Fort Worth are not producing locomotives to our capacity. GE bargainers offered no response to union complaints about the lost order and the Company’s apparent disinterest in aggressively bidding for Amtrak work.

Decision Bargaining Deadline Extended To Midnight, June 22

At the conclusion of Wednesday’s bargaining session, UE and GE bargainers agreed to meet on Friday, May 23. UE was unable to meet on May 20 and May 22 due to scheduled executive board and membership meetings. GE was also not available to meet on other days. As a result, GE and UE agreed to extend the deadline for concluding the work transfer talks for two-weeks from June 8 through June 22.