

National Ford Council

January 20, 2010

Detroit, MI

The National Ford Council met on Wednesday 1-20-10 in Detroit, MI. A special moment of silence was given for our lost brother, Ron Cassady. First on the day's agenda was an update on the Voluntary Employees Beneficiary Association, VEBA, handled by Medical Benefits Trust. The following information applies to retirees only. Medical Benefits Trust sent two representatives to explain the transition for the benefits of the retirees. Their sole purpose is to provide benefits to the Big 3 retirees.

As you know, the VEBA Trust has become responsible for providing retiree medical benefits to UAW retirees of GM, Ford and Chrysler as of January 1, 2010. Retirees have received an update letter from the Committee and will continue each year to keep them informed about the status of the VEBA Trust, its benefit costs, investment results, and future funding outlook. Additionally they have also received a new ID card.

Now that the VEBA Trust is in full operation (875,000 enrolled), it will separately track the VEBA assets and liabilities for each employer group (GM, Ford and Chrysler). For that reason, in the future separate letters will be sent to each retiree group. However, this letter involves issues that are the same for all three groups. **The Trustees for the UAW Retiree Medical Benefits Trust (VEBA) are: Bob Naftaly, Chairman, Ron Gettelfinger, Teresa Ghilarducci, General Holiefield, Bob King, Olena Lacy, David Baker Lewis, Cal Rapson, Dan Sherrick, Marianne Udow-Phillips & Ed Welch.**

Ford retirees have a special call center that is located in Allen Park, MI. It was established that the call vendor must do their business in the USA, and the vendor for the call center is ACS. There have been several thousand calls to the Medical Benefits Trust and they feel that the launch has been successful. As of mid January, they have already paid out ½ million dollars in prescriptions only, and they anticipate on paying out in the neighborhood of \$17 million this year for UAW/Ford retiree's prescriptions. There have been some issues in Ohio with the HMOs, and they are getting addressed. Ford retirees were the only one of the Big Three to maintain vision and dental. This is approximately a \$67 million cost annually.

Dan Brooks reported out on Safety, he went over the tragedy at Kentucky Truck Plant with the death of Ron Cassady. He noted our improvement on safety overall, but NOT our fatalities. He encouraged the council to focus on someone NOT going home! The council called on Scott Eskridge to make a few comments. Scott said, "it is our job and our responsibility to make sure our employees take safety seriously!" He also said that we have to believe in safety and drive it home as well. Vice President Bob King reemphasized Scott's comments telling us to remind everyone over and over the importance of our safety.

Representatives from the UAW/Toyota plant in Nummi, CA were on hand to discuss the closing of their plant. Toyota plans to close their plant, because Toyota says they need to be more competitive. The truth of the matter is they are closing the facility in California in order to NOT lay off workers in Japan. This will increase the amount of cars they are importing into the USA

in order to protect Japanese workers at the cost of several thousands of UAW jobs in the United States at the Nummi plant. Although Toyota is NOT a friend of ours, the UAW sisters and brothers that work there are. Toyota has always told the workers in Nummi that they have "life time employment" and they sell almost 25% of the cars sold in California. Needless to say the workers are outraged at the decision to close their plant which has been there for 25 years. It is obvious that we will not buy any of their products, but this information needs to be sent out to the public. Toyota worries about its public image and this is just another way they choose to slap America in the face. Toyota continues to have quality issues. Last year they had more recalls than any other auto company.

The hottest topic of the meeting had to do with the contractual issue of "Equality of Sacrifice". The language is located in Volume IV, page 438, and also page 13 in the Modifications of the 2007 Agreement brought to us in February of 2009. There will be a handout with this language printed out. Vice-President Bob King said the UAW is outraged at the decision to give reinstatements to the salary ranks. Not only is this a wrong decision, but the company did NOT alert the UAW until the eve of their announcement. Bob believes that we have strong contractual language that is a violation of policy according to the agreement. Therefore, he has issued a second stage grievance to be signed by all of our UAW members across the Ford system. A copy of the grievance will be made available, and everyone will be asked to sign it. The grievance states that either the company reinstates compensation and benefits comparable to the announced salaried restoration or immediately rescinds the company's restorations. The goal is to have this grievance signed by the members and shipped to the International Union within the next two weeks. Any updates and results from the UAW/Ford workers grievance will be reported as information comes available.

A point of interest that has been brought up on the floor several times is: "does our International Union make equal sacrifices?" The National Ford Department reported that they are reducing the staff by 120 employees. They are also requiring all the International Reps to take 10 furlough days (10 forced unpaid days). It was also stated that UAW International President is among the lowest paid of any International Union. There have been a lot of questions asked about this matter, and these are the concessions that were reported.

Most importantly of all the information; please remember your safety; we want you to go home just like you came into work.

SCOTT ESKRIDE
ROCKY COMITO
RODNEY JANES
CHARLIE JONES