

United Electrical, Radio & Machine Workers of America – Local 506



The Union Representing Erie Wabtec Workers

Union Proposal #5:

Article VII. TRANSFER OF WORK

Section 1. Work Relocations - Notice. The Company reserves the right to determine the location(s) where its products and components will be manufactured, and to determine the location(s) where new products and components will be manufactured.

(a) The Company agrees to provide the Union with advance written notice at least one hundred eighty (180) calendar days prior to any permanent transfer of any products or components that are manufactured at the Erie Plant. ~~that will result in the permanent layoff of bargaining unit employees.~~

(b) The notice will identify the work to be transferred, the legitimate business reasons for relocation of the work, ~~the date the work transfer will occur and the affected number of employees by job classification.~~

(c) Upon request, the Company will meet and discuss with the Union any decision and/or the effects of any decision to permanently transfer bargaining unit work under this Section for up to sixty (60) days. ~~In no event will the Company execute any work transfer within one hundred eighty (180) days from the date that notice was provided. The Company may implement its work transfer decision after this discussion period.~~

(d) All relevant information requested by the Union must be supplied in a timely manner. If the Union's initial request for information is not filled within the first twenty (20) days after submitted, bargaining will be extended day for day until the request for information has been satisfied.

(e) Both parties may mutually agree to extend the bargaining period.

(f) If the Transfer of Work is not complete within eighteen (18) months after the effective date of the transfer, the Union may request an additional Thirty (30) day bargaining period.

Section 2. Work Volumes. The procedures in this Article will not apply to normal fluctuations in work volumes caused by normal business cycles or cancellation of customer orders.

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Union Proposal #6:

Article VIII. SUBCONTRACTING

Section 1. Subcontracting Rights. Production and maintenance work in the Erie Plant shall ordinarily be performed by bargaining unit employees. However, both parties acknowledge that the Company may be required to utilize non-bargaining unit employees and/or outside contractors to perform certain production and maintenance work during the term of this Agreement. ~~based upon the needs of the business. The company shall not utilize non-bargaining unit employees to do any production, repair, defect, rework, modification, etc. on company property at its manufacturing Plant located at 2901 East Lake Road, Erie, Pennsylvania (the "Erie Plant"). Subcontracting will not be utilized to circumvent the job bidding and/or recall process or the hiring of new employees.~~

Section 2. Legitimate Business Reasons. The Company agrees that it will subcontract work only for legitimate, business-related reasons. The following shall be deemed to be legitimate business reasons:

- (a) The work involves a major capital project, including new construction, major installation, and major modernization of equipment.
- (b) The project involves modification work, such as the upgrade of the capabilities of an existing machine or process equipment line.
- (c) The work requires special skills, special equipment or special licenses.
- (d) The project is of such size or nature as to make it impractical to be handled by bargaining unit employees.
- (e) The work is of such urgency or short duration as to make it impractical to be handled by bargaining unit employees.
- (f) Sufficient qualified bargaining unit employees are not available to perform all the work without significant overtime or refuse to volunteer for overtime work.
- (g) ~~Similar work has been performed by subcontractors in the past.~~
- (h) ~~Significant cost savings can be achieved.~~

Section 3. Good Faith Requirement. In exercising its subcontracting rights, the Company agrees to act in good faith. The Company agrees that it will not subcontract work solely to reduce the number of employees in the bargaining unit or to discriminate against any bargaining unit employee. If employees are on layoff and the work of a classification or classifications is expected to exceed ninety (90) days the company will recall all qualified employees in accordance with Article XI of this Agreement prior to subcontracting bargaining unit work.

Section 4. Notice.

(a) The Company agrees to provide the Union with advance written notice at least ten (10) calendar days prior to ~~permanent~~ subcontracting of any bargaining unit work. that will result in the permanent layoff of bargaining unit employees.

(b) Upon request, the Company will meet and discuss with the Union any decision and/or the effects of any decision to ~~permanently~~ subcontract bargaining unit work under this Section. In no event will the Company be obligated to delay any subcontracting decision more than ten (10) days from the date that notice was provided. The discussions will focus on (i) the capacity and qualifications of bargaining unit employees to perform the work subject to the subcontracting notice, and (ii) the expected duration of such subcontracting. The Company may implement its subcontracting decision after this discussion period.

(c) The parties recognize that there are some subcontracting requirements of an emergency nature which may make prior notification ~~impossible~~ difficult, however, the company will make every attempt to notify the Union in advance. If prior notice is impossible, ~~When this occurs,~~ the Company will notify the Union as soon as possible under the circumstances.

(d) The Company will provide the Union with a quarterly report of all subcontracted production and maintenance work ~~that does not result in the layoff of bargaining unit employees,~~ as well as any bargaining unit work that the Company knows may be subcontracted during the upcoming calendar quarter with the reasons why the work was or is expected to be subcontracted.

(e) The company will provide to the Union annually a report of all items that are listed as buy items, that have been, are similar to or could be manufactured in the Erie facility. After receipt of the report the Union and Company will meet in a CIC format to evaluate what work can be manufactured at the Erie Manufacturing Facility and incorporated as a make item.

Section 5. Subcontracted Functions. Notwithstanding the foregoing, the Company shall have the unlimited right to subcontract the following work during the term of this Agreement:

- (a) Janitorial work.
- (b) Landscaping work.

- (c) ~~Any and all HVAC repair and inspection work.~~
- (d) Pest Control.
- (e) Forklift repairs.
- (f) Roof construction and repair
- (g) ~~Snow removal.~~
- (h) ~~Asphalt paving and paint striping.~~
- (i) ~~Vendor managed inventory.~~

Section 6. Non-Interference. When the Company utilizes subcontractors to perform work on the premises of the Company's Erie Plant, including maintenance work and the work functions listed in Section 5, the Union agrees, on behalf of itself, and on behalf of all bargaining unit employees, that neither the Union nor any bargaining unit employees will coerce, harass or in any way interfere with any workers brought in by subcontractors to perform work on the premises or on the equipment being constructed by the Company, regardless of their membership or non-membership in other unions. The Company shall not request that bargaining unit employees train such individuals.

Section 7. Continuous Improvement Committee. The Company will establish a Continuous Improvement Committee (CIC) consisting of both management and bargaining unit employees to implement innovative manufacturing techniques at the Erie Plant in order to improve manufacturing productivity, streamline operations, reduce waste and upgrade safety and quality programs.

(a) The CIC may establish departmental subcommittees to study and make recommendations on effective measures to enhance productivity, efficiency and quality in specific Departments. The size and composition of such departmental subcommittees will be determined by the CIC, provided that all departmental subcommittees will have one member appointed by the Union.

(b) The CIC (and any departmental subcommittees) will discuss issues such as:

- (i) Opportunities for new job creation.
- (ii) Opportunities for new bargaining unit employees.
- (iii) Investment plans and potential impact on jobs.
- (iv) Subcontracting of work and other sourcing issues.
- (v) Process changes and work practices to increase quality and efficiency.
- (vi) Innovative manufacturing techniques.
- (vii) Technological improvements, including upgrading of existing machinery for continued capability and efficiency.

(viii) Training opportunities.

(c) The Union will be permitted to appoint one member of the CIC.

(d) Each division will establish its own subcommittee of the CIC and report out their progress to the CIC committee on a monthly basis.

(e) Employees will be permitted to volunteer to participate on the CIC. The Plant Manager and/or Business Leader of each Division will consult with the Chief Steward of the Division before selecting employees to participate on the CIC. Employees selected to participate will be required to attend a training program on innovative/lean manufacturing techniques. Employees members on the CIC may resign at any time.

(f) All CIC activities will be considered working hours and employees will be paid at the applicable rate for time spent participating in CIC activities.

(g) The Company's Lean/Productivity Organization Leader along with the Union appointed liaison will lead the CIC. The Lean/Productivity Organization Leader will be responsible determining the number of management and bargaining unit participants needed on the CIC, for selecting those management and bargaining unit employees who will participate in the CIC, for identifying the innovative manufacturing projects for development and implementation by the CIC and for determining the meeting schedule for the CIC.

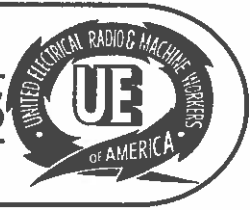
(h) ~~Any employee who fails to regularly attend CIC meetings or fails to participate in the innovative/lean manufacturing projects developed and implemented by the CIC will be dismissed from the CIC.~~

(i) The CIC will have no authority to modify the terms of this Agreement including, but not limited to, compensation, benefits, staffing levels and the Company's right to supervise, manage and control its business, operations and plants.

Section 8. Annual Meetings. The Company and the Union recognize the value of holding periodic meetings to discuss the state of the business and future plans that may impact employees represented by the Union. The Erie Plant Site Leader will meet at least once each year during the term of the Agreement with representatives of the International and Local Union to review business and plant performance and discuss issues of mutual interest.

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Union Proposal #7:

Article IX. SENIORITY

Section 1. Probationary Period. All new employees will be required to serve a probationary period for the first ~~six (6) months~~ ninety (90) days after their date of hire. The probationary period is intended to give each new employee the opportunity to demonstrate his/her ability to achieve a satisfactory level of performance, comply with work rules, and satisfactorily complete any applicable Company training programs.

(a) The probationary period is not a guarantee of ~~six (6) months~~ ninety (90) days of employment. A probationary employee may be subject to transfer, layoff, discipline or discharge. ~~at the discretion of the Company.~~

(b) Former General Electric Transportation (GET) employees hired by Wabtec and employed as of the Effective Date of this Agreement will not be required to serve a probationary period.

Section 2. Seniority. Seniority is continuous service with the Company and shall consist of time actually spent on the active payroll, time spent on layoff while recall rights are retained plus approved absences as defined in this Agreement.

(a) Service with GET will be considered for purposes of determining seniority at Wabtec, provided that the employee was actively employed by GET immediately prior to the closing date of the acquisition of the Erie Plant (i.e., performed services for GET during the thirty (30) day period prior to the Closing Date and not permanently laid off, discharged, resigned or retired). The seniority order of those employees actively employed by GET immediately prior to the closing date of the acquisition of the Erie Plant will be maintained in the same order as existed on the Closing Date.

(b) Any former GET employee who is hired by the Company during the term of this Agreement will be credited with his/her GET seniority.

(c) Resolving Ties in Seniority. Where two (2) or more persons have the same seniority date, the employee who has the lowest employee identification number will be deemed most senior.

(d) Leave of Absence. Employees will continue to accrue seniority during approved leaves of absence.

(e) Lay Off. Employees will continue to accrue seniority while on layoff until they have exhausted their five (5) year recall rights in accordance with Article XI Sec.1 (f) or until they have refused all forms of recall.

Section 3. Loss of Seniority. An employee's seniority shall be lost by any one (1) of the following:

- (a) Retirement from Wabtec (age 59.5).
- (b) Voluntary quit.
- (c) Discharge (for just cause).
- (d) Overstaying a leave of absence without just cause.
- (e) Refusal, when recalled from layoff, to accept a permanent job, and rate therefore, that is available and for which the employee is qualified, except as set forth in Article XI, Section 4(b).
- (f) Failure to notify the Company of his/her intent to return to work within three (3) working days unless excused by the Company.
- (g) Four (4) consecutively scheduled work days of no call, no show, unless the employee's failure to call was due to physical or mental incapacity supported by acceptable medical documentation.
- (h) Employee engaged in another occupation while working for the Company found taking time off to further that occupation without Company approval.
- (i) Payment of severance allowance.
- (j) Employees with permanent medical restrictions which prohibit them from performing any available work, with reasonable accommodations.
- (k) A leave of absence in excess of twenty (24) months, unless extended by the Company, employee is being compensated by LTD Insurance or Workers Compensation Insurance, or leave is renewed in accordance with Article IV, Section 6(c).

Section 4. Seniority Restoration. If the Company re-employs a former employee who had more than one year of continuous service at the time of a loss of seniority under Section 3 of this Article ~~through no fault of the employee~~, the Company will restore the employee's seniority after the employee completes one continuous year of service after being re-employed by the Company.