

Why is PACCAR

**Locking
Out**

**workers
who want to**

work?

We build trucks. **Peterbilt** Trucks. The best trucks in the business

But we haven't built any lately. On September 2, executives at PACCAR, which owns Peterbilt, decided to

lock us out of our jobs

in Madison, Tennessee.

They locked us out - even though we were, and are, ready, willing, and able to work.

We were in the middle of contract negotiations. Our previous contract had expired. We offered to keep working, while we stayed at the table to reach a new agreement.

The company said **NO**. The members of **UAW Local 1832**, and our families, want you to know our side of the story.



What PACCAR Wants From Us

Instead of bargaining in good faith, PACCAR tried to turn our negotiations into a one-sided campaign to **reduce our standard of living**. Here are just a few of the demands the company put on the table:

- ö A **300% increase** in our health care costs.
- ö A **600% increase** in the amount we pay for prescription drugs.
- ö An initial offer of a "raise", if you can call it that of 22 cents per year. Eventually the company upped its offer to 30 cents. That's still less than inflation. We are being asked to accept a **decline in real wages**, even though we are facing a huge increase in health care costs for our families.
- ö A pension offer which also lags behind inflation -- which means retired workers will have to **live on less money** in years to come.
- ö The company also demanded the **cancellation of wage progression** for workers on leave **to serve in the Reserves or National Guard**

We couldn't believe our ears when we heard that PACCAR wants to impose a **financial penalty** on men and women who want **to serve our fellow citizens**. We let the company know exactly how we felt, and they eventually backed off. But the fact that they would put this type of demand on the table -- at a time when our entire country needs to pull together-- gives you some idea of what these negotiations have been like.

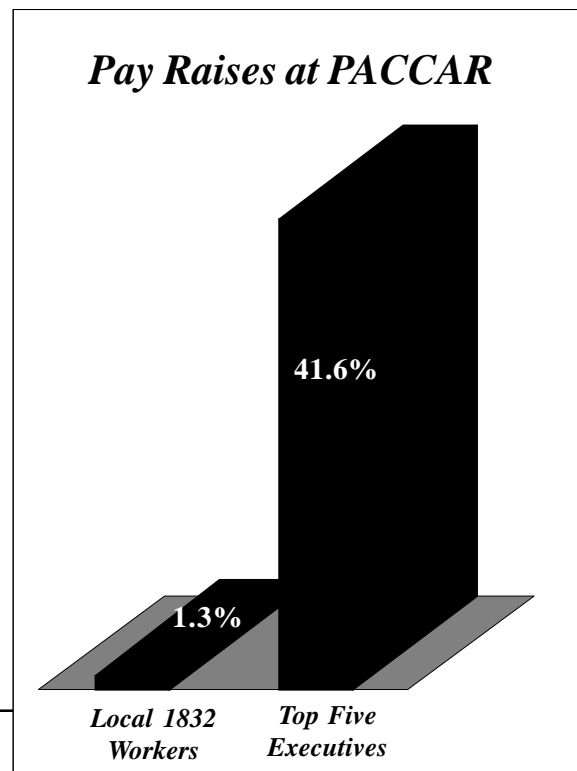
What PACCAR Executives Get

Does PACCAR really need the concessions they are demanding from us?

Let's do the numbers:

- PACCAR has **turned a profit every year** for the past sixty two years.
- In 2001, the company's after-tax profits dipped to a mere \$173.6 million for the year. But things are looking up this year. In fact, during the second quarter, **PACCAR's profits were up by 86%** from the year before.
- Results from the rest of the year might not be so rosy. Second quarter profits probably reflect some pull ahead sales, due to coming technological changes in the industry. But if it's time for belt-tightening, the news has obviously not reached corporate headquarters in Seattle. Between 2000 and 2001, **compensation for the top five executive officers at PACCAR increased by 41.6%**. Not to mention millions of dollars worth of stock options, to be cashed in at a later date.

We're more than willing to do our share to help the company succeed, as we have for many years. But if these guys are getting more, how come we're supposed to settle for less?



Source: PACCAR proxy to shareholders; PACCAR offer to UAW Local 1832

Where Do We Go From Here?

We don't think PACCAR's demands -- that we earn less money, pay more for health care, and have a lower pension -- are fair or justified. Especially when you consider the millions of dollars in extra compensation that executives recently gave themselves.

But we're also aware that these are some tough times in the truck industry. So when our contract expired earlier this month, we didn't call a strike. We offered to keep working while we continued to negotiate to reach a fair agreement.

We're convinced that we can meet any challenge this industry faces if we work together. That's exactly what we've done in years past. That's why Peterbilt in Tennessee has a reputation for quality that can't be beat — and that's why PACCAR has turned a profit every single year for the past 62 years.

But we can't help anybody if we're out on the street. That's why we're prepared to return to work, immediately. We want to keep working — and keep talking — until we resolve this dispute.

What Can You Do to Help?

If you believe:

- companies should treat their workers fairly;
- executives should not get **huge raises** when workers are being asked to take **pay and benefit cuts**;
- and that workers should not be **locked out** when they are **ready, willing and able to work**;

then please contact **PACCAR**
and inform them of your concerns.

David Hovind, President

PACCAR

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Tell Mr. Hovind:



END THE LOCKOUT.

Bargain a fair contract

A message from locked-out members of UAW Local 1832

For more information, please contact us:

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