



Dear Employees,

We have been informed that UE locals 506 and 618 plan to hold a vote on Wabtec's June 10, 2023 proposal next week. Given the importance of this vote to our employees and their families, I wanted to take this opportunity to share a few facts about the Company's proposal so that each of you can make an informed decision. The outcome of the vote will affect the future of the Erie Facility and will have a lasting impact on the Erie community.

### **The bargaining process**

The Company and the Union have been in negotiations since April 27 trying to finalize terms and conditions for a new contract at the Erie Facility. It was a difficult process for both sides. The Company believes that the 2019-2023 contract worked well for both sides, so we were not asking for any major language changes. The Union wanted significant revisions to the contract that would mostly go back to the GE way of doing things. And, the Union fought hard for its proposals. Over six weeks of negotiations, Wabtec and the UE exchanged dozens of proposals. Neither side got everything they wanted. But, the June 10 proposal offers something for everyone, and provides Erie employees with meaningful improvements in wages and working conditions while ensuring that the Erie Facility is well-positioned for future success.

### **Wages and other compensation**

We understand that our employees deserve a fair wage for their efforts on behalf of the Company. The June 10 proposal will preserve the industry-leading wage package that Erie employees currently enjoy, and significantly improve starting wage rates for new hires. The proposal will provide the first general wage increases for Erie employees in many years. With three general wage increases (3.4%, 2.5%, 2.5%), a \$3,000 ratification bonus and a \$2,000 lump sum, the average Erie employee will earn an additional \$23,000 in wages and bonus compensation between 2023 and 2027. These wages and bonuses represent an investment of approximately \$39 Million in our Erie employees over the term of the new agreement.

## **Non-economic enhancements**

During the negotiations, the UE came to the table with proposals on nearly *every* article of the contract. Both parties worked hard to address these issues and accommodate the concerns of our employees. The result -- we made many improvements to the contract language, including:

- Making holidays and personal days available sooner for new hires.
- Assuring that employees who bid on job vacancies will be transitioned to their new jobs without delay.
- Providing seniority credit for employees who are recalled from layoff.
- Enhancing IEA eligibility for short work weeks.
- Offering retirement incentives.
- Improving severance benefits.
- Guaranteeing union representation and due process for employees subject to disciplinary action.
- Improving the grievance procedure by ensuring the right decisionmakers are involved at every step of the grievance procedure.

## **Helping Erie thrive**

I communicated to you and the Union on the first day of bargaining that the future of our plant depends on our ability to attract talent and work opportunities. One of the strengths of the proposed contract is that it will allow us to keep work in Erie, and even bring new work in, providing increased job security for our employees as the company remains competitive for new business.

The importance of remaining competitive cannot be overstated. Wabtec's impact in Erie goes beyond the people who work in the plant. In total, the Erie Facility has an economic impact of \$1.25 billion, and we support 4,463 jobs in the region. With Wabtec and our employees working together under this new contract, we can continue to build on our recent success.

I know that you may not have gotten everything you wanted out of this contract. But I am proud of the contract proposal you are voting on. It presents an opportunity to move forward in a positive way – for you, for Wabtec and for the Erie community. And your vote is important because the outcome affects all of us.

As always, please let me or my leadership team know if you have any questions.

Sincerely,



Joe Cavalier  
Vice President, Operations