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Dear Representative/Senator:

As the GM restructuring proceeds, the UAW wishes to set the record straight on the enormous sacrifices that have been made by active and retired workers. These concessions will save the company billions of dollars, and are a critical component of efforts to restore its long-term economic viability.

In the contract that was ratified by UAW members last week, active employees agreed to the following major concessions:

- performance bonuses worth 4% and 3% of pay scheduled for 2009 and 2010 were eliminated;
- cost of living adjustments were eliminated for the remainder of the contract;
- holidays were reduced;
- overtime and relief time rules were scaled back substantially;
- wages for new "entry level" employees were frozen, and the company was allowed to increase the percentage of its workforce employed at this much lower rate;
- the company was also allowed to hire part time employees with reduced wages and benefits;
- certain job security programs were suspended, and supplemental unemployment benefits were scaled back for laid off workers;
- job classifications were reduced and work rules were made more flexible.

Taken together, these concessions will save GM billions of dollars over the remainder of the contract, and will make compensation for active workers fully competitive with that paid by foreign nameplate operations in the U.S. Furthermore, it is important to note that the biggest sacrifices will be made by the tens of thousands of workers who will lose their jobs as a result of the numerous plant closings that GM is announcing in its restructuring plan.

In addition, retired UAW members have made the following sacrifices:

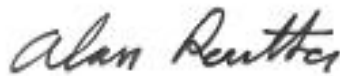
- reimbursements for the Medicare Part B premium (now \$76.20 per month) were eliminated;
- prescription drug copays were increased;
- dental and vision benefits were eliminated;
- premiums and deductibles were increased for retirees with pensions less than \$8,000, thereby tracking increases that were previously implemented for all other retirees.

These concessions also will save GM hundreds of millions of dollars during the remainder of 2009. In addition, GM will be allowed to replace over half of the contributions that it owed to the retiree health care trust fund (VEBA) with stock, and the remainder of the contributions will be replaced with a \$2.5 billion note and \$6.5 billion in preferred stock. These changes will save GM billions of dollars. They also greatly increase the risks being assumed by retirees. Depending on the value of the company's stock, the trustees of the retiree health-care trust fund may have to make further reductions in benefits in the coming years.

Based on all of the foregoing, the UAW submits it is abundantly clear that active and retired workers have made enormous sacrifices to facilitate the restructuring of GM. These sacrifices are on top of the major concessions that active and retired workers previously made in 2005 and 2007.

Some news stories, editorials and op eds, such as the May 29th editorial in the Wall Street Journal entitled "Political Bankruptcy," have incorrectly charged that the GM restructuring plan treats the UAW more "generously" than bondholders or other stakeholders, and because of political considerations does not require workers and retirees to give up enough. This is simply nonsense. As indicated by the facts set forth above, the workers and retirees have indeed made enormous sacrifices.

Sincerely,



Alan Reuther
Legislative Director