

# CAW-Ford Bargaining Update

September 24, 2009

Dear Brothers & Sisters;

We are writing to provide an update on developments in the negotiations with Ford.

As you know, elected CAW shop-floor leaders at all Ford locations in Canada (Oakville, Windsor, St. Thomas, and Brampton) were unanimous earlier this summer in deciding to enter extraordinary contract talks with the employer, in light of the terrible downturn in the North American industry.

As we entered the talks, we were crystal-clear with the company regarding the three required conditions if we were to extend to Ford the contract savings the CAW negotiated at GM and Chrysler earlier this year (and which have now been ratified at CAMI in Ingersoll, as well):

- Contract changes must be ratified by CAW members.
- Ford must commit to maintain its proportional Canadian manufacturing footprint, in return for negotiated cost savings.
- Ford must join CAW and other automakers in pushing for a national auto strategy, and the revitalization of the Canadian Automotive Partnership Council (CAPC), in order to address the auto industry's true problems (which are not labour costs).

If Ford was unwilling to meet those conditions, then the company should not have asked to enter extraordinary bargaining.

We held one week of full face-to-face talks at the beginning of this month, followed by continuing dialogue since then over specific costing and contract issues.

Unfortunately, there has been no meaningful progress so far in our discussions. Ford is demanding all of the cost-saving measures that were implemented at GM and Chrysler, including both national economic issues (like the changes in paid time off and certain health benefits) and local work practice and productivity issues.

Ford has not given the CAW any indication of its willingness to commit to its side of the deal. In particular, it has absolutely refused to entertain any prospect of guaranteeing its production footprint in Canada, at *any* of the locations.

Both GM and Chrysler (and now CAMI) have all committed to fully maintain their Canadian manufacturing presence (including new product) in return for the extraordinary measures undertaken by government (federal and Ontario) and the CAW to preserve their Canadian businesses. Chrysler committed to maintaining 20% of its future North American vehicle assembly in Canada. GM committed to maintaining 16% of its future North American vehicle assembly, and a larger share of its North American powertrain production (engines and transmissions), in Canada – for a total footprint commitment of about 18%. CAMI has committed to long-term production at its plant, including product commitments that will continue to at least 2019.

Those footprint commitments are as much a part of the “pattern contract,” as the cost savings which Ford is demanding. But where does Ford stand on this issue?

Ford already has the smallest Canadian footprint of any of the major automakers present in Canada (including Toyota and Honda).

Ford already sells more vehicles in Canada than it produces here (unlike any other automaker present in Canada). This violates the traditional principle of the Auto Pact. Ford is happy to enjoy the support of Canadian consumers. But it's not willing to give back, proportionately, in the form of production and jobs here.

Ford's Canadian footprint has traditionally been around 13% of its North American production. Under the production plan which it has presented to the union (which includes no production at St. Thomas after 2011, shrunken production in Windsor, and 2 shifts only in Oakville), that footprint would fall to 8 or 9 percent.

Ford has told us there is no new product for St. Thomas and is determined to close the St. Thomas plant in 2011.

In Windsor, Ford's current product plan implies further dramatic shrinkage in headcounts. In Oakville Ford says that if we accept *all of their national and local demands*, they will *consider* allocating a new platform that would merely maintain the operation at 2 shifts.

For over 100 years, Ford has had an important and honourable Canadian presence. **But make no mistake about it: we are now dealing with a new company.** Ford is determined to cut costs, shift production to lowest-cost jurisdictions (including new plants they are building in Mexico, China, and India.) The Bargaining Committee is determined to challenge Ford and their lack of commitment to Canadian workers.

The current rules of globalization allow Ford to behave in this manner: selling as much as they want in Canada, without any guarantees of future work for Canadians. We refuse to play by those rules. We face an enormous challenge to pressure Ford to maintain

its presence here – and to pressure our governments to hold this arrogant company accountable.

We have indicated to Ford that we are prepared, subject to ratification, to extend the CAW-GM-Chrysler pattern, so long as Ford lives up to its end of that same pattern; **protecting the Canadian footprint.** Ford stands to save several hundreds of millions of dollars in costs under that pattern agreement, until its expiry in 2012. But CAW members cannot be expected to approve those changes, if Ford has nothing to offer us other than more plant closures and more downsizing.

We recognize the seriousness of the threat which Ford is posing to its Canadian workforce, and we approach these negotiations seriously and sincerely. Ford to date has not given the Master Bargaining Committee any reason to accept changes without a commitment.

There have been media reports that bargaining has broken off with Ford, this is inaccurate and we are continuing to have discussions with Ford on these negotiations. A press release was put out yesterday to clarify this matter.

We will provide further updates as our discussions continue. We thank you for your support and solidarity. By standing together, we will win the best deal possible for our members

In solidarity,

**Ken Lewenza,**  
*CAW National President*

**Peter Kennedy,**  
*CAW National Secretary-Treasurer*

**Mike Vince,**  
*Chair of the CAW Master Bargaining Committee*

**CAW-Ford Master Bargaining Committee**

