

May 13, 2009

Bargaining Update - Number 2

The bargaining committee has met with the company, trying to clarify the \$6000 cost that was raised by Navistar. It is clear to the bargaining committee that management has exaggerated this cost, which is a combination of Garland temporary worker pay rates and Escobedo pay rates. The union will be putting together a formal response and counter proposal as to how we can maintain this work and meet the costs they have presented.

The skilled trades proposals were presented and clarified to the company. We rejected the company's proposal as it deals with trades. The first issue discussed was the violation of the agreement the company was planning for this upcoming long weekend. The company was put on notice, this is a clear violation of Article 20, paragraph 485 and we will be filing grievances if our people are not fully utilized on the job. The Company has rescheduled the job for next weekend and understands the union's position. The Union has made it very clear that this type of outsourcing should not be happening during bargaining.

The National CAW website (www.caw.ca) has an article that deals with the CAW call to the Federal and Provincial Governments to help save Navistar once again. It needs to be noted ***"that without action such as a tariff on Navistar, it is clear the work will be sent to Mexico or the United States"***.

The bargaining committee reaffirmed its position the Navistar employees at Chatham have the best quality and productivity of any Navistar facility and we deserve to keep the work in the Chatham facility.

We will continue to update you and have safe and enjoyable long holiday weekend.

Your Bargaining Committees