



Press Release - National Pack Distribution

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### **CAW reaches tentative restructuring deal with General Motors**

(Toronto) The CAW reached a tentative restructuring agreement with General Motors early this morning, after days of round the clock negotiations. CAW President Ken Lewenza said the tentative deal will generate substantial cost savings for the company while protecting current base wage rates and current pensions, and retaining the investment advantage currently enjoyed by Canadian facilities compared to U.S. plants.

“Our objective coming into these negotiations was to minimize the pain felt by our members and their families, while ensuring that General Motors was well positioned to receive government assistance to remain viable,” Lewenza said. “At the same time, we understand that workers didn’t cause this crisis, which was caused by the global financial meltdown and ensuing credit freeze.”

The tentative agreement must be approved by a majority of the roughly 10,000 CAW members currently employed by GM in Canada. Those members will vote on the contract in ratification meetings scheduled this coming Tuesday and Wednesday in Oshawa, St. Catharines, Windsor, and Woodstock.

Some of the major features of the tentative contract include:

- The existing CAW-GM contract (which was signed last year) is extended one additional year, to expire in September 2012.
- Base wages are frozen for the remainder of the contract.
- Quarterly cost of living adjustments for wages are suspended until almost the end of the contract (coming back into effect in June 2012).
- There will be no annual cost of living adjustments to pensions in this contract.
- Paid time off is reduced by an additional 40 hours per year, on top of the 40 hour reduction in annual vacation pay already implemented beginning in 2009.
- An annual \$1700 special bonus payment is diverted to help offset the cost of retiree health care benefits.

- Expenses for union-sponsored programs (including training, child care facilities, wellness programs, and national coordinators) are reduced by about one-third.
- Significant changes are made to a range of health and non-wage benefits, including a new monthly co-pay premium which will collect \$30 per month from active workers and pensioners under 65, and \$15 per month from pensioners over 65 and surviving spouses. Other health benefits affected by reduced caps or increased co-pays include dental, long-term care, life insurance, and tuition benefits.
- The agreement is contingent on the company receiving government financial assistance and recommitting to a proportional Canadian manufacturing presence (including specific product commitments in GM's respective plants).

“Together these changes represent a major sacrifice by our active members and retirees,” said Lewenza. “They will reduce active hourly labour costs by several dollars per hour, reinforcing Canada’s investment advantage relative to U.S. facilities. And they will significantly reduce the company’s legacy costs associated with pension liabilities and retiree health benefits.”

“We committed that the CAW would be part of the solution to this crisis, and we have done just that,” Lewenza concluded. “But we fully understand that the industry will not be secure until governments confirm a financial assistance package for the industry, and until consumers start buying vehicles again.”

“The sacrifices we’ve made in this agreement are extensive, and our active and laid-off members as well as retirees will still face incredible uncertainty in the months ahead because of the industry’s unprecedented crisis,” said Chris Buckley, Chairperson for the CAW-GM Master Bargaining Committee and President of CAW Local 222 in Oshawa. “Now it’s up to government to use its power to keep the industry alive, and to protect Canada’s proportional share of it.”

The CAW will meet with the next auto company later this week.

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