

BARGAINING UPDATE #4

NAVISTAR C.A.W. LOCAL 127 & C.A.W. LOCAL 35

JUNE 11 2009

Dear Sisters and Brothers,

As your Bargaining Committees, we have committed and will continue to update the membership on the negotiations. We continue to deal with Navistar's demands concerning the plan to greatly reduce our production at the facility. Their demand is untenable and we continue to argue that our members deserve their plant and office be fully utilized. It is clear by these discussions that our work is being moved to Mexico and quite possibly to Springfield. The Committees are determined - this must not happen. Our discussions this week centered on the grievances outstanding for both, C.A.W. Local's 127 and 35. The Committees have made presentations on these grievances and are awaiting a response back from the employer.

The Committee has also made presentations concerning bringing work back into the facility that is currently being performed by outside vendors. This work should be returned to our members and with the massive amount of workers on lay off, this is a key priority especially given the employer's position that outside vendors are coming into our plant under their "New World Order" proposal. It remains unacceptable that Navistar ignores our members having a right to this work.

In the corporation's recent earnings announcement, they have reported \$56 million profit before tax in the truck segment, and has increased market share in the heavy-segment by 8% in the last 3 quarters and a 9% growth in the last 6 months. The release also stated this increase was primarily driven by our ProStar product. This has certainly cemented the company's position that these negotiations are about maximizing profits on our membership's backs, regardless of the statements being distributed by the company.

The Bargaining Committees continue to work hard to show the company savings and to retain work at the Chatham plant. So far the company rejected the Committees' suggestions and has maintained their stance on their original proposal that we have distributed in the plant. We continue to remind the corporation that our labour costs are lower than their US operations and that we are more productive.

It is incredibly important that the membership does not rely on rumours or innuendos as we continue to go through this process up to our June 30 expiration.

With the collective agreement deadline fast approaching, employees will be sent home with full pay as their services are no longer required at the plant. This was confirmed by the Company on June 10, 2009. It is important to remember that some employees' services will be retained longer than others, depending on the area they work in. Most employees will be done by June 25, skilled trades will work their normal shift the weekend of June 26,27,28 and all employees will be asked to stay home Monday June 29 but will still receive their full pay. **This is what the Company has informed the committees.**

In solidarity,
Bargaining Committees – C.A.W. Local 127 and C.A.W. Local 35
