

# BARGAINING UPDATE #6

---

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

---

JUNE 28 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.

Your committees have continued to work all weekend on complex and challenging issues. National President Ken Lewenza joined the bargaining table and met with the senior levels of the corporation on Friday. He delivered a strong message that we cannot reach a fair and equitable settlement while the corporation has unacceptable demands against our active and retired members. He urged them to maximize the facility rather than devastate the current employment levels. As of 1:00 pm this afternoon, the corporation has continued with their demand to significantly reduce our membership in production, trades, and office. The corporation continues to maintain that our facility will be reduced to a low-volume day-cab only plant. We continue to resist this demand and are fighting back against this massive job loss. The bargaining committees have made several proposals in attempts to bring work back into the facility. In some cases we believe we are making progress but the corporation is still insisting that 3rd party suppliers come into the production, trades, and office. We cannot agree to this approach.

### **PENSION AND BENEFITS**

As you know there are a number of demands that the corporation has proposed on both pension and benefits. These demands would directly impact current and future retirees. However, after numerous meetings, in which your bargaining committees gave the company the ultimatum on current retirees, the company's last proposal has withdrawn their demands on existing pensioners. The company's latest proposal also withdraws an earlier demand to force all current, active Defined Benefit members to be converted to the DPSP or RRSP-type pension plan. This is clearly a credit to your bargaining committees in which they drew a line in the sand on these matters. The company's demands on active and future retirees (those who retire after July 1, 2009) remain on the bargaining table. We will continue to reject outright these changes to the benefits for active and future retirees. The union still has proposals on the table dealing with increases to pension and maintaining the PCOLA. The corporation has committed that anyone who elects to retire prior to June 29, 2009 at 12 noon, will receive their pension entitlement and health care benefits as outlined in the current collective agreement.

### **ECONOMIC PACKAGE**

To date, the company's responses to the demands submitted by the bargaining committees have been negative. On June 27, 2009, the corporation tabled a demand for lump sums in lieu of any wage increase.

As part of the company demands, they have tabled a proposal that reduces new hire compensation and includes elimination of COLA. In addition, the corporation still has a demand on table to eliminate COLA from the collective agreement going forward for all current members.

### **ADJUSTMENT/SEVERANCE**

Given the company's attitude towards the long-term production levels at the plant, the bargaining committees tabled a comprehensive demand dealing with the effects on our membership if in fact the plant was to close or be significantly reduced. These proposals also include providing income and benefits to all the affected members. The company has not as of yet addressed our proposal but have tabled a response that is unacceptable in its approach to this situation.

### **NEXT STEPS**

The bargaining committees will continue to stay at the table in attempts to reach a settlement. There is a consensus that the corporation's demands remain unacceptable and given these demands will be difficult to reach a settlement by the expiry date. The corporation has rejected the letter by the union in which we offered to extend the current agreement beyond the expiry date and bring in a mediator to assist the parties. Their public statements concerning reaching an agreement are political posturing at best. We have constantly updated the in-plant leadership on the status of bargaining and have committed to continue our communication to them thru conference calls.

### **MEMBERSHIP MEETING**

As our members should be aware, the committees have scheduled a membership meeting on July 1, 2009 at 10AM at the Kinsman Auditorium on Tweedsmuir Ave. In the interest of solidarity, this meeting will contain both the office and the plant. If in fact we reach a settlement, arrangement has been made to ensure the specific bargaining units will have the space to meet and vote individually for production, trades, and office. There can be no debate this is a very difficult and challenging set of negotiations and we would ask once again, **that our members not listen to rumours or innuendos**. This includes the corporation's hotline. It is misleading and riddled with inaccurateness.

**We look forward to meeting the membership on July 1, 2009 and will provide a comprehensive report at the meeting.**

**In solidarity,**

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

