

Daimler Trucks North America LLC and
International Association of Machinists 1005

TENTATIVE AGREEMENT

July 1, 2010

Tentative agreement valid until mid-night July 2, 2010 and subject to membership ratification.

Agreement

All references to Freightliner LLC changed to Daimler Trucks North America LLC.
Duration. Three year duration to expire on June 28, 2013. All employees will receive eight (8) hours pay for July 2, 1020 upon ratification.

Wages

Maintain wages at 2010 level.

Eliminate Gainsharing Program.

Hours

Vote on hours no longer tied to traffic problems on Swan Island.

The normal day shift starting times shall be between 5:45 a.m. to 7:30 a.m. It is agreed between the Employer and the Union that if the starting times need to be changed, a simple majority vote of the affected employees will be needed to change such starting times.

Alternative Schedules

The Employer may establish Alternative Work Schedules based on business and Company needs. Any change must be negotiated and approved by the membership.

Attendance Control Program

1. Upon ratification of the 2010 collective agreement, all employees' attendance infractions and disciplinary step will be removed.
2. Employees in ACP no longer required to show proof of illness to utilize sick leave.
3. Employees in ACP at the First Written Warning step and beyond are not permitted to use sick leave to excuse an absence.
4. An employee on the Attendance control Program who achieves a six (6) month period of acceptable attendance will have all disciplinary steps removed.

5. No change in acceptable attendance allowance of one unexcused absence in 90 days.

Severance Pay

In the event of a plant closure the Company will provide severance benefits in the amount of two (2) weeks of pay for every year of service for all employees on active payroll or laid off no more than twelve (12) months prior to Plant Closure date.

Work Areas

Shutdowns

In the event of a temporary shutdown of one (1) week or less in duration and not to exceed ten (10) days total per Contract year, the Company may operate selected “regular assigned work areas” without regard to overall seniority. The selected “regular assigned work areas” will be limited to the Electric Shop, the Maintenance Department and the Offline at the TMP.

Regular Assigned Work Areas

The parties agree that the “regular assigned work areas” referred to in this section are as follows:

TMP – “Active List”

Offline
Cab in White
Finish Cab
Axle Assembly/Axle Hang-Pool 15
Chassis Start – Pool 12 & Pool 21
Midline/Engine Line – Pool 2 & Pool 13
Pool 3
Maintenance
Quality Assurance (includes Vehicle Inspection)
Electric Shop
Utility Team

TMP II – “Active List”

TMP II Fuel Tank / Welding

In order to increase flexibility in personnel movement and facilitate the Portland Truck Manufacturing Plant in adapting to varying staffing and production needs, a Star Utility Team will be created, consisting of employees who will be assigned plant-wide as needed in the following manner:

1. Covering absenteeism
2. Used as relief to enable cross-training within other work areas

3. Project trucks and dead trucks
4. Training within the Utility Team, ie. Continuous Improvement, etc.
5. Other daily assignments as needed.

Changes in scope or responsibilities shall be made as necessary by mutual agreement.

Temporary Transfers

When the need arises to transfer employees in or out of a “regular assigned work area” on a temporary basis, such transfer will be required of the least senior employee or, when not feasible, the least senior employee qualified to perform the work. Improvements in cross training and flexibility under this agreement, in time, will allow movement of the least senior employee when needed.

Job Assignments on Teams

Letter of Understanding

- Employee in a work area can bid into a team
- Within the team, job assignments exist – employees are assigned to a job
- An employee will be assigned to a job by the Team Leader in discussion with the team taking into consideration the following:
 - Seniority
 - Employee’s preference or request
 - Individual abilities
- Requirement that all employees obtain and maintain a training matrix rating of 3 on all other “un-assigned” jobs within their team up to the limitations of individual’s abilities:
 - Quarterly goals will be set for each team’s cross training levels
 - Team decisions will be facilitated by team leader to complete:
 - Cross training matrix to facilitate training within the team
 - Job rotation plan to maintain rating
- Employees will be required to rotate jobs when the situation makes it necessary
 - Short-term ergonomic purposes
 - Need to diversify skills in a team and promote the team concept
 - Absenteeism (Accommodate an out-of-team employee’s ability to fill a void on a team due to absenteeism with minimal disruption)
- Understanding and objectives
 - Enhance employee skill-sets and expand pride of work and competency to do more jobs
 - Provide additional employees trained on critical jobs to mitigate the effects of absenteeism and daily adjustments
 - Provide additional employees with experience for more input on quality improvements, efficiency improvements and ergonomic improvements in the various assigned jobs

- Provide for more employee input for team decisions on balancing work between jobs
- Enhance cooperation between team members in sharing work responsibilities
- Develop team responsibility for decision making, including in the above areas
- Promote continuous improvement involvement
- Set up a timeline from current state to full implementation of the team level concept
 - Ratification date to January 1, 2011 – transition period
 - Joint management/union committee
 - Extensive cross training effort
 - Management to provide resources to facilitate cross-training
 - Extensive effort of line balancing and making job assignments equitable
 - Train Supervisors and Team Leaders on soft skills associated with team environments
 - Facilitate team meetings for education and planning.
 - Assign chief shop steward to supporting this transition 5 days/week
 - January 1, 2011 – implementation of job assignment policy and manpower movement rules associated with it.
 - Decision to assign union shop steward to work position 3 or 5 days per week based on effectiveness and need

Job Assignments Truck Operating System

To promote involvement from other shop floor employees, the (CI) Facilitator and TOS Implementation Team Member positions shall be rotated and employees shall be returned to jobs in their classification.

Overtime

Overtime Assignment Within Regular Assigned Work Area

The Employer shall distribute overtime on a seniority basis among the qualified employees in the “regularly assigned work areas” (hereinafter set forth) when such overtime becomes available. It is understood between the parties that within a “regular assigned work area” there are some employees that may not be qualified to perform all phases of the job; and due to the assignment of employees to various work areas and/or shifts it is difficult, and in some instances impossible, to distribute overtime on a seniority basis.

An employee or employee(s) who believe that they did not receive an offer of overtime due by seniority shall review the matter with their immediate Supervisor and Shop Steward who will investigate and if true the employee(s) will be

offered to work the next available equivalent amount of scheduled overtime. If corrective action is not taken, the employee shall receive pay for hours not worked as specifically committed to.

Overtime records shall be posted within the regular assigned work area on Monday of each week.

The employer shall post an overtime opportunity sheet in each work area allowing all employees who wish to be available for overtime to sign up. Employees who have signed will be offered available overtime in order of seniority. If an insufficient number of employees are on the sign-up sheet, the Supervisor or his designee shall canvas remaining employees in order of seniority before going outside the department for volunteers.

Employees within a work area will be given opportunities to volunteer for cross-training in order to be available for overtime work.

Overtime Assignment Outside Regular Assigned Work Area

Miss-assignment of overtime of employees from one overtime "regular assigned work area" to another will require payment of equal time and pay to the person or persons denied overtime assignment.

Offline vehicles may be moved to other departments for overtime work.

Whenever insufficient numbers of employees are available to work daily (Monday through Friday) overtime from among the employees within a "regular assigned work area" and the Employer needs additional employees to work in that area, employees will be selected on the following basis:

(a) Within the plant where the overtime is available, on the same shift from any other "regular assigned work area beginning with the Utility Team."

(b) Within the plant where the overtime is available, on an alternate shift.

Whenever insufficient numbers of employees are available to work Saturday or Sunday or daily overtime when such overtime is on a scheduled basis from among the employees within a "regular assigned work area" and the Employer needs additional employees to work in that area, employees will be selected on the following basis:

(a) Within the plant where the overtime is available, on the alternate shifts from the same "regular assigned work areas."

(b) Within the plant where the overtime is available, on the same shift from any other "regular assigned work areas beginning with the Utility Team."

To facilitate staffing for regular production and overtime, employees may request to be trained in other work areas.

Mandatory Overtime

Section 12. If production needs warrant, the Employer may utilize up to twenty-six (26) hours of mandatory overtime per month.

If overtime is required, the Employer will first seek volunteers in accordance with the collective bargaining agreement. If the Employer does not find a sufficient number of volunteers, employees may be mandated in the inverse order of seniority until a sufficient number has been achieved..

If daily overtime is scheduled, then cancelled by the Employer, the hours scheduled will count towards the twenty-six (26) hours of overtime per month.

1. Mandatory overtime of 26 hours a month allowed as follows:
 - a. Limited to two (2) hours a day Monday-Friday only (excluding holidays).
 - b. Eight (8) hours of the 26 limited to plant-wide mandatory scheduled Saturdays, paid at the overtime rate of time and one-half and limited to a maximum of one per month. Work shall be scheduled not later than noon of the preceding Wednesday.
 - c. Of the remaining eighteen (18) hours:
 - i. All eighteen (18) hours may be scheduled plant-wide Monday-Friday
 - ii. Up to ten (10) hours of the eighteen (18) hours may be scheduled Monday-Friday to mandate work in a work area when plant-wide overtime is not needed.
 1. Volunteers in the work area will be exhausted first
 2. Qualified volunteers plant-wide will be exhausted second
 3. Employee's will be mandated by reverse order of seniority
 - d. If mandatory overtime is scheduled and then cancelled by the Employer, the hours scheduled will count towards the hours per month.
 - e. Employees will not be mandated to work Saturday if a vacation day, personal day or Union leave has been approved for them on the Friday preceding or Monday following the mandated work.
 - f. No single day vacations are allowed on Saturdays unless approved by management.

If daily overtime is required, employees will be notified by the end of their prior shift.

Holidays

Recognized holidays are:

- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Day after Thanksgiving

In 2010 - 2011 Contract Year, the Employer agrees to recognize December 24, 27, 28, 29, 30, 31; and January 3

In 2011 - 2012 Contract Year, the Employer agrees to recognize December 23, 26, 27, 28, 29, 30; and January 2

In 2012 - 2013 Contract Year, the Employer agrees to recognize December 24, 25, 26, 27, 28, 31; and January 1

Vacations

Employees will not be required to use vacation or sick leave for their own serious health conditions that qualify for FMLA. Employees cannot utilize vacation days for medical leaves, exclusive of qualified FMLA or OFLA leave.

Vacation requests must be made at least one (1) work day in advance of the day requested, except in the case of proven emergency. Requests shall be made to the HR Dept.

Employees are encouraged to file vacation cancellations as early as possible. Full week and single day vacations must be taken if not cancelled by the end of the previous work day, except in the case of emergency with approval of the HR Dept.

Effective 7/1/11, vacation time cannot be borrowed ahead of the anniversary date award of vacation.

Medical Reporting Requirement Warning Letters

Warning letters unrelated to attendance problems will be reviewed by the Employer at the request of an employee after six (6) months from the date of issue and may be subject to the grievance procedure. Medical Reporting Requirement warning letters will be reviewed by the Employer at the request of an employee after (6) months from the date of issue and may be subject to the grievance procedure.

Family Medical Leave

An employee requiring family leave must inform the 3rd party administrator with a 30-day notice for foreseeable FMLA requests. All unused and accrued vacation and sick pay must be used in conjunction with FMLA except for an employee's own serious health condition that qualifies for FMLA. Any short term disability is automatically designated as FMLA time. For OFLA sick child leave call TMP Human Resource Management at 503-745-7072.

Pattern

In Order to encourage attendance and to prevent absences other than bona fide illness or injury, the parties agree to clarify the pattern noted in Section 1 of Article 11. Paid Sick Leave. The parties agree this refers to 3 or more absences of the same day of the week, inside a six-month period.

Pension

Company to provide the additional funding necessary to provide security to pension trust:

25% additional contribution beginning July 1, 2010 = \$ 1.11 per hour

50% additional contribution beginning July 1, 2011 = \$ 2.23 per hour

75% additional contribution beginning July 1, 2012 = \$ 3.34 per hour

The parties to this Agreement adopt Schedule A of benefit changes and contribution increases provided in the 2009 Rehabilitation Plan adopted by the Automotive Machinists Pension Trust and set out in a memorandum dated April 23, 2009.

Language to allow consideration of alternative plans by mutual agreement.

Medical

1. Eliminate HMA Regence plan
2. Employees who are laid off continue to receive six (6) months health care continuation but if recalled and subsequently laid off, next healthcare continuation is equal to the number of months employed if less than six.
3. Language added on practice of collecting health care co-pays from employees returning to work from leave.

4. Language to allow cost reduction strategies by mutual agreement or plan improvement strategies, depending on impact of Patient Protection Act.

Active and Retiree Medical Plans

	Kaiser	BCBS In Network	BCBS Out of Network
<u>Deductible</u>			
Single	\$0	\$300	\$800
Family	\$0	\$600	\$1,600
Coinsurance	100%	90%/10%	70%/30%
<u>Out of Pocket Max</u>			
Single	\$600	\$600	\$1,500
Family	\$1,200	\$1,200	\$3,000
<u>Copayments</u>			
Office Visit	\$30	\$30	70% after deductible
ER Visit	\$100	\$100	70% after deductible
<u>RX Drugs - Active</u>			
Generic	\$10	\$10	\$10
Brand	\$20	\$20	\$20
Non-Formulary	\$40	\$40	\$40
<u>RX Drugs - Retiree</u>			
Generic	\$10	\$10	\$10
Brand	\$20	\$20	\$20
Non-Formulary	\$40	\$40	\$40
<u>Employee Cost Share*</u>			
Employee	\$45	\$45	\$45
Two Person	\$90	\$90	\$90
Family	\$130	\$130	\$130

*Retiree monthly cost share to be the greater of the active employee cost share or the retiree matrix.

Plan changes and retiree cost share effective Jan. 1, 2011

Active employee monthly cost share effective September 1, 2010

The Employer will continue to pay actual premium amounts above employee premium contributions

Tentative Agreement

ARTICLE 24. – Safety and Sanitation

Section 11. During the 2010 negotiations the Union raised concerns regarding several safety issues. The Employer acknowledged the legitimacy of the concerns and conveyed it would address the items.

1. Lack of rigid towing device.
2. Welding protections for welders:
 - a. Longer welding leathers needed
 - b. Welding safety shoe laces
 - c. Tinted glasses for employees doing Stud Welding
 - d. Tinted glasses for employees near stitch welding CIW.
3. Inadequate ventilation in CIW spot weld area
4. Lifting devices for CIW spot weld area
 - a. Sidewalls, Decks, Roof tops
5. Glasses cleaner availability
6. PM's not current on forklifts, Taylor-Dunn carts, electric lift trucks
7. Ventilation in bathrooms
8. Two or more employees to move chassis, cabs, hoods
9. Still bottom alarm

The Union and Employer agree to meet jointly on a regular basis, at least quarterly, until the issues have been addressed to the satisfaction of the parties. The first meeting will occur within 30 days of the date of ratification.