

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

The Union Representing Erie Wabtec Workers



Union Proposal #5: Pass 3

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 sixty (60) 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 notice will also provide the expected date of transfer and the expected number of bargaining unit employees impacted in each job classification as a result of the transfer of work.**

(i) 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 Twenty (20) days. In no event will the Company execute any work transfer within sixty (60) days from the date that notice was provided. The Company may implement its work transfer decision after this discussion period.

(ii) Relevant information requested by the Union pertaining to the transfer of work will be provided on a timely basis. If the Union requests information within five (5) days after receipt of notice, the twenty (20) day bargaining period will commence upon receipt of the requested information.

(c) The twenty (20) day bargaining period may be extended by mutual agreement.

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: Third Pass

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, except to the extent allowed by Article, Section 5 of this agreement, 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”).**

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. **This Section shall not be used to deny overtime work opportunities where qualified bargaining unit employees are available to work, to delay the recall of any qualified employee on layoff in accordance with Article XI, Section 4 of this agreement or to circumvent the Job Vacancy.**

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 make prior notification difficult. When this occurs, the Company will make every effort to 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 review annually the list of all buy items that that have been, are similar to or could be manufactured in the Erie facility. After review of the list 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 Company will consult with the Union-appointed member of the CIC for each division** ~~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 #11: Third Pass

Article XV. HOURS OF WORK

Section 1. Shift Schedules. The Company will determine the shift schedules for manufacturing, maintenance, testing and warehouse operations at the Erie Plant based upon the needs of the business. During the term of the Agreement, the Company will provide advance notice to the Union before modifying shift schedules for any reason.

Section 2. Hours of Work.

(a) Workweek. The normal working week for hourly employees at the Erie Plant shall be forty (40) hours per week, Monday through Friday, eight (8) hours per day, five (5) days per week. The workweek is defined as beginning at 11:00 pm Sunday through 10:59 pm the following Sunday. The workweek on multiple shifts may be less than forty (40) hours.

(i) When a change is made in the hours of work or work schedules of substantially all employees of a Plant or department, the Company will notify the employee affected at least seven (7) days in advance of the effective date of such change.

(ii) When a change is made in the hours of work or work schedules of various individuals or smaller groups of employees, management will give the affected employees as much notice as possible. **If the change in the employees work schedule is 4 hours or more, the Company will notify the employee affected at least seven (7) days in advance of the effective date of such change.**

(b) Timekeeping. Each employee is responsible for accurately recording his/her work time.

(i) The Company will provide scanners at the Erie Plant for timekeeping purposes. Employees will be required to scan in and out in their designated building to record their working time.

(ii) Employees must report any failure to scan in immediately to their supervisor.

(iii) Employees who leave the premises during working hours for reasons other than the scheduled meal period must have authorization and must scan out when departing and scan in upon returning.

(iv) Employees who leave the premises during their scheduled meal period must scan out when departing and scan in upon returning.

(c) Overtime Approval. Employees are not permitted to work overtime unless they obtain prior approval from their supervisor.

Section 3. Rest and Meal Periods.

(a) Rest Period. Employees will be provided one paid ten (10) minute rest period during each shift of at least eight (8) hours in length.

(i) Employees who work in excess of ten (10) consecutive hours will be offered an additional paid ten (10) minutes rest period.

(ii) In its discretion, the Company may provide an additional paid break period of ten (10) minutes in lieu of an unpaid lunch period.

(b) Meal Period. Employees will be provided a thirty (30) minute unpaid meal period approximately halfway through their shift.

(c) Overtime Assignments. Employees may be offered to work overtime including, but not limited to, before or after weekday shifts, on weekends and holidays, as necessary depending on the needs of the business.

(i) Overtime will be divided as equally as proficient operations permit among the employees in the department who are qualified to perform the work. An employee will be deemed to be qualified to perform the work if the employee can perform the work with minimal training.

(ii) A record of overtime worked by employees (or credited to them) will be maintained by supervision and will be available for examination by employees or Stewards upon request.

(iii) **Inequitable distribution of overtime work will be corrected ~~only~~ by future scheduling of overtime work or payment based on the average overtime hours employee works if scheduling does not permit. Overtime equalization will be done on a calendar year basis beginning on the first day of operations for Wabtec Corporation. Overtime will be considered equalized if all employees in a group are within ten (10) percent of overtime credited to them. An employee who is permanently transferred to a different department, or is promoted to a different job classification, will be considered to have worked an average amount of overtime in the new department or job classification for purposes of overtime equalization.**

(iv) **~~The Union agrees that its officer and stewards will not coerce, prevent or restrain, in any way, any qualified employees to prevent them from performing overtime work. Further, the Union, its officers and stewards~~**

shall encourage employees to volunteer for overtime as requested by the Company.

Section 4. Overtime Premium. Employees will receive premium pay for overtime in accordance with applicable federal and state law. Except where otherwise required by law, employees will be paid one and one-half (1 ½) times their straight-time hourly rate of pay (including shift differential if applicable) for hours worked under the following circumstances:

- (a) In excess of eight (8) hours in any single workday (excluding employees on continuous operations schedules who work shifts in excess of eight (8) hours in length); or
- (b) In excess of forty (40) hours in any given workweek; or
- (c) In excess of eight (8) hours in any continuous twenty-four (24) hour period beginning at the starting time of the employee's shift, unless and until the employee shall have been relieved from work; or
- (d) If working a Monday-Friday shift schedule, all hours worked on Saturday.
- (e) Paid time for holidays, vacation, bereavement, and all other compensated non-working time will be considered hours worked for overtime purposes.

Section 5. Double Time. Employees will receive premium pay equal to two times (2X) the employee's regular straight-time hourly wage rate (including shift differential, if applicable) for all hours worked under the following circumstances:

- (a) On his/her seventh consecutive day of work; or
- (b) If working a Monday-Friday shift schedule, all hours worked on Sunday;
or
- (c) In excess of twelve (12) hours in a single workday; provided that an employee who shall have worked in excess of twelve (12) hours in any single workday, and who shall be required to continue at work beyond that workday, shall continue to be paid at the double time rate for hours worked until he shall have been relieved from work.
- (d) Overtime premiums shall not be duplicated or pyramided.

Section 6. Call-Ins. Employees who are called in outside of their regular schedule of hours will be paid the equivalent of four (4) hours pay at their straight-time rate, unless a premium rate applies.

Section 7. Report-in Time. Employees who report for work in accordance with their regular schedules will receive not less than four (4) hours wages at their straight-time hourly wage rate assuming employee performed all offered and assigned work. As a condition for receiving payment under this policy, employees may be assigned any available work for which they are qualified. This policy shall not be applicable where the inability of the Company to

supply work is the result of natural disaster, fire, snowstorm, flood, power failure or other events outside the Company's control.

Section 8. Dispensary Time. Employees will be paid at their applicable straight-time hourly wage rate (unless a premium rate applies) for time spent in attending the Company dispensary for examination or treatment of any injuries arising out of and in the course of their employment, whenever such time would otherwise have been spent by the injured employee on the work assigned to him/her. Employees who are directed not to return to work as a result of their injury shall be paid at their regular straight-time hourly rate (unless a premium rate applies) to the end of their scheduled work shift. These provisions apply only to the initial date of injury and any additional follow-up required by the Company's medical center.

Section 9. Payroll Issues.

(a) The Company will pay wages to its employees on a ~~bi~~-weekly basis.

(b) In the event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of his/her supervisor. The supervisor will investigate and, if necessary, make sure that any necessary correction is made as soon as possible. If an issue with pay is not resolved to the employee's satisfaction, he/she should contact Human Resources so the matter can be further evaluated.

(c) If an error is made in calculating an employee's wages, the Company will notify the affected employee and either correct any underpayment of wages or arrange for repayment of any overpayment of wages by the employee.

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Union Proposal #20: Second Pass

Article XXVII. SEVERANCE ALLOWANCE

Section 1. Plant Closing Notice. Whenever the Company decides to close a plant, the Company shall provide at least sixty (60) days' written notice of its decision to the Union and the affected employees. As the Company, in the course of such plant closing, no longer has need for the work then being done by an employee, his/her employment by the Company may be terminated, subject to compliance with the provisions of this Article. Each employee shall be given at least one week's advance notice of the specific date of his/her termination.

Section 2. Bargaining. As required by law, upon request, the Company will negotiate with the Union regarding the decision to close the plant and the effects of such closure on bargaining unit employees.

Section 3. Eligibility. If the Company closes the Erie Plant during the term of this Agreement, any employees who are terminated from employment as a result of the plant closure will be eligible for a Severance Allowance as follows:

(a) To be eligible for a Severance Allowance, the terminated employee must have accumulated one (1) or more years of continuous service with the Company as computed in accordance with Article VIII (Seniority) of this Agreement.

(b) Employees on a Company-approved leave of absence will be eligible for a Severance Allowance.

(c) **Employees who were laid off pursuant to Article XI, Section 1 of this Agreement less than eighteen (18) months prior to the first layoff subsequent to the plant closing notice will be eligible for a Severance Allowance. Any payments received under Article XXVII (Income Extension Aid) will be deducted from the Severance Allowance to which the employee may be entitled under this Article.**

(d) An employee who is otherwise eligible for a Severance Allowance under Section 1(a) of this Agreement who retires, resigns or is discharged for cause prior to his/her last day of work as determined by the Company will be ineligible for a Severance Allowance.

(e) Any employee whose employment is terminated pursuant to the provisions of this Section 1 will lose all seniority for all purposes and will cease to be connected in any way to the Company. Should such individual later be re-employed by the Company,

the individual will be considered a new employee without seniority or benefit of previous service with the Company.

(f) Employees affected by a plant closing may request that their date of termination from employment be accelerated so that they may accept alternative employment. Such requests will be given due consideration and will be denied only for legitimate business reasons.

(g) Employees affected by plant closing will be eligible for payout of accrued but unused vacation under Article XVII, Section 1(l) but will not be subject to any deduction for unearned vacation utilized prior to their termination date.

Section 4. Severance Allowance; Amount. An eligible employee will receive a Severance Allowance based upon his/her seniority with the Company as follows:

Seniority	Weeks of Severance Allowance
Less than one year of Seniority	No Severance Allowance
One or more years of Seniority but less than five (5) years of seniority	One week for each completed year of service with the Company. Employees who are eligible for a Severance Allowance will be eligible for a minimum Severance Allowance of four (4) weeks.
Five (5) or more years of Seniority but less than ten (10) years of Seniority	One and one-half weeks for each completed year of service with the Company.
Ten (10) or more years of Seniority	Two weeks per year of service.

Section 5. Calculation. A week's Severance Allowance will be paid at forty (40) hours per week at the affected employee's straight-time hourly wage rate, plus any applicable shift differential.

Section 6. Payment. Payment of a Severance Allowance will be paid in a lump sum.

Section 7. Non-Duplication. Severance Allowance will be the exclusive payment for employees affected by a plant closure.

(a) If an affected employee is or shall become eligible for any discharge, liquidation, severance or dismissal allowance or payment of a similar kind by reason of any law, state or federal, the total amount of such payments will be deducted from the Severance Allowance to which the employee may be entitled under this Article, or any payment made by the Company under this Article may be offset against such payments.

(b) Statutory unemployment compensation payments are excluded from the non-duplication provisions under this Section.

(c) The receipt of severance pay will not affect any vested rights the employee may have under any Company-sponsored Retirement Plan.

Section 8. Employment Assistance Plan. To assist employees adversely affected by a plant closing to find new jobs and to learn new skills, the Company will establish an Employment Assistance Program following the announcement of a decision to close the plant. The Employment Assistance Program will include job placement assistance and education and retraining assistance.

Section 9. **Protected Benefit. Wabtec shall provide all basic insurances described In Article XIX, Section 11 of this agreement upon separated at no cost to the employee.**

Section 10. Closing Agreement. Because the circumstances of a plant closing can vary in terms of the impact on employment, location and timing, as well as other considerations, the Company and the Union may negotiate an agreement covering the plant closing termination procedure for employees affected by the plant closing. Any such agreement shall be in writing and approved by the Company and the Union.