

Beyond Grand Rapids

VW tops Ford in sales

Volkswagen moved ahead of Ford as the world's third-largest automaker by vehicle sales in this year's first half, according to figures the companies released. Volkswagen reported a 7.2% increase to 3.31 million cars and trucks, while Ford said its sales fell 11% to 3.09 million.

Source: Detroit Free Press, July 30, 2008

GM, Ford, Nissan set aside hybrids for NYC taxis

Three major auto manufacturers are promising to reserve 300 new hybrid vehicles each month exclusively for New York as it replaces its entire fleet of yellow cabs.

Nissan, General Motors and Ford said that they are setting aside the environmentally friendly cars to help the city reach its goal of making all yellow cabs green by 2012. There are about 13,000 cabs on the street and more than 1,300 are hybrids.

New city regulations require that any new cab coming into service after Oct. 1, 2008, achieve a fuel efficiency standard of 25 m.p.g. The following year, that increases to 30 m.p.g. The standard yellow cab in use today, the Ford Crown Victoria, gets about 14 m.p.g. But some hybrid models, which run on a combination of gasoline and electricity, achieve as much as 36.

Source: The Associated Press – July 18, 2008

Ghosh: 'U.S. auto market is not going to be great again'

In an interview, the Nissan-Renault CEO Carlos Ghosn discussed smaller, greener cars and the U.S. market. In his comments he said that "the U.S. seems to be headed for much more fuel-efficient technology. And emerging markets like China and India are clearly wanting fuel-efficient and cleaner-running vehicles. Where are you placing your bets?"

"Electric vehicles are going to be a big factor in these markets. Powered off electricity, they have the benefit of drawing off different sources of electric power—coal, wind, solar, nuclear. And some people have this notion of electric vehicles being slow and unsafe. The cars we are

developing are much more substantial than the previous generation. We will launch an EV in the U.S. in 2010. We have joint ventures in Israel and Denmark and will have EVs in the mass market there in 2012. We are not just talking about one car amid 60 in our portfolio, but a real portfolio of electrics in Nissan and Renault. The explosion of vehicles we think is possible in emerging markets will not happen if the cars all run on oil."

As for whether or not China and India could be places from which to export vehicles to the U.S., Ghosn said, "No. Parts, yes. And engines in the future. But whole cars...I would say no. We have better ways of supplying North America from our plants here, and in Mexico and South America. But we can certainly lower our costs by shipping more parts for assembly in North America."

Source: Business Week – July 2008

Even Toyota can't cruise past slowdown

With the U.S. economy in slowdown mode, there appears to be no chance that Toyota will continue to cruise in first gear this year when it comes to worldwide sales growth.

The Japanese automaker cut its 2008 total global sales forecast to 9.5 million vehicles, down from its initial sales estimate of 9.85 million units. The revised figures represent a minimal 1.0% sales growth this year, a setback for Toyota, which sold 9.37 million cars in 2007, with a 6.0% rise in its unit sales from the prior year.

Of all its overseas markets, Toyota is most pessimistic about the U.S. The company slashed its 2008 sales estimates in its largest market, to 2.44 million vehicles, from its earlier forecast of 2.64 million vehicles. The new figure constitutes a 7% drop from Toyota's actual sales figure of 2.62 million vehicles in the United States in 2007.

Nor can Toyota rely on its domestic market for growth. The carmaker forecast that it will sell just 2.23 million cars in Japan, down 40,000 units from its earlier projection, and off 30,000 from the sales performance in 2007. The weaker sales outlook means Toyota will have to scale down its worldwide production by 450,000 units this year, to 9.5 million vehicles.

Source: Forbes – July 28, 2008



AutoKnow



General Motors Vision Statement: GM's vision is to be the world leader in transportation products and related services. We will earn our customers' enthusiasm through continuous improvement driven by the integrity, teamwork and innovation of GM people.

Answer me now: "How do I explain all the negative news around our 2nd quarter performance?"

Many of us receive questions from family and friends about our financial performance, especially around the time GM makes public announcements. Here are a few points that might prove useful as you answer questions about our company:

- 1. With the exception of a special charge in GM Asia Pacific, financial performance outside of GM North America remains positive.**
 - GM Europe made a modest profit.
 - GMLAAM (Latin America, Africa, and the Middle East) experienced strong growth and profits.
- 2. GM North America reported a significant 2nd quarter loss due to:**
 - Lower volume, mostly in pickups and SUVs, including loss of volume and sales disruptions from the American Axle strike
 - Impact from lower lease residuals
- 3. A majority of the 2nd quarter reported loss was from special items and other charges, and these charges did not affect our cash flow in the quarter. They include:**
 - Restructuring charges
 - Special attrition program for hourly workers – nearly 19,000 total
 - Capacity actions (plant closings and shift reductions)
 - Canadian Auto Workers contract
 - Delphi write-down due to their slow emergence from Chapter 11
 - GMAC – write-down on GM's investment

- 4. We understand that we are facing a number of tough issues with the U.S. economy, but, with the significant actions GM has taken over the past several years, we are better able than ever to rapidly address these issues and position GM for long-term success.**
 - We have already moved to a global model.
 - Eleven of our last 13 major launches have been cars or crossovers.
 - Eighteen of our next 19 major launches will be cars and crossovers.
 - This shift has been in the works for several years, and our capacity to produce these products is in place and ready to go.
 - We are well positioned to drive new products to market rapidly.

- 5. We are well along in executing our strategy for meeting these historic challenges and continuing the transformation of GM. As GM outlined in the liquidity announcement, we are confident that we will have sufficient liquidity through 2009.**
 - Announced significant liquidity, product and production capacity actions on June 3 and July 15
 - Implementing the new GM-UAW agreement, which will bring significant future savings
 - Our new products continue to be well received, and they are selling well, even in a very tough market.

Contact Gary Evey (616-246-3132) or Rick O'Rourke (616-246-3124 - UAW). Fax 616-246-3150.
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E-mail: gary.d.vey@gm.com, or rick.orourke@gm.com

WANTED

Team Leader/Advisor Candidates

To continuously improve this plant's team process, a team leader/advisor candidate pool is being developed for the Press, Metal Assembly, Movement Team, Skilled Maintenance, Tech Support Die Maker, Material Handling, Blanking, Quality and Salvage Departments.

Any employees that work in these departments and are interested in one of these positions must self nominate by filling out a Team Leader/Advisor Nomination Form and dropping it in the locked box, which is located near the clerk's desk in the center office complex. The posting will be removed at the end of second shift on Monday, August 18, 2008.

The assessment process for those interested in a Leader/Advisor position is tentatively scheduled for August 25 through September 12, 2008. Leader/Advisor training is tentatively scheduled for October 13 through October 31, 2008.

PMN / UAW Golf Outing

4-person, 18-hole Scramble

Proceeds go to Make-A-Wish Foundation

When: August 23, 2008

Where: Whitefish Lake Golf Club

Time: 8:30 a.m. shotgun start

Cost: \$260 per team (includes meal) -- must have at least one GM person per team

Prizes: 1st-, 2nd-, 3rd-, and last-place awards; also 50/50 drawing, novelty holes, skins, barter holes, closest-to-the-pin, longest drive, and door prizes

Free: Arrive early for free use of driving range

Contact Jim Store, Erik Stahl, or any UAW or PMN representative to get a form. Outing is limited to the first 30 teams that sign up. Deadline is August 18. Make checks payable to Erik Stahl.

Let's Talk: A Few Facts About Salary Health Care

Many employees and retirees have asked why GM made the decision to cancel salaried retiree health care for those who are 65 or older. This was a very difficult decision for the company to make. As GM looked at all the actions we could take to improve our liquidity, one of the considerations was to look at areas where we were not competitive as a company. Unfortunately, health care falls into this category.

GM was the only U.S. automaker who still provided health care to retirees who are age 65 and older – Ford and Chrysler eliminated this coverage in the past two years. Today about 21% of U.S. businesses provide health care coverage to their retirees. It's important to know that within that 21% of businesses, more than 40% of retirees have to pay for *all* of their health care costs. These other businesses are only providing retirees *access* to their health care program, not paying the bill for retiree health care.

GM spent \$4.6 billion dollars on health care covering more than 1.0 million employees, retirees and dependents in 2007.

Here are some more facts about the announced change and health care at GM that you should know:

- On January 1, 2009, retirees, surviving spouses and dependents age 65 or older will no longer be eligible to participate in the GM Salaried Health Care Program. This includes medical, dental, vision, hearing aid, prescription drug, extended care coverages and the special benefit payment of \$76.20.
- It's important to understand that health care will cancel when an individual turns age 65. Spouses or dependents of retirees under age 65 will remain covered by GM's Salaried Health Care Program until they turn age 65.
- Eligible GM retirees and surviving spouses who are 65 or older will receive a monthly pension benefit of \$300 beginning January 1, 2009. Also, eligible retirees and surviving spouses who turn age 65 after 1/1/09 will also receive the \$300 monthly pension benefit.
- Today Medicare provides primary medical coverage for those aged 65 and older who are retired.
- GM is committed to helping our retirees transition to a new health care plan. GM has hired a company called *Extend Health* to help retirees understand the medical plan options available to them and help them enroll in the medical plan they choose.
- Starting later this month, GM will be holding a series of retiree meetings to help retirees understand their choices.

Around Grand Rapids

PMN / UAW Gate Collection

The PMN (Professional Managers Network) and UAW are joining up for a Make-A-Wish gate collection on August 22. The collection will take place at each of the four entries/exits to the plant between all three shifts. Checks should be made payable to Make-A-Wish Foundation. If you're unable to contribute at the gate collection, you can give your contribution to any of the following PMN board members:

- Kevin Johnson** Vice Chairman
- Jeff Staniszewski** Treasurer
- Julia Hoskin** Secretary
- Brandon Taylor** Divisional Representative

Safety Corner

Our Recordable Injury Rate stretch goal for 2008 is 2.20.

Countdown
for . . .



Know Safety, No Accidents

	2007	Through 8/1/08
First-aid Injuries	454	191
Recordable Injuries	65	26
Lost Work Days	6	2
Near Misses Reported	232	263

Orange Crush "Ready Vest" Stations

Please take the time to return your orange vests to these highly visible and easy-to-access locations so everyone can quickly put on an orange vest before walking into a Crush Zone. This means going through your office, end-of-line drawers, tool boxes, closets, etc. to remove any orange vests you may have forgotten and left in storage. Hang them on the hooks as you walk by a "Ready Vest" station. Thank you.

--Nick Kassanos, assistant plant manager

UAW-GM QN Suggestion Corner

	07/26/08-08/01/08	YTD
*Awards Paid:	19	731
\$ Paid Out:	\$ 33,415.58	\$ 209,409.14
Savings to GM:	\$240,697.32	\$1,030,398.98
*Tangible and intangible awards		

Jose Hernandez Honored

Jose Hernandez, who retired as third-shift Press Room superintendent in 2004, was recognized by the publication MIBiz for his community involvement. Jose spends a lot of time with the non-profit Grandville Avenue Arts & Humanities, not only helping to raise money for the organization (as its past president), but also serving on committees, helping in the library, and tutoring kids. Jose has also been active with Paws with a Cause, an organization that helps people with disabilities by giving them their independence.

Dependent Scholarship Application Process

To apply for a dependent scholarship *by mail*, hourly employees should get a form from one of GRMP's form centers (center communications area or TDO office) or from **Mike Vincent** or **Wayne Major**, both of whom are in the Personnel Department.

To apply for a dependent scholarship online, go to www.uaw-gm.org. Then do the following:

- Click on the tab titled "myJAS Login," which will take you to the Welcome page. (If you don't have a JAS login ID, you may create one by clicking on the link at the bottom of the page.)
- Click on the tab "My Programs," which will take you to the CHR Programs page.
- Click on "Apply for TAP/DSP Benefits," which takes you to a personalized screen.
- In the Dependent Scholarship (DSP) section, click on "DSP Course Application."

Salaried employees should go to <http://www.gmbenefits.com> to complete this process.

Next week we'll show you how to complete the Tuition Assistance Plan (TAP) application process.