

BARGAINING UPDATE #5

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

JUNE 18 2009

Dear Sisters and Brothers,

As committed, the bargaining committees of C.A.W. Local 35 and C.A.W. Local 127 continue to update the membership on the current negotiations.

BARGAINING UPDATE

As indicated in past information leaflets, the corporation's demands remain unacceptable. The company continues to make their arguments on the significant changes to the facility which would mean a reduction in the current workforce and in addition, ignores the hundreds of our members currently on lay off. Their "New World Order" proposal would mean additional layoffs of over 200. The Company to date has given no response to the union on what happens to all laid-off members. To add insult to injury the corporation is demanding through their proposal to bring in third party suppliers to perform our current work. This of course is totally unacceptable. To date the corporation has not responded to the union proposals on a whole host of issues including economics.

As you know, the corporation continues to wind down the operation. The line will be emptied and as departments are affected, people will be sent home with pay until June 29, 2009. The payment is required under the Employment Standards Act as we are under a notice of lay off. As of this morning the corporation has informed the bargaining committees that their plan is to have the plant emptied of personnel by 12:00 noon on the 29th of June. Your committee is dealing with these issues with the Company at the bargaining table to ensure that our members' rights are protected and the collective agreement is followed on all matters.

COMMUNICATIONS WITH MEMBERS

The bargaining committees recognize that we need to continue to communicate with the memberships. We have instituted website systems and will also communicate to your representatives in both locals. This information will be posted to the following websites:

www.internationalemployees.com

www.caw-wac.com

www.cawlocal127.ca

laidoffemployeesnetwork@gmail.com

www.caw.ca

EMPLOYMENT INSURANCE INFORMATION

There have been a number of questions concerning the current and future status of our members as we go through this process. We have made contact with E.I. and raised numerous questions with them to confirm what our members' rights are concerning E.I. applications. In addition, we have brought in national staff representative

Laurell Ritchie for guidance and direction on this matter. Attached to this update is information that we would ask our members to follow irrespective of the negotiations.

PENSION INFORMATION

As a follow up to the pension seminar held last Thursday, June 11, 2009, we continue to ensure that our members who are contemplating retirement and/or have agreed to retire will be protected during this process. We are ensuring that this information continues to be processed and any questions are filtered through our national pension and benefits department and your local representatives. We are awaiting responses back from the company on the issues of benefits for those who may want to retire after June 30th. We will continue to update our membership on this matter as soon as we have responses back from the corporation.

SICK AND ACCIDENT BENEFIT/LONG TERM DISABILITY

There have been some rumours circulating concerning the above issues. The corporation has notified the bargaining committee that those employees who are currently on S&A and/or LTD will continue to receive their benefit irrespective of any dispute. We are awaiting a confirmation letter from the corporation on this issue.

MEMBERSHIP MEETING – JULY 1, 2009

To ensure that we continue to update our membership, we are scheduling a report and/or ratification meeting for the above date at 10:00 a.m. at the Kinsman Auditorium, 80 Tweedsmuir Avenue. We encourage all of our members to attend.

MEETING WITH INDUSTRY MINISTER TONY CLEMENT

As all of you are aware, we continue to pressure the Federal and Provincial Governments concerning the current situation at the plant. We firmly believe that the governments must play a role in this situation. To this end, we have a meeting scheduled with Minister Clement and Local MPP Dave VanKesteren for this Friday June 19, 2009 in Ottawa. This will be attended by Ken Lewenza, President of the C.A.W., Cathy Wiebenga, Chair Local 127 Navistar Unit, Sonny Galea Chair Local 35 Navistar Unit, Bob Chernecki, Assistant to the President and Joe McCabe, C.A.W. National Representative. We will advise the membership of the results of this discussion but clearly the Federal Government has a responsibility to pressure Navistar not only to remain in Chatham but to maximize the operation. The Federal and Provincial Governments in 2003 provided millions of dollars to keep the work in Canada and save the facility from closure. We urge our members to continue to pressure their local MP, Dave VanKesteren (vankesteren.d@parl.gc.ca) and their local MPP, Pat Hoy (phoy.mpp@liberal.ola.org) to work with your union to maintain this plant at a secure level of production and product. We remain convinced that Navistar is reducing the size of the operation which could potentially lead to closure of the facility.

STRIKE OR LOCK-OUT

The bargaining committees of C.A.W. Local 35 and C.A.W. Local 127 are committed in their attempts to reach a collective agreement with Navistar as explained earlier. The issues are complex and it is our firm belief that it is **not** in the best interest of our members, their families and the community, to exercise our legal right to invoke a strike on June 30th at 12:01 a.m. We firmly believe that the corporation has an obligation given the challenges that we face to bargain beyond the deadline without a dispute. Therefore, we have presented the following letter to the corporation and will await their response.

June 17, 2009

Dave Bebee
Vice President, Manufacturing
Navistar Inc.

Thomas Hennigan
Director, Employee Relations
Navistar Inc.

Greetings,

Re: Negotiations

As you are well aware, the parties have been in extensive discussions concerning the above matter. From the onset of these negotiations the Union has expressed their desire to reach a collective agreement without a dispute. The corporation, through their demands, has notified the CAW Local 127 and C.A.W. Local 35, that the production at the facility will significantly change including a reduction in the production and manpower levels. According to the employers proposal, active workers at the facility will be laid off while third party suppliers replace them on current operations.

The Union has expressed our considerable dissatisfaction with this proposal and have attempted to highlight legitimate concerns about this significant change. The memberships of both locals currently on lay off exceed 800 CAW members. In addition, the Corporation's proposal would see the current active workforce reduced to less than 100. This change, means the lay off will exceed one thousand workers.

There can be no dispute; the Chatham workforce has historically produced top quality products for the Navistar Corporation. The launches of the Prostar and Lonestar were a success story and significantly raised the market share in heavy trucks and are the corner stone of the truck segment for the corporation. These workers and their families deserve to have full employment and a measure of job security.

In 2003, workers agreed to a significant amount of changes in their collective agreement and have sacrificed their personal incomes in attempts to show their commitment to the plant and the products they build. The federal and provincial Governments injected millions of dollars in an attempt to provide long term security that was designed to secure jobs within the community. The 'spin-off' effect of these jobs is 4-5 to 1. These workers, their families and the community deserve to be treated fairly. Your current proposal fails to recognize the efforts of these workers.

The corporation's proposals have polarized these negotiations and the parties remain significantly apart on these key issues. It would be in the best interest of the workers, their families and the community for the parties to continue in earnest to reach an agreement without the threat of a dispute by either party.

Therefore, the CAW advises Navistar of their intention to bargain beyond the expiry of the collective agreement on June 30th at 12:01 a.m. In short, we will not be exercising the right to

strike. We firmly believe the parties may also require the services of mediation as they move through these difficult negotiations. The union proposes a 90 day extension to the current collective agreement while the parties attempt to find a solution to these difficult negotiations.

We look forward to a positive response and dialogue.

Sincerely,

Master Bargaining Committees, CAW Local 35 and CAW Local 127

Cathy Wiebenga
Chairperson, CAW Local 127

Sonny Galea
Chairperson, CAW Local 35

Joe McCabe
CAW National Representative

Robert Chernecki
Assistant to the President

We have an obligation to our members to use every tool necessary to obtain an acceptable collective agreement without putting our members through an unnecessary dispute. We want to be clear, if the corporation attempts to perform work after June 29, 2009, we may be forced into a strike position. We would expect by the letter (as above), that the corporation, if they agree, will not lock out our members. We want to remind the membership that it was the corporation who applied for conciliation which would see our agreements expire on June 30th at 12:01 a.m. which would allow the corporation to lock us out. Even in the event we are successful in reaching an agreement, the corporation has notified us that the layoff will continue for an undetermined amount of time.

To say that this situation is confusing would be an understatement. The corporation, as indicated above, remains inconsistent in their messages about the negotiations and the future of the plant. We will immediately advise the membership once we have a response to the letter from the corporation. Copies of this and future leaflets will be distributed at the Local 127 Hall, the Employee Action Centre, and the Chatham National Office.

Once again, we encourage our members not to listen to rumours or innuendos. Your Bargaining Committees are committed to provide as much information as possible as we go through this difficult process.

In solidarity,

Bargaining Committees – C.A.W. Local 127 & C.A.W. Local 35

CAW  TCA
CANADA