

Beyond Grand Rapids

Big Three face bankruptcy fears

With their sales plunging as fewer consumers are willing to buy gas-guzzling SUVs, some analysts fear that GM, Ford or Chrysler could be forced to head for bankruptcy.

“Fixing their product mix and cutting their staff down to manageable levels is going to take a fair amount of time to work down to the bottom line,” said Bob Schnorbus, chief economist with J.D. Power & Associates. “If they continue to lose money at the current rate, their chances [of bankruptcy] are uncomfortably high.”

“GM looks like they have four or five quarters to get their act together,” said Shelly Lombard, analyst for GimmeCredit, a fixed income research firm. Yet, there is a case to be made that the Big Three will eventually bounce back. In some respects, they should be in better position now than they were just a few years ago. Even as their losses started to pile up in 2005, that was due mainly to costs that were too high, not weak demand.

The Center for Automotive Research’s David Cole said if the Big Three are able to hang on during this slump, there is a chance that pent-up demand in 2009 could lead to much stronger sales just as some of the labor cost savings finally start to kick in next year.

“It could be a much more robust future than they’ve had in quite some time,” said Cole. “The trick is to survive long enough to get to that future. That’s where the challenge really lies.”

Source: CNNMoney.com, August 6, 2008

Volt is a “yes”

It was a beautiful sunny day at GM’s proving ground in Milford, Michigan in mid-May when GM Vice Chairman Bob Lutz invited me to watch him test the E-Flex system behind the new Chevy Volt. Given the enthusiasm surrounding the Volt, I jumped at the opportunity. Would E-Flex deliver on the promise that’s been built up surrounding GM’s electric car? The answer: Yes.

We wanted to see for ourselves how the Volt’s battery-powered engine ran. Lutz was only supposed

to do a lap at the Milford proving ground. But he loved the experience and performance so much, he kept going, and going. He showed the pleasure of driving a car where the acceleration was smooth and the only thing he could hear was wind noise because the electric drive train is so quiet.

After Lutz finished his ride he talked about this being the most exciting test drive of his career. I can see why. If the Volt delivers the performance that GM is promising, it WILL be a revolutionary vehicle. But there are still many hurdles to overcome before we see the Volt in showrooms in late 2010.

Source: CNBC.com, August 5, 2008

GM’s impact in global markets

There was a time in the United States when fall not only meant football season but also the coming-out party for all the spanking-new hot American cars. No more. Last year GM unveiled a new Buick in China.

Funny thing about the Chinese; while they’re busy shipping everything under the sun to Wal-Mart and everybody else in this country, they’re grabbing up Buicks as if they’ve never heard of Toyota and Honda, according to CNBC reporter Phil LeBeau.

The reason may surprise some of us. It’s because, as one Chinese buyer says, the Americans have been building cars for a long time and they know how.

If GM is fighting for its life here in the United States, it’s a big player in China, where it has a king-sized chunk of the market. GM now sells more Buicks in China than it does in America. One of the things Americans will find hard to swallow is that the big future for American auto manufacturers is building cars in China, Brazil and maybe Eastern Europe, where there is a huge market for new autos.

Source: Louisville Courier-Journal, August 6, 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.

GM Wins Nine Motorist Choice Awards

GM continues to rack up vehicle awards. Most recently we’ve won nine awards as part of the 2008 Motorist Choice Awards!

2008 Motorist Choice Award winners:

- Chevrolet Silverado 2500/3500 – Large Heavy-Duty Pickup
- Chevrolet Avalanche – Large Light-Duty Pickup
- Chevrolet Impala- Premium Mid-Size Car
- Chevrolet Corvette – Premium Sports Car
- GMC Acadia – Large Crossover SUV
- Cadillac DTS – Large/Luxury Car
- Cadillac Escalade – Premium Luxury SUV
- HUMMER H3 – Mid-Size SUV
- Saturn Sky – Sports Car

The Motorist Choice Award (MCA) was established from a partnership between AutoPacific and IntelliChoice -- two established and respected automotive industry research firms. This award is unique in that it turns attention to the top vehicles in the market that reward their drivers with outstanding economic AND emotional rewards over the time of ownership.

Here are some of the comments judges made about our vehicles:

- “With a reputation second to none, Silverado was ranked by owners as having superior reliability, dependability, durability and driver’s seat visibility.”
- “Owners gave the Impala top marks for power, acceleration and ease of getting in and out.”
- “Within its segment, the GMC Acadia received the highest marks for image and exterior styling. Acadia also bested the competition in ride and dependability . . . and stands out with its best-in-class fuel costs.”

GM Has Ten Vehicles Among Best in Segment

The J.D. Power Vehicle Dependability Study (VDS) was released last week, and it shows 10 2005 GM vehicles among the best in their segments:

- Chevrolet Aveo, Monte Carlo and Suburban
- Buick Century, Park Avenue, and Rainier
- GMC Savana
- Cadillac DeVille, Escalade EXT, and Escalade ESV

The Monte Carlo and the Century were ranked number one in their respective categories. Among the brands, Cadillac ranks second and Buick third. All GM brands outperformed the industry average.

The study asks owners of three-year-old vehicles to report the types of problems they’ve experienced with their vehicles during the preceding 12 months.

Here are some other highlights from the survey:

- GM’s 10 vehicles among the best in segment was second only to Toyota’s 11.
- Toyota, Hyundai, Nissan and Scion all ranked BELOW the industry average.
- Five GM brands improved year-over-year: (Saab, 13 points), Cadillac (9), Chevrolet (8), Hummer (2), and Buick (1)
- Twenty one brands finished above the industry average. Among them, here are the GM brands: Cadillac, Buick, Saturn, Chevrolet, GMC, Saab, Pontiac, and Hummer.



GMC

Contact Gary Evey (616-246-3132) or Rick O’Rourke (616-246-3124 - UAW). Fax 616-246-3150.
Grand Rapids GM Metal Fabricating Plant, 300 36th Street SW, Grand Rapids, MI 49548.
E-mail: gary.d.vey@gm.com, or rick.orourke@gm.com

Benefit Bits

Active Hourly Life Insurance Enrollment

MetLife will conduct a life insurance enrollment from August 11 through August 22. During this enrollment, eligible employees will have the following options:

- To increase their current amount of optional life insurance (OLI) and/or dependent life insurance (DLI) by one coverage schedule **without providing proof of good health.**
- To enroll for OLI and/or DLI at the lowest coverage schedule, **without providing proof of good health.**
- To enroll for any higher level of coverage by answering five questions of health.

You can enroll at gmbenefits.com or by calling 1-866-607-9794. Please take the time to update your beneficiary online or by requesting a form through the above enrollment number.

Union Benefits

Cancel Ineligible Dependents NOW!

GM is conducting an audit concerning dependents not eligible to be on the healthcare policy. If dependents ARE eligible, there is NO need to respond. If dependents are NOT eligible, action is required. You must call 1-800-489-4646 by August 20 to CANCEL a dependent. Amnesty is provided for those dependents that should have been removed. Later in the year you will be asked to provide documentation for those remaining eligible dependents. Dependents found to be ineligible later may result in a financial penalty to you.

New Requirements for GM OnLine Passwords Coming

GM is continuing to make more applications Single Sign-On (SSO) ready. SSO enables you to enter your ID and password once to gain access to desktop and network applications. You will not have to enter your ID and password again to get into Socrates when entering that site from your own on-line desktop. Also, you should not have to reset the Socrates password separately from your windows access password when prompted that it has expired.

Those entering mySocrates from a PM&C computer will have to reset the Socrates password monthly as before.

Within the next two weeks, GM will begin requiring a secure password for GM OnLine (logging onto your Windows desktop). Therefore, at your next password change, you will need to enter a password that meets the following criteria:

- (1) eight or more characters,
- (2) at least one uppercase letter,
- (3) at least one lowercase letter,
- (4) at least one number.

If you're a Maximo user and you experience any problems with the new process (or you have any questions) please call ext. 2955 and leave a message for PJ, the MAXIMO Queen!

Child Care Office News

Moving Resources – Are you or a loved one moving? These resources can help make the move go smoothly. Visit the Child Care Office if you would like a copy of these articles:

- **Understanding Children: Moving to a New Home** (www.nncc.org/Child.Dev/movenew.html)
- **Moving checklist for kids and coloring pages** (www.prudentialbc.com/Relocation/Documents/movingchecklistforkids.pdf or www.prudentialbc.com/relocation/coloring_pages.aspx)
- **The Moving Blues**
- **Preparing Your Child for a Move**
- **What Kids Who Are Moving Should Do** (for the above three articles, plus other related articles, go to www.kidshealth.org and type “moving” into the search bar.)

Back-to-School Resources - Start off the school year right. Download these articles or visit the Child Care Office for a copy:

- **How Can I Avoid Struggles With My Child About Going to School?**
- **Back to School**
- **Healthy School Lunch Planner** (for the above three articles and several other school-related articles, go to www.kidshealth.org and type “school” into the search bar.)
- **Healthy Snacks and School lunches** (<http://www.extension.iastate.edu/Publications/PM1264.pdf>)

Homework Help

The Homework Hotline will again be available on Mondays through Thursdays, 4:00 p.m. to 9:00 p.m. This service begins Monday, August 18. For more information about the Homework Hotline and other after school tutoring and homework-related resources, visit the Child Care Office.

Sign up now for the Back-to-School Drawing

Three gift certificates will be given away to three lucky winners. Sign up to win from the Child Care Office. Take home a simple craft for your school-agers to make when you stop by the office.

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

	<u>2007</u>	<u>Through 8/15/08</u>
First-aid Injuries	454	203
Recordable Injuries	65	26
Lost Work Days	6	2
Near Misses Reported	232	276

Forehead Injuries

Another team member received a laceration to his forehead earlier this month. Fortunately, this was not as serious as the three previous incidents and did not require stitches. Please remember to wear your protective bump caps, even in areas where they may not be required, if you feel you are exposed to potential head injuries.

--Nick Kassanos, assistant plant manager

UAW-GM QN Suggestion Corner

	<u>08/02/08-08/08/08</u>	<u>YTD</u>
*Awards Paid:	28	759
\$ Paid Out:	\$ 1,470.08	\$ 210,879.22
Savings to GM:	\$ 0.00	\$1,030,398.98
*Tangible and intangible awards		

Tuition Assistance Plan Application Process

To apply for tuition assistance *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 (which is usually the option with the faster response time), go to www.uaw-gm.org. Then do the following:

1. 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.)
2. Click on the tab “My Programs,” which will take you to the CHR Programs page.
3. Click on “Apply for TAP/DSP Benefits,” which takes you to a personalized screen.
4. In the Tuition Assistance Plan (TAP) section, click on “Course Application.”

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

State-of-the-Business Meetings This Week

All employees need to attend a State-of-the-Business meeting this week. If you're unsure of when your area is scheduled, please see your supervisor.