

CAW-Canada/Ford of Canada BARGAINING REPORT

HIGHLIGHTS OF THE TENTATIVE AGREEMENT BETWEEN CAW-CANADA AND FORD OF CANADA

PRODUCTION AND SKILLED TRADES

MAY 2008

Principled... Pragmatic... and Responsible

Highlights

no two-tier wages

reprieve for St. Thomas

productivity and quality bonus

improved restructuring incentive

benefit improvements

improved vehicle purchase plan



A MADE IN CANADA SOLUTION

President's Message

These are incredible times for Canada's auto industry – not long ago a global success story – but now fighting for its life. And incredible times demand incredible actions.

We knew this would be the toughest round of major auto bargaining in our union's history. Dark economic clouds are gathered all around us: the soaring Canadian dollar, record oil and gasoline prices and a deepening recession in the U.S. (our major market). And what infuriates me most: a one-way flow of offshore imports that is destroying our home market, yet gives us no opportunity to sell our own products in Asia or Europe.

In this context, the union had to act: quickly, creatively and pragmatically. But always guided by the principles

that have made us one of the most effective and progressive unions in the world.

Principles like solidarity – including solidarity between generations, linking today's union members with both retirees and the generation that comes after us. Equal pay for equal work. And a refusal to subsidize, out of our own pockets, a crisis that is not remotely our fault.

The contract you have before you is a blend of principle and pragmatism. It firmly stops the tide of two-tier wages at the Canada-U.S. border. There are no wage cuts. In fact, both wages and pensions will grow thanks to our cost-of-living formulas. We've made some carefully designed changes to health care, vacation pay, and other programs

that will not significantly impact our members, but which will deliver major accounting savings to Ford.

We have protected our total bundle of compensation. But we keep Canadian plants in the ballpark for new investment opportunities (like a third shift at Oakville, the new engine project in Windsor, and our continuing quest for a new product commitment at St. Thomas).

The sky-high loonie and the meltdown of the Big Three's market share make it incredibly challenging to nail down those investments. But we will do everything we can, including the contract before you today, our productivity and quality, and our focused efforts (including

Continued on Page 4