

FREIGHTLINER.

LLC

A DaimlerChrysler Company

Transmitted via Fax: 313.331.2498

Original Sent via Regular U.S. Mail

August 20, 2002

Mr. David McAllister

Administrative Assistant

United Auto Workers Union (UAW)

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Human Resources

Freightliner LLC

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503.745.8000 Phone

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Re: *August 28, 2002 Meeting*

Dear Dave:

Thank you for calling today in order to provide advance notice of your travel plans next week. Although Rainer is currently out of the office and I don't have visibility to his schedule, I believe that both he and I will be able to join you and Nate Gooden for dinner shortly after your arrival on Tuesday evening.

As previously discussed, our meeting on Wednesday, 8/28, is intended to focus on developing the framework for a possible card check procedure. Therefore, I think it would behoove us to formally agree upon the list of "preconditions" that have been only verbally discussed up to now. Agreement on these conditional requirements should pave the way for productive discussions of your agenda on 8/28.

For convenience purposes, I have listed numerically the Company's list of "preconditions" along with my understanding of the Union's position on each item.

Please call me after you have a chance to review the points enumerated on the attached. I would like to finalize items of agreement and attempt to resolve all remaining open issues.

I look forward to talking with you again later this week.

Thank you and best regards.



Scott W. Evitt

General Manager, Human Resources

Labor Relations/Administration/Organization

Cc: Rainer Schmuckle

Attachment

Preconditions to a possible "Card Check" procedure
Between Freightliner and UAW
(Not Listed in Priority)

Note: A final agreement is dependent upon receiving some contractual relief at Mt. Holly. Specifically, Freightliner expects cancellation of 12/02-wage increase, cancellation of 1/03 profit sharing bonus, benefits cost sharing by employees, and an extension of the current contract with no wage increases.

Conditional Requirements	Freightliner Understanding of UAW Position as of 8/20/02
1. Separate consideration for each Business Unit because of industry differences (Trucks, Parts, Busses, Fire and Rescue, Chassis)	OK
2. No guaranteed employment or transfer rights between Business Units/Plants.	OK
3. No severance pay or SUB in the event of layoff or plant closures.	OK
4. No strikes during the terms of Agreements.	OK, except Health and Safety
5. No future expectations to meet "the UAW pattern".	OK
6. No subcontracting prohibitions, provided economics reflect non-competitiveness.	Concerns / Discussion
7. Production standards, plant layout, and job qualifications must remain at the Company's discretion.	OK
8. No additional restrictions against overtime scheduling	OK
9. No paid Union Representatives or Union offices, unless the UAW fully reimburses costs.	Concerns / Discussion
10. Benefits cost increases can be further shared with employees, if necessary, in the future.	Concerns / Discussion
11. The Union will not organize office or professional employees – only production and maintenance workers.	OK