

APPENDIX A 2007

SIGNIFICANT SETTLEMENTS
JANUARY 2006-DECEMBER 2007

<u>Date</u>	<u>Bargaining Relationship</u>	<u>Number of Employees</u>	<u>Length of Agreement</u>	<u>Economic Terms</u>	<u>Comments</u>
1/06	GKN Aerospace-IAM St. Louis	900	3 yrs.	3%, 2%, 2% Employee contribution to H & W plan: 10% 1st yr., 1% 2 nd . Yr., 1% 3 rd . yr.	
1/06	Kaiser Permanente-Nurses - Honolulu	900	3 yrs.	9% retroactive to 12/05, 7%, 7%	
1/06	Acme Markets - UFCW Philadelphia	4500	3 yrs.	\$0.45 retroactive to 2/05, .35, .30 35% employer contribution to defined benefit plan 1st yr., 10% 2 nd yr, 10% 3 rd yr.	
1/06	Glass Containers Industrial Relations Council - USW Nationwide	1000	3 yrs.	\$1.75 - \$1.85 over term	
1/06	Olin Company - IBEW UFCW, IAM, PPF and Trades Council, Illinois	3000	3 yrs.	3.5%, 3.0%, 3.0% \$10-\$20/month employer contribution to H&W 1 st yr. plus \$5/month 3 rd yr.	\$1500 signing bonus
1/06	Crouse Hospital - SEIU Syracuse, NY	1700	27 mo.	2.5% [2/06], 1-2% [8/06], 2.5 -3.0% [2/07], 1-2% [8/07], 3,0% [2/08]	
1/06	Tops Market - UFCW Buffalo,NY	5877	29 mo.	\$0.25, \$0.25 [4/06 & 4/07] Employee participation in 401[K] 10% employer contribution to pension 1 st yr.	

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2/06	Boeing Integrated Defense Systems- IAM, California & Florida	1500	3 yrs.	0%, 2.0%, 2.5% continuation of COLA	\$3000 lump sum 1 st yr.
2/06	Honeywell Federal Manufacturing & Technologies - IAM Kansas City, Mo.	940	3 yrs.	3.0%, 3.0%, 3.0% continuation of quarterly COLA \$1/mo. Increase in employee cont. to pension, employee contribution to H&W increase from \$50/mo. To \$53/mo. over term	
2/06	Corning Inc. - USW Corning, NY	1500	4 yrs.	4.0%, 3.0%, 3.0%, 3.0% employee contribution to pension increased from \$35/mo. to \$40/mo. over term	\$500 signing bonus
2/06	AT&T - CWA	11000	4 yrs.	3.0% [retro to 12/05], 3.0%, 2.5%, 2.25% Company contribution to pension increased 6% 1 st yr., 5% [1/08] Employee contribution to H&W increased 5%	Increased job security language
2/06	Continental Airlines - IAM [flight attendants] Nationwide	8600	4 yrs.	no salary increase over term, reduced holidays, eliminate holiday premium, eliminate domestic flight crew meals, two-tier wage system for 1 st 3 yrs. of service, add \$5/hr to rate of employees with 16 yrs. service [12/09]	

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2/06	Progressive Energy - IBEW, Florida	2100	3 yrs.	3.25% [retro to 11/05], 3.2%, 3/0%, add \$0.25/hr. for skilled workers, 0.75-1.35/hr for "special line workers" increased wkr. cont. for H&W	Increased job security language in the event of technological change
2/06	Shell Oil - USW Nationwide	30000	3 yrs.	3.5%, 3.5%, 3.7% [contract extension]	\$1500 lump sum 1 st yr.
2/06	Associated Press - CWA [editorial wkr.] Multi-state	1700	3 yrs.	\$35/wk., \$40/wk., \$40/wk. defined contribution plan for new hires - 3% Company contribution, increased worker contribution for H&W, 5-7% max. 1 st yr., 0-5% max. 2 nd yr., 5-10% max. 3 rd yr.	
3/06	Macy's - UFCW NYC area	3500	5 yrs.	\$0.50/hr in each of five [5] yrs. improved vacation, increased defined benefit formula <u>decreased</u> wkr. cont. for family H&W new flexible H&W spending account with \$500/yr. company contribution 1 st yr.	possible merit increase \$0.15/hr 2 nd , 3 rd , 4 th yr. \$0.40/hr. 5 th yr.,
4/06	Sikorsky Aircraft IBT Conn. & Florida	3600	3 yrs.	3.5%, 3.5%, 3.5% increased company match for 410[K] \$45-50/mo. plus \$40/mo. to cash balance plan, new H&W plan with higher wkr. contributions and co-pays.	\$3000 ratification bonus

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4/06	Salt River Project Power District - IBEW, Arizona	1687	4 yrs.	3.4% [retro to 11/05], 3.5%, 3.5%, 3.5% increase company match on 401[K] [11/05 and 11/08]	
4/06	Disneyland - Master Service Joint Council Anaheim, CA	4000	3 yrs.	0%, 3.5%, 3.5% new hire progression scale [\$8.20 - 10.00] O/T premium for lead personnel, new defined benefit plan for new hires	\$2800 maximum bonus
4/06	Lockheed-Martin - IAM Fort Worth, TX	3700	4 yrs.	4.0%, 3.0%, 3.0%, 3.0% add \$2-3 to minimum classification 1 st yr.	\$2000 ratification bonus, \$700 supplement to COLA [06. 07, 08]
4/06	Building Owners and Cleaning Organizations SEIU, Chicago	15000 -	3 yrs.	\$0.40/hr, .35, .35 raise personal days to 2, expanded bereavement leave, increase worker contribution to H&W \$0.05/hr to \$0.65/hr	
5/06	Allegheny Energy - Utility Workers MD, PA, VA and WVA	1180	5 yrs.	2.75%, 3.0%, 3.0%, 3.25%, 3.0%	
5/06	Cleveland Illuminating - Utility Workers, OH	1150	5 yrs.	3.0% each year, 1.2% - 7.8% equity adjustment 1 st yr., expanded funeral and annual leave, increase wkr. contribution to H&W to 15%/25%	no-lay-off and successor clauses
5/06	BP Products NA - USW [PACE] Whiting, IN	955	3 yrs.	3.5%, 3.5%, 3.7%	

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6/06	Alcoa Inc - USW 15 plants in 10 states	9000	4 yrs.	2.5%, 2.0%, [\$0.10 plus 0.02 job grade increment] 3 rd & 4 th yrs. Continued COLA, increased pension, \$20/wk. contribution to H&W. \$250/\$500 deductible on H&W plan up to \$1000 stop loss. mail order drugs mandatory for maintenance and generic drugs with 20% co-pay.	\$1500 ratification bonus
6/06	Southwest Airlines - Transportation Workers multi-state	6000	2 yr.	0%, 0%	700 stock option over term for workers at top of wage scale
7/06	Kraft Foods, Oscar Meyer Division - UFCW Davenport, IA	1625	4 yrs. +	\$0.35, .30, .25, .25 increased pension, increased cont. for H&W [family] from \$6/wk. to \$28/wk. over term, increase in co-pays	
7/06	Lockheed Martin - CWA NJ & NY	1000	4 yrs.	4.0%, 3.0%, 3.0%, 3.0% eight [8] semi-annual COLA increases, increased pension formula, 13% wkr. cont. to H&W, increased co-pays	\$2500 signing bonus improved job separation benefits
8/06	Michelin Tire [NA] - USW AL, IN	3500	3 yrs.	0%, 0%, 0% continued COLA with \$1 deductible for retiree H&W trust fund, increased initial deductible for single/family H&W to \$150/\$200 for in-network care, <u>decreased</u> deductibles for out-network care to \$300/\$600	job security protection, new 5 level wage structure

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8/06	Tyson Foods - UFCW Joslin, IL	1900	5 yrs.	\$0.50/hr. .,25, .25, .25, .35 increased company cont. to 401[K] Increased wkr. cont. to H&W	new wage structure new start rate
8/06	Swift & Co. - UFCW Louisville, KY	1100	4 yrs.	\$0.40/hr. -\$0.90/hr., .30, .30, .35 increased company cont. to pension, increased vacation, increased wkr. cont. to H&W, \$2.50/wk. to \$10.50/wk. over term, increased drug co-pay	
8/06	Chicago Transit Authority -TWU	9000	3 yrs.	3.0% [04], 3.25% [05], 3.5% [06]	retroactive interest arbitration award
9/06	Freightliners - UAW Holly, NC	1500	3 yrs. +	3.0%, 30%, 3.0%, 3.0%	\$1500 signing bonus new gainsharing plan with quarterly payout
9/06	NBC Universal - CWA [engineers, techs, news writers] CA, NY, DC, IL	2500	3 yrs.	3.5%, 3.0%, 3.25%	no-lay-off provision
9/06	United Parcel Service - Independent Pilots Assn. multi-state	2652	8 yrs.	0%, 0%, 17.7% - 25.8%, 3.0%, 3.0% 3.0%, 3.0%, 4.0% increase start rate to \$32,500, increase salary progression schedule from 12 to 15 yrs. over term, defined benefit pension supplement, maximum contr. to family H&W, \$200/mo.	\$34,000 - \$60,000 signing bonus

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9/06	AK Steel Co -UAW Butler, PA	1400	6 yrs.	9-10% [06] 2.5-3.0% [07], [09], [11] add \$250/\$500 wkr. deductible from H&W plan	decrease job zones from 24 to 5, job guarantee for cell workers
10/06	Allegheny General Hospital - SEIU Pittsburgh, PA	1300	3 yrs.	\$1.25/hr "catch up" + 3.5% 1 st yr., 3.5%, 3.5%	banned mandatory O/T except in extreme emergencies
10/06	Bombardier Aerospace - IAM Wichita, KA	1100	3 yrs.	4.0%, 3.5%, 3.5% established maximum worker contribution to H&W plan	\$1500 initial bonus
10/06	Waste Disposal Corp - IBT, Los Angeles, CA	900	5 yrs.	\$1.00/hr., .35, .35, .35, .70	O/T after eight [8] hrs. [add to 40 hr./wk.]
11/06	Tyson Foods - UFCW Robards, KY	900	3 yrs.	\$0.20, .25, .25	New testing, training pgm. for maintenance
11/06	Electrolux Home Products - IAM St. Cloud, MN	1400	3 yrs.	\$0.00, .35, .40 H&W plan: from 100% co. paid to 20% wkr. contribution	\$1000 signing bonus
1/07	Goodyear Tire - USW multi-state	14000	3 yrs.	0%, 0%, 0% continue COLA with \$1 going to Voluntary Employee Benefits Assn. for retiree H&W, restored pension service accrual, new 401[K] plan	new \$13/hr. starting rate, new 6 level wage structure

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1/07	Fairchild Mfg. - UAW Lafayette, IN	900	4 yrs.	9.5%, \$0.20/hr., .20, .20 increase wkr. cont. to H&W 4 th yr.	
1/07	Bituminous Coal Operators - UMW Pittsburgh, PA	3175	5 yrs.	\$1.50/hr., 1.00, .50, .50, .50 increase pension benefit \$ 4.00/yr. of service/mo 1 st yr., add \$ 4.00 in 09 and \$2.00 in 2011, <u>eliminate</u> \$750 initial deductible from H&W plan	
1/07	Raytheon Missile Systems - IAM Tucson, AZ	1900	3 yrs.	3.0%, 3.0%, 3.0%	\$1000 bonus, "red-circle" wkr. receive 3.0% bonus each year
1/07	Stora Enso [NA] - USW 4 Wisconsin plants	1400	5 yrs.	3.0%, 3.0%, 3.0% possible \$1000/quarter payout from gainsharing plan over term, pension increase,	\$3000 signing bonus, \$1000 work design bonus job security provision neutrality agreement
2/07	US Postal Service Laborers, Mail Handlers	55000	5 yrs.	1.2%, 1.2%, 0.6%, 1.2%, 1.2% continue semi-annual COLA	
3/07	Harley-Davidson - IAM York, PA	2700	3 yrs.	4.0%, 4.0%, 4.0% new H&W plan [replaces IAM plan], increased out-of-pocket expenses	
3/07	Tyson Fresh Meats - UFCW Waterloo IA	2100	5 yrs.	\$0.50, .25, .25, .25, .25	

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3/07	Northrup Grumman Ship Systems - New Orleans Trade Council	5200	3 yrs.	\$1.65, .55, .55 increased pension benefit, increase shift differential, increased wkr. H&W contribution	
3/07	ComAir - Airlines Pilots Association Multi-state	1500	4 yrs.	7.75% - 12.5% <u>decrease</u> over term reduced vacation benefit, abolished uniform allowance	new profit sharing plan, suspended contribution to pension
4/07	18 Cleaning Contractors - SEIU, Kansas City, KA	1400	4 yrs.	6.5%, 3.5%, 3.5%, 3.5% <u>reduced</u> \$72/mo. H&W wkr. contribution to \$50/mo.	
4/07	Northrup Grumman Ship Systems Pascagoula Metal Trades Council, LA	6000	3 yrs.	\$1.68/hr., .55, .55 COLA adjustments [09] and [10] increased wkr. cont. to \$151/mo./\$194/mo. over term	increased attendance bonus policy
4/0	Bridgestone Tire [NA] - USW 7 plants multi-state	5100	3 yrs.	0%, 0%, 0% continue COLA with \$1 going to retiree H&W fund, increased wkr. cont. to H&W plan, increased drug co-pays	new hires into lower level 5 classification over term
5/07	Rexam Beverage Can - USW multi-state	900	5 yrs.	2.0%, 0%, 2.0%, 0%, 2.0% increase pension benefit over term	\$1500 signing bonus, \$1000 bonus 08 and 2010, parity for Winston-Salem plant over term. new two-tier wage system.

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5/07	Whirlpool - USW AK	3800	5.5 yrs	\$0.35 [10/08], .30, .00, .00, .50 cap on wkr. cont. for H&W	\$1500 signing bonus, \$1000 bonus [2010] Continue voluntary layoff
5/07	Boeing Co. - IAM Los Angeles, CA	2100	3 yrs.	0%, 3.0%, 3.0% increased pension	\$4000 lump sum [07] continue gainsharing possible \$4200 payout over term
5/07	Hamilton Standard - IAM Windsor, CN	1100	3 yrs.	3.5%, 3.5%, 3.5% increase wkr. cont. to H&W	\$3000 signing bonus new "Build Your Own" H&W plan [choice of 5 H&Ws and 3 drug options
5/07	Boeing Co. - IAM St. Louis, MO	2600	3 yrs.	4.0%, 0%, 3.0% increased pension, increased wkr. H&W cont., increased disability & dental benefits	\$2500 lump sum 1 st and 2 nd yrs. continue Production Performance Sharing Plan over term
6/07	Pepsi-Cola General Bottlers - IBT Chicago, IL	1600	5 yrs.	\$0.40 each of five [5] yrs. \$350/wk. base rate w/commissions for drivers over term, increased co. contribution to union H&W plan	\$1500 signing bonus

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6/07	Tyson Fresh Meats - IBT Amarillo, TX	3000	5 yrs.	\$0.40 - 0.50, .25, .25, .25, .20	reduction in production start rate over term
6/07	Northwest Airlines - yr. Flight Attendants multi-state	9500	4 yrs.	21.0% <u>decrease</u> in wages over term improved holiday pay and work rules early-out option	\$2,092 lump sum 1 st .
6/07	Walt Disney World - Service Trades Council Lake Buena Vista, FL	21000	3.5 yrs.	2.0% [or \$0.25/hr] whichever is greater 2.25% [or \$0.30/hr] " 2.7% [or \$0.45/hr] "	improved pension
6/07	Allegheny Technologies - USW multi-state	3100	4 yrs.	\$0.75, .60, .60, .60 quarterly incentive \$3.50/hr. over term, increased H&W co-pays	\$3500 signing bonus
7/07	GE - CWA KA, KY, MA, NY	10000	4 yrs.	16% over term pension increase with <u>reduced</u> wkr. cont. H&W plan increases with increase wkr. cont.	enhanced job security
	GE - UE PA, NY	4000	4 yrs.	"	"
7/07	Detroit Free Press - IBT MI	1400	3 yrs.	2.0%, 2.0%, 2.0% increased wkr. cont. to H&W: 1 st yr. 10%/20% 2 nd yr. 11%/21%, 3 rd yr. 12%/23%	

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7/07	Apparel Firms - UNITE PA	1500	3 yrs.	0%, 2.0%, 2.0% increased wkr. cont. to H&W to \$12/47/wk. plus 15% co-pay on hospital, lab and doctor's fees	
7/07	Albertson's, Ralph's and Van's - UFCW CA	59000	4 yrs.	\$0.50, .40, .35, .40 increased drug, dental, vision max benefits	Introduced HRA with \$500/\$1000 and \$1000/2000 Deductibles
8/07	Harley-Davidson - IAM Kansas City, MO	850	5 yrs.	4.0%, 3.5%, 4.0%, 3.5%, 4.0% additional holiday, replaced 1 sick day with one personal day, improved short term disability benefits	
9/07	International Paper - USW multi-state	8200	4 yrs.	2.0%, 0%, 2.0%, 0% increased pension, increased wkr. cont. to H&W plan	\$1000 lump sum 2 nd and 4 th yr., new successor clause
9/07	MGM, Mirage,, Riviera - UNITE HERE, Las Vegas, NV	22000	5 yrs.	\$3.47 increase in wage & benefit package over term	
9/07	Cessna Aircraft Co. - IAM Wichita, KA	5000	3 yrs.	5.0%, 4.0%, 4.0% added 12 th holiday, increase year of service pension by \$6.00 over term	
9/07	Hormel Foods - UFCW multi-state	4000	4 yrs.	\$0.40 - \$0.50, .40, .30, .30 substantially improved H&W plan - increased wkr. contr. from \$12/\$24/wk to \$15/\$30/wk over term, increased pension benefit	

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9/07	US Postal Service - Letter Carriers	222000	5 yrs.	1.4%, 1.8%, 1.9%, 1.9%, 1.85% wkr. contr. to H&W increased from 15%-20% over term	
10/07	Cargill Meat Solutions - UFCW Beardstown, IL	1700	5 yrs.	\$0.50, .30, .30, .30, .30 wkr. contr. to H&W increased to \$27.50/wk. over term	
10/7	Whirlpool Corp. - IAM Amana, IA	2100	4 yrs.	\$0.45, .35, .30, .50 increased wkr. contr. to H&W to \$65.04/wk. over term	new 401[K] plan froze defined benefit plan
10/7	DynaCorp - IAM Pautuxent River Naval Air Station	900	3 yrs.	19.2%, 3.0%, 3.0% improved vacation and sick pay benefits	
10/7	Dow-Jones - CWA nationwide	7000	3 yrs.	8.0%, 3.0%, 3.0% added holiday and personal days, increase wkr. contr. to H&W plan 5%/22%[07], 6%/23%[08] 7%/24%[09]	
11/07	Vought Aircraft - UAW TX	2034	3 yrs.	3.0%, 3.0%, 3.0% increased company contribution to 401[K] increased pension and life insurance benefits increased wkr. contr. to H&W to \$24/\$50/wk. over term	\$2000 ratification bonus, new defined contribution pension for all employees with less than 16 yrs. service
11/07	Kohler - UAW Kohler, WI	3000	3 yrs.	\$0.40, .50, .50 increased company contribution to 401[K] increased wkr. contr. to H&W plan to \$10/\$30/wk <u>eliminated</u> H&W deductibles	

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12/07	Pratt & Whitney - IAM Conn.	4100	3 yrs.	3.5%, 3.5%, 3.5% \$0.53 added to base 1 st yr., increased company contribution of 401[K] and pension, increased deductibles in H&W plan	\$3000 ratification bonus, job security for indirect jobs
12/07	Kroger - UFCW	3200	4 yrs.	\$1.25 -\$1.35/hr. over term, increased wrk. & company contributions to UFCW H&W plan	

AUTO INDUSTRY SETTLEMENTS
OCTOBER-NOVEMBER 2007

<u>Date</u>	<u>Bargaining Relationship</u>	<u>Number of Employees</u>	<u>Length of Agreement</u>
10/07	GM - UAW	73000	4 yrs.

Basic Economics

Wages and benefits for active employees: no wage increase over term; \$3000 signing bonus [07], 3% production bonus [08], 4% production bonus [09], 3% production bonus [10]COLA continued, \$2.25/hr. adjustments over term less distributions (\$0.06/quarter of COLA goes to new trust fund for retirees medical insurance [VEBA] and \$0.06/quarter to active employees medical insurance costs); periodic incorporation of COLA payments into base wage rates; improvements in pension and health care plans for active employees.

Voluntary Employee Beneficiary Association [VEBA] for medical insurance for retirees and their spouses. This new trust fund will be administered by the UAW and will commence on January 1, 2010. GM will continue to provide these benefits until the commencement of the VEBA at a cost of \$5.4 billion. The VEBA will be funded by the distribution of active employees COLA above, and contributions from GM: [1] a \$24.1 billion initial contribution on January 1, 2008; [2] up to 20 additional annual \$165 million “backstop” payments anytime the VEBA fund fails to meet long term actuarial projections [up to \$1.6 billion]; and [3] a \$4.4 billion financial instrument [“convertible debenture”] backed by GM will be established for the VEBA; GM will pay annual interest on this instrument and if GM stock rises above a certain level the VEBA may convert the debenture to stock and sell the stock. Estimates of the total costs to GM run as high as \$50 billion.

Entry-level workers

A two-tier wage structure will be established for new-hires *for “non-core” jobs*. Examples of “non-core” jobs include, but are not limited to, material movement, general stores management, finished vehicle driving, paint mix room, chemical management and subassembly. Starting rates will range between \$14.00 to \$14.61/hour.

A new wage increase formula will be applied to this new wage structure: [1] annual increases in base rates will be the greater of [a] the percentage increase in average hourly earnings in US manufacturing, or [b] the percentage increase in inflation; and, [2] a performance bonus based on 3% of qualified earnings.

Benefit plans for entry-level workers

Pension: a cash balance defined benefit plan with GM contributing 6.4% of the employees wages into a portable fund which will accrue interest tied to the 30 year US Treasury Bond

Health Care

Plan: annual in-network deductibles of \$300 single/\$600 family. Coinsurance will be 10 percent in-network, with an annual cap on out-of-pocket expenditures of \$1,000 single/\$2,000 family. To defray these costs, GM will reimburse workers up to \$300 single/\$600 family annually from a flexible health care spending account. Entry-level workers will be eligible for dental coverage and a vision exam after three years, and for full vision coverage after five years.

SUB: Entry-level workers with at least one but less than three years seniority will be eligible for 26 weeks of SUB. That increases to 52 weeks (which can be extended) for workers with three or more years seniority.

Job Security:

Product Guarantees: the current product allocation will be continued at 16 assembly plants during the term of the agreement; future product allocation guaranteed to 12 of these plants which will extend beyond the term of the agreement; an additional two [2] plants will receive such guarantees depending on demand and the business case for the particular product. These commitments extend to a majority of the powertrain, metal fabrication and service parts operations.

Moratorium on Outsourcing:

GM agreed to a moratorium on outsourcing for core vehicle production and noncore operations in areas such as subassembly and cockpits. Work in non-core areas representing in excess of 16,000 UAW-represented jobs will be retained as a result of GM's agreement to this moratorium, which will last for the term of the agreement, or during the product lifecycle, whichever is longer.

Insourcing:

GM agreed to insource work totaling 3,000 jobs during the life of the agreement. In addition, more than 3,100 jobs related to non-core product work will be evaluated for insourcing.

GM was the "target" firm for the UAW. The above settlement constituted a "model" for the subsequent negotiations with Chrysler and Ford. However, as the data below demonstrate, the parties to the Chrysler and Ford negotiations took the "business case" of each of these firms into account when fashioning their agreements.

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OCTOBER-NOVEMBER 2007

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10/07	Chrysler - UAW	43000	4 yrs.

Wages and benefits for active workers: same as GM

VEBA: same financing arrangement as GM. Specifically, Chrysler will continue to provide health care benefits to retirees at a cost of \$1.5 billion until the initiation of the VEBA on January 1, 2010. Chrysler will also contribute \$8.8 billion [*\$7.1 billion immediate Payment plus "backstop" and interest payments on debenture estimated at \$1.7 billion*] to fund the VEBA, for a total cost of \$10.3 billion. At that level, Chrysler would fund between 55 percent to 60 percent in contrast to GM's 70 percent.

Entry-level workers

A new two-tiered wage structure and new wage formula for "non-core" workers: same as GM

Benefits for entry level workers:

Pension: a cash balance retirement plan:same as GM

Health Care Plan: a high deductible plan with stop-loss provision and Health Saving Account same as GM

SUB: same as GM

401 [K] Retirement

Health Care Plan: Workers hired after the effective date of the proposed agreement will not have company contributions for health care coverage in retirement. In lieu of the contributions for health care coverage in retirement the company will contribute an amount equal to \$1/hr for every compensated hour during the working careers of new hires to a 401 [K] plan.

Job Security

Product Guarantees: Chrysler commitments to continue and/or expand production at six assembly plants, four stamping plants and eight powertrain plants. The company also agreed to reverse a restructuring plan that would have sold MOPAR and Chrysler Transportation and closed the Cleveland Parts Distribution Center. These guarantees are for the term of the contract only and do not extend beyond that term as do the guarantees for certain plants at GM.

Moratorium on Outsourcing:

Same as GM. Specifically, The parties have identified non-core product and process work totaling 8,000 jobs that will be retained through the moratorium on outsourcing, through the life of the agreement. Detroit Axle, Marysville Axle, Toledo Machining, MOPAR Parts and Chrysler Transport are protected by the moratorium as are an additional 3,280 manufacturing jobs to be designated by a joint committee within 120 days following the ratification of the agreement.

Insourcing:

Chrysler committed to insource work that will result in 1,025 new UAW Chrysler jobs. These new entry-level jobs will be allocated across facilities under the national agreement. In addition, more than 1,100 jobs related to non-core product work will be evaluated for insourcing.

AUTO INDUSTRY SETTLEMENTS
OCTOBER-NOVEMBER 2007

<u>Date</u>	<u>Bargaining Relationship</u>	<u>Number of Employees</u>	<u>Length of Agreement</u>
11/07	Ford - UAW	54000	4 yrs.

Wages and benefits for active workers: same as GM

VEBA: same financial arrangement as GM. Specifically, Ford will continue to provide health care benefits to retirees at a cost of \$2.2 billion until the initiation of the VEBA on January 1, 2010. Ford will also contribute \$13.2 billion [\$6.5 billion immediate payment plus "backstop" and interest payments on debenture estimated at \$6.7 billion] to fund the VEBA, for a total cost of \$15.4 billion.

Given Ford's financial distress, the UAW permitted Ford to use 6% to estimate the inflation in health care cost as opposed to the 9% rate used for GM. This will result in a substantial decrease in costs and a lower initial cash outlay. The Company agreed to invest the cash it would have paid into a VEBA into its U.S. assembly plants. Plants that do not already have flexible body shops will get them, making Ford a far more agile manufacturer. The cash also will be used to upgrade equipment in older facilities.

Entry-level workers: A new two-tiered wage structure and new wage formula: same as GM. However, in contrast to GM and Chrysler, the two-tiered wage structure will be applied to 20% of all jobs in Ford rather than just to "non-core" jobs. Further: [1] all insourced jobs; and, [2] all jobs at two former Visteon Corp. plants – Rawsonville and Sterling Heights- will be staffed by lower-tier employees and will not count against the 20% cap.

Benefits for entry-level workers: same as Chrysler

Job Security

Major New Investments: Ford committed to build five new flexible body shops in UAW Ford assembly plants, a commitment to invest \$200 million in new technology and equipment in UAW Ford stamping plants, a \$20 million tool and die investment in Dearborn, Mich., and substantial new investments in UAW Ford powertrain operations.

As a result of this agreement, several Ford manufacturing facilities that were previously identified for closure by the company will remain open. UAW negotiators were able to win one-year extensions for two plants slated for closure - Twin Cities Assembly and Cleveland Casting.

Moratorium on Outsourcing:

Except for projects already identified, there will be a total moratorium on all outsourcing during the term of the agreement.

Insourcing:

Ford agreed to insource work totaling more than 1,500 jobs during the life of the agreement. The work will be retained for the term of the agreement, or for the lifecycle of the product, whichever is longer. In addition, another 1700 jobs will be evaluated for possible insourcing.

Plant closing and Sale Moratorium:

Ford agreed that it will not close, idle, nor partially or wholly sell, spin off, split off, consolidate or otherwise dispose of, in any form, any plant, asset or business unit of any type beyond those which have already been identified. Three facilities have been identified by Ford as exempt from the plant closing moratorium: Twin Cities Assembly, Cleveland Casting and Batavia Transmission.

Union Voice in Decision Making:

The parties also agreed to appoint the vice president and director of the UAW National Ford Department as a member of the company's Manufacturing Operating Committee, where critical decisions are made about current operations and future product.