

# Union declares success with Ford deal

With financial commitments for automakers, Unifor to turn focus to governments, on winning support for biggest export industry

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Unifor national president Jerry Dias declared this latest round of auto bargaining an “incredible success,” thanks to nearly \$1.6 billion in investment promises from the Big Three automakers, but says governments must now step up.

“We can’t do this alone. Our members have given significantly over the last decade,” Dias said at a news conference early Tuesday, after the union reached a tentative agreement at Ford Motor Co. of Canada. It comes on the heels of deals with General Motors and Fiat Chrysler Automobiles.

“This industry isn’t dying anymore,” Dias said in an interview. “We have a bright future. Now it’s time for our governments to start to play a role.”

Dias isn’t shy about pointing out that there was no auto strategy under Stephen Harper’s government, calling that period “10 lost years.” As jurisdictions from across the United States and Mexico are wooing automakers for commitments, work and jobs, Dias wants to see Canada do the same.

During this round of bargaining, Unifor said it was critical to ensure that there is a viable auto industry in Canada — especially considering fears that GM would close its Oshawa assembly plant, along with questionable futures for other plants.

Under the new agreements, GM committed \$554 million and Fiat Chrysler committed \$331 million in investments. Ford pledged \$713 million, which it says will be allocated mostly to its two engine plants in Windsor.

Dias said the Ford investment will put those plants “at the top of the food chain for power train operations.” One plant will build a new engine to be put in Ford’s top-selling vehicles, while the other will continue to build 6.8-litre engines, though that will eventually be phased out. Dias refused to say whether there would be job losses there, saying contract details will be disclosed first to workers.

At GM, some engine work will move from Mexico to St. Catharines, and the company has committed investments to the Oshawa plant, where the Chevy Silverado will be made along with other vehicles.

Meanwhile, Fiat Chrysler agreed to a \$325 million investment in a paint shop for the Brampton assembly plant, which should ensure future work there.

While the investment commitments are a good start, Tony Faria, director of the Office of Automotive and Vehicle Research at the University of Windsor, was still cautious over their meaning for Canada's auto industry. "We may have stopped the bleeding, but I'm not yet ready to say we have turned the corner," he said.

Unifor has won investments at the plants that were most at risk, and negotiated a good contract for workers, which includes wage increases and lump-sum payments, Faria said.

"You could probably say we have stemmed the tide of job losses in Canada," he said, noting that automotive production here has been in a downward slide for 17 years, but "there isn't necessarily new job creation. We'll have to see what happens over the next three years."

There had been much speculation about a possible strike by 6,700 Ford employees, especially after Dave Thomas, president of Local 707, which represents workers at the Oakville assembly plant, warned that the pattern contract negotiated at GM simply wasn't good enough.

Under pattern bargaining, the union picks a target company in hopes of getting a deal that will serve as a template to be adopted by competitors, ensuring that no company has an advantage. GM was picked first, followed by Fiat Chrysler and then Ford.

Refusing to call the tentative deal at Ford a break in the pattern, Thomas said, "We were able to do some things that were unique for Ford workers. We were able to make some tweaks that will go far for our membership and for our retirees."

"There is the pattern and then there are the things that we can accomplish outside of the pattern that are unique to each individual company," Dias said at the news conference early Thursday. "Are there gains over and above? Clearly, yes."

Thomas said his local, which has about 2,200 members who have been recently hired and are on a separate 10-year pay grid, didn't get the phase-in period shortened to eight years as it had wanted. As well, all future hires will be on a defined-contribution pension plan instead of the current hybrid plan for new hires.

"When you enter into bargaining, you are not always going to get everything what you want," Thomas said. "There are some aspects of it that we don't like — but there are also some aspects that are great for the membership."

The biggest win probably is a commitment from Ford that the Oakville assembly plant will be the sole maker of the Ford Edge and Lincoln MKX cross-over SUVs in North America and the primary maker for exports. A version of those SUVs is now being built in China.

Thomas expressed confidence that the deal will win ratification when votes are held over the weekend. The bargaining team, including Thomas and other Local 707 officials is unanimously recommending acceptance.

"I can't prejudge the vote, it's up to the members," Dias said.

Steve Majer, Ford's vice president of human resources, declined to comment on the tentative deal out of respect for the ratification process. The company will not talk about specifics until unionized workers have had the opportunity to review and vote on the tentative agreement.