

CAW  TCA

CANADA

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CAW LOCAL 127 & CAW LOCAL 35

Closure Discussion Update

March 2012

Closure Discussion Timeline: Key Dates

- July 28th 2011 Company notifies CAW of plant closure
- Aug 19th -21st First round of closure discussions
- Sept 6th CAW issues letter to Company
- Sept 13th CAW letter to members
- Sept 23rd – 25th Closure discussions reconvene
- Sept 30th Company revises proposal
- Oct. 17th – Nov. 8th Company revises proposal
- Dec 15th CAW meets with FSCO Deputy
Superintendent of Pensions and staff
- Dec 22nd Company revises proposal
- Jan 3rd 2012 Company revises proposal
- Feb 6th Company clarifies proposal

Closure Discussions (1)

- Aug 19th - 21st First round of closure discussions. Company refuses to agree on:
 - Plant Closure Special Early Retirement (PCSER),
 - consent to grow-in to SER (PC or permanent layoff (PLSER))
 - severance pay
- Sept 23rd – 25th Company proposes:
 - immediate PCSER for 39 members only (age 55 but < 60 with min. 10yrs and active June 29th),
 - No consent to grow-into PCSER or PLSER
 - Severance offered for those not immediately eligible to retire

Closure Discussions (2)

- Sept 30th Company revises proposal:
 - Immediate PCSER offered for those active on June 29 (39).
Grow-in to PCSER not clear.
 - No severance for members eligible for PCSER
- Oct 17th – Nov. 8th Company clarifies proposal, offers:
 - immediate PCSER for 38 members,
 - Grow into PCSER for 154 members (age 40 + 10 and laid off June 30 2009 only),
 - No severance for those eligible for PCSER or grow into PCSER

Closure Discussions (3)

- Dec 22nd Company revises proposal:
 - removes retiree health care coverage for those eligible to retire,
 - removes 6 month health care continuation for others on-roll,
 - adds limited PCSER eligibility for those laid off before June 30 2009
- Jan 3rd 2012 Company revises proposal:
 - adds immediate and grow into Plant closure SER for on-roll employees at date of ratification

- Feb 6th Company clarifies proposal:
 - adds pro-rated 30 and out under PCSER at age 55;
 - Transition payments held for those growing into PCSER.

Proposal Date	Company Position		
	on-roll NCRP participants	Eligible for SER	Not eligible for SER
Aug 19th -21st 2011	559	0	559
Sept 23rd – 25th	559	39	520
Oct. 17th – Nov. 8th	559	197	362
Dec 22nd	not clear	not clear	not clear
Jan 3rd 2012	550	452	98
Feb 6th	550	452	98

Note: There were an estimated 690 active and suspended NCRP plan members as of June 30 2009.

Issues today?

- Grow-in rights for members:
 - Not PCSER eligible, 55 points (PBA) at wind-up date
 - PCSER eligible who reach 30 year retirement date before age 55
- Plan wind-up date
- Eligibility for wind-up benefits for those who terminate prior to wind-up date
- Severance amounts
- Health care benefit continuation

From: Ken Lewenza

Sent: February-24-12 3:41 PM

To: morris.barry@navistar.com

Subject: Navistar

Barry,

I wanted to follow up on conversation you had yesterday with Bob Chernecki on outstanding matters in respect to the closure of the Chatham facility.

It is our view that given the circumstances that we were unable to come to a conclusion on the pension matters, that the remainder of the closure agreement should be implemented immediately.

As you know the corporation has rejected this premise. It becomes more critical now given that the pension matters will become the property of the Financial Services Commission of Ontario. At the very least the corporation should put in place, working with the CAW, a structured time frame and process to allow these workers their lawful right to access their severance payments.

We could talk about relative details to this but we believe it is absolutely critical that this obligation by the employer be satisfied. Ontario law obligates you as an employer in Ontario to pay at least the minimum standards on severance and termination of employment. It would also be important that the union be forwarded a list of the employees outlining each individual's severance payments so there are checks and balances on each employee to ensure accuracy.

With respect to the pension matters we remain of the view, as a union, that the corporation is ignoring their obligations under the Pension Benefits Act of Ontario in cases of closure. We have had a significant amount of debate on this matter with no resolve to date. We are prepared, as a union one more time, to meet the corporation face to face to see if we can reach an understanding on the matters that we have been discussing for months.

I look forward to an early and positive response and as always available for further discussion.

In closing, it is absolutely critical that these workers are treated with dignity and respect and it is time for the employer to recognize that these workers are waiting for a conclusion. They have every right to expect that they will be provided the best possible opportunities in a closure agreement. Suffice to say that when the FSCO is brought into these discussions a significant delay will undoubtedly arise and this would be tragic for the members and their families.

We remain confident in our position on the pension matters but I repeat we are prepared to meet at your earliest convenience.

Regards,
Ken Lewenza
National President
CAW-Canada

From: Morris, Robert B (Barry) [<mailto:Barry.Morris@Navistar.com>]

Sent: Tuesday, February 28, 2012 5:05 PM

To: Ken Lewenza

Subject: Response

Ken,

In response to your e-mail dated Monday, February 27 I must reiterate that the proposal we have tabled is a complete package that we are not willing to break up and implement in a piece meal fashion. I, once again, encourage the Union to give this serious consideration, as we believe our proposal goes well beyond statutory requirements and it will bring benefit to the entire membership without undue delay. If the current proposal is not acceptable, we would be willing to review and evaluate any counter proposal from the Union that does not exceed the current cost parameters. Otherwise, I would appreciate a formal rejection of our final proposal so we may initiate steps to bring the issues before us to closure.

With regard to your suggestion of a face-to-face meeting, as always, we are prepared to meet and discuss issues as long as those discussions are productive. Our respective positions on the pension issues have been clearly defined, so I would suggest that if the Union has any new thoughts, we would like to understand them in advance of a meeting.

I agree with you that the workers deserve a conclusion to the issues. The Company has made numerous proposals over the last several months in an effort to resolve our differences. It is clear that the most expeditious path is to come to an agreement.

I look forward to your response.

Sincerely,

Barry