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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA



October 9, 2020

## BARGAINING COMMITTEE REPORT

Shop Chairman - Rich LeTourneau

Zone Committeeman 1<sup>st</sup> Shift – Dave Poor Zone Committeeman 2<sup>nd</sup> Shift – Steve Turner Zone Committeeman 3<sup>rd</sup> Shift – Chris Phillips Shop Committeeman – Joe Perry Shop Committeeman –Chad Brumbaugh Shop Committeeman – Mike Kellogg

## • TAG RELIEF AND STRAIGHT EIGHTS- PAINT & BODY SHOP ONLY

Why has this become an issue now? First and foremost, I want this membership to realize the company did not force us into this situation nor did we force them into it. This was a business decision that both parties feel is imperative for us to sustain our position in the global truck market and for major job security reasons in the future. These decisions are never easy or popular, but plant leaderships that don't protect their product volume and long-term job security, have their memberships end up at FWA. The joint leadership here has had a series of meetings in paint and body shop explaining the situation we are in as a plant. As most of you are aware, prior to the launch of the T1, we were at 74 trucks an hour. The 1.2-billion-dollar capital investment was much appreciated, but it came with a major design flaw and dropped us from 74 to 60 trucks an hour. Both the union and management recognized this was going to be an issue if we wanted to continue cornering the market for light duty Crew Cabs. Six months after launch we received an additional 24 million dollars to get another two trucks an hour.

A couple months ago, the plant manager and I were approached by the manufacturing manager to increase volume here by 2.5 jobs an hour. This 2.5 jobs an hour puts a whole lot of people back to work as a Truck Group, not just at Fort Wayne Assembly, but every plant that supplies Fort Wayne Assembly. As your Chairman, I will never turn volume away, only an idiot would do that. Volume is a gift, not a battle. We will take every truck they will give us in order to secure the longevity of this plant and we always have. However, it will be extremely difficult to get back to where we once were without another major capital investment. Unfortunately, the corporation is in no financial position to give us another capital investment until after 2021, if we get one at all.

In the last several months, worldwide GM is selling more trucks than we can produce. Currently Mexico is working an alternative work schedule and they never shut down. They are out producing us between 4 to 6 thousand trucks a month which has never happened until now. We have no intentions of going to an alternative work schedule or a mandatory 6 day a week schedule.

The MOU we signed is nothing more than an extremely high-priced band-aid, and the head count to do this is now reaching upwards of 250 additional members.

We cannot afford to give any of our volume back to Mexico. An additional 1,000 trucks a month will off-set the cost of adding additional head count. Tag relief and straight eights is about as old school and inefficient as it gets. That's why it was stopped years ago in most assembly plants, but that's all the tools we have to work with right now. With a team leader and a tag relief (utility man) on each team, this membership should be creative enough to figure out how to make your breaks worthwhile. Without a continuous operation, we have no need for additional volume or head count because it will not work here. None of these decisions come easy, but currently our trucks are not on GM dealership lots, Mexico's trucks are. In 2021, GM will be introducing its electric vehicles and they anticipate losing some volume from both plants. When the dust settles, I want to be the plant that still has 3 shifts and moving your breaks is much easier then moving your families, just ask those who just arrived as a result of this agreement. The corporation did not threaten local management or your leadership if we didn't try to make it work. If it gets to the point they have to threaten us, its already too late, because they have already put a plan in place to get their required volume which equates to additional revenue somewhere else. This local leadership and membership have a hell of a lot more power than you think. We control the destiny of this truck. It belongs to us. To bury our head in the sand and tell the company it's your problem, you figure it out, would be the biggest mistake we ever made. At this point there is nothing to panic over, the MOU we signed clearly has a termination clause that either party can give a 30-day notice and we modify it or walk away from this MOU. If it doesn't work, it doesn't work, but they can't say we didn't put the time and effort into protecting our volume jointly. For over 30 years we have protected the volume and job security of this truck for a reason, so you never have to move again, unless you want to. In closing, remember you always reserve the right to criticize the manner in which we continue to provide job security in your best interest.

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Shop Chairman

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