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**LETTERS  
OF  
UNDERSTANDING**

*between*

**UAW<sup>®</sup>**

*and the*

**FORD MOTOR COMPANY**

**Volume IV**



**Agreements Dated**

**November 3, 2007**

*(Effective November 19, 2007)*

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*Includes Administrative Corrections*



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**NOTE:**

This booklet (Volume IV) is being presented to you so that you may know the terms of various Letters of Understanding negotiated between the UAW and the Company **November 3, 2007**.

Specifically, the following material is presented:

1. Letters of Understanding and Clarification concerning the Collective Bargaining Agreement and Job Security Program agreed to in the **2007** negotiations, plus all previous Letters of Understanding and Clarification that continue to express current policies and interpretations.
2. Letters of Understanding and Clarification Concerning the Retirement Plan, Insurance Program, Supplemental Unemployment Benefit Plan, Profit Sharing Plan, Tax-Efficient Savings Plan, and UAW-Ford Legal Services Plan agreed to in **2007** negotiations, plus all previous Letters of Understanding and Clarification that continue to express current policies and interpretations.
3. Certain Company Administrative Letters.

Please note that any gender specific references in the Agreement language shall apply to either sex.

Other agreements and plans reproduced in separate booklets are: Volume I, the Collective Bargaining Agreement and the Skilled Trades Supplemental Agreement; Volume II, the Retirement Agreement and Plan and the Insurance Program; Volume III, the Supplemental Unemployment Benefit Agreement and Plan, the Profit Sharing Agreement and Plan, the Tax Efficient Savings Agreement and Plan, and the UAW-Ford Legal Services Plan.

We hope you will find this booklet helpful.

**BOB KING**  
Vice President and Director  
UAW, National Ford Department

**MARTIN J. MULLOY**  
Vice President  
Labor Affairs



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**NATIONAL ATTENDANCE PROGRAM**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: National Attendance Program**

**During the 2007 negotiations, the excessive cost associated with absenteeism was discussed. Absenteeism adversely affects employee morale, product quality and plant efficiency. The parties agree that it is essential for everyone to contribute in order to ensure future competitive viability and job security. The negative impact that absenteeism has on our business detracts from these mutual goals.**

**There is a small portion of the workforce that is abusively absent and misses a disproportionate number of work days. Corrective actions must be taken to address the concern while ensuring an attendance program provides a means of administering fair, consistent and progressive discipline for absenteeism. It is understood that all absences cannot be eliminated, as there are situations from time to time which prevent employees from coming to work. Overall, it was agreed that a new National Attendance Program will be a part of the Collective Bargaining Agreement and consistently applied at all locations. This program is outlined below.**

**Responsibility of the Employee**

**It is the responsibility of each employee to report for work when scheduled within the confines of the Collective Bargaining Agreement. Employees who have reported properly shall then be considered to be available for work and be compensated beginning with the start of their respective shift.**

#### NATIONAL ATTENDANCE PROGRAM

All employees are expected to call-in all unplanned absences at least 15 minutes prior to the start of the shift.

Employees returning from a medical leave of absence will be required to report to the designated medical facility or equivalent in advance of their return to work to ensure they are available for work at the start of their respective shift.

#### Excused Absence Allowance

The Union expressed concern that unanticipated emergencies may occasionally arise beyond the control of employees. The Company agreed to allow employees to use their EAA days after-the-fact, provided the following conditions are met:

- The employee has the Excused Absence Allowance time available.
- The Excused Absence Allowance time is taken in increments of eight (8) hours. At Alternative Work Schedule locations, the Excused Absence Allowance time is taken in increments of one regular shift equivalent.
- The employee has no discipline for absenteeism on record at the time of absence.
- There was no adverse effect to production or related operations due to the collective level of unplanned employee absences on the specific absence day. Identifying potential days in advance which are historically known to be high absence days and mutually discussing planned absences, for example, Super Bowl Monday, can be beneficial to avoid adverse effects. Although an adverse effect absence day may be unforeseen, the local parties should, to the extent possible, identify specific days unique to their location.

Separate and apart from this conditional granting of EAA time after-the-fact discussed above, employees may continue to schedule EAA days in advance with their respective supervisor. Furthermore, employees who do not meet the condition of a clear absenteeism

## NATIONAL ATTENDANCE PROGRAM

discipline record may seek approval for possible EAA time from their supervisors on an after-the-fact basis. The holiday pay qualifying provision pursuant to Article IX, Section 22(a)(3) will remain in effect and requests for EAA may be approved in line with Article IX, Section 25(c) of the UAW-Ford Collective Bargaining Agreement.

### Measurement Period

The measurement period is defined as eighteen (18) months (extended by personal medical leaves of absence that occur during the measurement period). This extension is defined as the time between the employee's last day of work and his/her effective return to work from each leave. The measurement period will be administered as follows:

#### Initial Measurement Period

The initial measurement period is defined as a period of eighteen (18) months beginning with the effective date of this Agreement (extended by personal medical leaves).

#### Rolling Measurement Period

Discipline under the rolling measurement period depends on how many chargeable absences the employee had within the most recent eighteen (18) months. Thus, if an employee has a chargeable absence on July 25th of one year, the eighteen (18) month period would extend back to January 26th of the preceding year. Any discipline would depend on how many chargeable absences the employee had during this eighteen (18) month period. Each day the eighteen (18) month period rolls forward one day. The new day becomes part of the period – and one day of the preceding period drops off. The rolling measurement period begins once the initial measurement period has ended.

**NATIONAL ATTENDANCE PROGRAM**

**Chargeable Absences**

Chargeable absences will include each day the employees' absence is coded AWOL ('A' Code) or Temporary Illness/Injury ('T' Code). Employees' absences of three or more consecutive days coded Unpaid Medical Days ('M' Code), except FMLA or Workers' Compensation approved absences, will result in two (2) chargeable absences. If Unicare provides Accident & Sickness Benefits and the Company approves a personal medical leave of absence, any unpaid M code days within the medical leave will not be counted as chargeable absences.

Each chargeable absence counts toward the accumulation of chargeable absences within the measurement period as defined below. Partial absence days will not be counted.

**Disciplinary Progression for Chargeable Absenteeism**

The accumulation of chargeable absences within an employee's established measurement period will be addressed through the appropriate progressive disciplinary process outlined in Table 1 or Table 2. The four Employee Absences cited in Table 1 & 2 are considered non-discipline.

**Table 1: Absence Progression**

<b>Employee Absence</b>	<b>Action</b>
<b>1st Absence</b>	<b>Employee Absence</b>
<b>2nd Absence</b>	<b>Employee Absence</b>
<b>3rd Absence</b>	<b>Employee Absence</b>
<b>4th Absence</b>	<b>Employee Absence</b>
<b>5th Absence</b>	<b>R &amp; W</b>
<b>6th Absence</b>	<b>R &amp; W + 1 Day</b>
<b>7th Absence</b>	<b>R &amp; W + 1 Week</b>
<b>8th Absence</b>	<b>R &amp; W + 2 Weeks</b>
<b>9th Absence</b>	<b>R &amp; W + 1 Month</b>
<b>10th Absence</b>	<b>Termination</b>

## NATIONAL ATTENDANCE PROGRAM

### Initial Measurement Period – Employees with No Discipline for Absenteeism (Table 1):

#### Examples

(Example 1) An employee has the first chargeable absence two months after the effective date of this Program. A review of his/her record reveals no additional chargeable absences. The absence will be considered the 1st Employee Absence under the Program per Table 1.

(Example 2) The same employee in Example 1 has two (2) subsequent chargeable absences (total of 3). These two chargeable absences will be considered the employee's second and third Employee Absences under the Program per Table 1.

### Rolling Measurement Period – All Employees (Table 1):

#### Examples

(Example 1) An employee has one (1) chargeable absence two (2) months after the start of the rolling measurement period. A review of his/her record reveals no additional chargeable absences within the rolling measurement period. The absence will be considered the employee's 1st Employee Absence under the Program per Table 1.

(Example 2) An employee incurs three (3) consecutive unpaid medical days (M code) after the start of the rolling measurement period. A review of his/her record reveals four (4) additional chargeable absences within the rolling measurement period. These three (3) unpaid medical days will be considered two (2) chargeable absences (total of 6). The employee will be assessed a penalty of R&W + 1 Day per Table 1.

NATIONAL ATTENDANCE PROGRAM

**Initial Measurement Period – Employees with Discipline for Absenteeism (Table 2):**

At the start of the initial measurement period, an employee who has disciplinary action on record for absenteeism will be placed in a Modified Absence Progression outlined in Table 2. An employee will have chargeable absences addressed under Table 1 when all discipline for absenteeism drops off the record. However, chargeable absences incurred during the measurement period will transfer to Table 1.

**Table 2: Modified Absence Progression w/ Discipline**

Current Penalty	Employee Absences	5th Chg Absence*	6th Chg Absence*	7th Chg Absence*	8th Chg Absence*	9th Chg Absence*
R&W or LTOJ	4	R&W + 1 Day	R&W + 1 Week	R&W + 2 Weeks	R&W + 1 Month	Termination
R&W + BOS or R&W + 1 Day	4	R&W + 1 Week	R&W + 2 Weeks	R&W + 1 Month	Termination	
R&W + 3 days or R&W + 1 Week	4	R&W + 2 Weeks	R&W + 1 Month	Termination		
R&W + 2 Weeks	4	R&W + 1 Month	Termination			
R&W + 1 Month	4	Termination				

\* Chg Absence = Chargeable Absence

**Examples**

(Example 1) An employee has an R&W + 2 Week penalty on record issued December 1, 2006 and expiring June 1, 2008. The employee incurs four (4) chargeable absences between the implementation of the Program and April 5, 2008. On August 1, 2008, the employee incurs his 5th chargeable absence. A review of the employee's record shows that the employee's R&W + 2 Week penalty dropped off. Consequently, the five (5) chargeable absences transfer to Table 1 and the August 1, 2008 charge-

#### NATIONAL ATTENDANCE PROGRAM

able absence is assessed as an R&W Absence per Table 1.

(Example 2) Upon implementation of the initial measurement period, an employee has a penalty of R&W for absenteeism on his/her record. The employee subsequently experiences his/her first two (2) chargeable absences. These two (2) chargeable absences will be considered the 1st and 2nd Employee Absences under the Program per Table 2. There will be no discipline assessed for absenteeism.

(Example 3) The same employee in Example 2 subsequently experiences three (3) chargeable absences (total of 5) within the initial measurement period. The employee will be assessed a penalty of R&W + 1 Day, per Table 2.

#### Other Elements

To ensure employees fully understand the seriousness of their absenteeism and its impact on the facility prior to progressing to the final step of termination, the Company shall issue R&W + 1 month disciplinary penalties identified in Table 1 or Table 2, regardless of the number of chargeable absences that progressed the discipline for absenteeism to an R&W + 1 month penalty.

The parties strongly encourage the use of the UAW-Ford ESSP Joint Program if such assistance may improve attendance.

No provisions of this Program are to be construed as limiting the Company's rights as they relate to the handling of Temporary Part-Time employees under Appendix K, the handling of probationary employees under Article VIII, Section 4 or terminations pursuant to Article VIII, Section 5 of the UAW-Ford Collective Bargaining Agreement.

Disputes as to the Company's failure to observe the procedure requirements of these provisions are subject to the regular grievance procedure.

**NATIONAL ATTENDANCE PROGRAM**

**Implementation**

**The National Attendance Program will become effective Monday, January 7, 2008.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**ANNUAL BUSINESS PLAN REVIEWS - STAMPING BUSINESS  
UNIT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Annual Business Plan Reviews - Stamping  
Business Unit

During 2003 bargaining, the parties spent considerable time discussing the future of the Stamping Business Unit (SBU). The goal of the SBU is to become the supplier of choice, and as such, has focused the stamping plants on die tryout, die maintenance, and quality improvements. Additionally, improved communication and teamwork must occur at all levels of the Business Unit. To support these goals, senior management from the SBU will meet annually with the leadership of the UAW National Ford Department to review the SBU Scorecard metrics, long term stamping plans and their anticipated effect on stamping plants. Further, on a quarterly basis, senior management of the SBU will meet with representatives of the National Ford Department to discuss the status of the stamping business and other related issues.

During the term of the 2003 Agreement, the SBU is planning to invest up to \$18 million, business conditions permitting. The Company will consider prudent investments in stamping plants to support press repair and refurbishment, die tryout, die maintenance and repair, and other related activities to achieve safety, quality, delivery, cost, and morale objectives. The parties agreed that when such prudent investments are being contemplated the parties will meet to identify and implement changes to improve the overall competitiveness of the die tryout process, and to enhance indirect and direct

**ANNUAL BUSINESS PLAN REVIEWS - STAMPING BUSINESS  
UNIT**

employee cooperation at those locations. Planned investments and the corresponding competitive improvement actions will be discussed at the Annual Business Plan Review.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**CARRYOVER VEHICLE MEETING**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Carryover Vehicle Meeting

During the course of 1987 negotiations, the Union voiced concern regarding application of the letter re Work Allocations in Assembly Plants, particularly as it relates to the identification of "carryover" or "face-lift" vehicles.

In an effort to provide consistent application of the letter at all assembly facilities, Body and Assembly Management will meet with the National Ford Department sixty (60) days prior to Job #1 of each model year to review the question of whether or not a vehicle is a "carryover" or "face-lift" vehicle with limited year-to-year change.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**DIE CONSTRUCTION PLANS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Die Construction Plans

During the course of these negotiations, there was considerable discussion regarding the competitiveness of the Dearborn Tool and Die plant. It is not the intent of the Company to exit die construction at the Dearborn Tool and Die Plant. The parties recognize that improving the competitiveness of this business is a complex problem.

A joint steering committee was established consisting of representatives of the National Ford Department, Labor Affairs Staff and the Stamping Business Unit. The parties agreed to oversee the development of a comprehensive plan aimed at achieving a competitive standing among die builders. The plan includes identification of required process changes, new technology, material cost improvements, engineering improvements, and local work practice changes.

Quarterly reviews will be conducted with National Ford Department representatives and local Union leadership to discuss die construction sourcing forecasts, the status of current and planned programs, and any circumstances that may have an effect on that status.

Recognizing that improvements are required in all areas of the die construction business, the Company is committed to driving for improvements in all facets of the revitalization plan. Additionally, the Company will consider prudent investments in Dearborn Tool and Die Plant directed at tool construction equipment to support specific improvements to achieve die construction competitiveness as identified by the plan. The Company will maintain its present sourcing pattern for die construction programs. Sourcing for future programs will be enabled by improvements in the die construction process at Dearborn Tool and Die.

## **DIE CONSTRUCTION PLANS**

The joint Steering Committee will share its blueprint for the revitalization of the die construction business immediately upon ratification of the 2003 Collective Bargaining Agreement. The local parties must develop a Dearborn Tool and Die implementation plan within thirty (30) days of said ratification consistent with the revitalization blueprint.

Very truly yours,

MARTIN J. MULLOY,  
Executive Director  
North American Labor Affairs

Concur: Gerald D. Bantom

Note: This letter replaces the following letter:

- Die Construction Review Clarification and Tool Room Investment, October 9, 1999
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**DIE TRADES IN PROTECTED STATUS - STAND ALONE  
STAMPING PLANTS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Die Trades in Protected Status - Stand Alone  
Stamping Plants

During 2003 negotiations, the parties discussed the practice of placing die trades in Protected status in certain Stamping Business Unit (SBU) plants. The Company acknowledges its responsibility with respect to the job security provisions of the Collective Bargaining Agreement related to placing such tradespersons in Protected status.

During the term of the 2003 Agreement, plant management will review the application of the job security agreement with appropriate representatives of the local Union before placing a tradesperson in such Protected status. To help ensure greater utilization of the die trades, the Company intends to implement a Last Hit Program in its SBU stamping plants. The objective of the Program is to lower hit-to-hit times by 20% year-over-year following the first year of implementation. Specifically, the die trades will be relied upon to save the last part(s) following each production run and retain it with the die. Such part(s) will be evaluated for dimensional integrity, surface discrepancies, and other quality-related issues using a team approach with full cooperation between die technical support, quality personnel, and the trades. The team will be empowered to evaluate and implement appropriate die repairs to optimize quality and achieve positive improvements.

**DIE TRADES IN PROTECTED STATUS - STAND ALONE  
STAMPING PLANTS**

Results of the Last Hit Program will be reviewed at the Annual Business Plan Review by members of the SBU management and the National Ford Department based on input from the plant teams. Modifications to the Last Hit Program may be made by the local parties as the Program matures, with an emphasis on continuous improvement and sharing of best-practices across the plants.

In addition, business conditions permitting, the SBU will make efforts to source die-related work to select SBU plants where die trades are in protected status and such work can be competitively performed without additional investment.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**MODAPTS TRAINING**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: MODAPTS Training**

**During these 2007 negotiations, there were numerous discussions regarding production standards. We agreed MODAPTS is one of several tools to promote the building of quality vehicles in a competitive environment.**

**As a result of these discussions, the Company agreed with the value of providing MODAPTS training for UAW Job Security Representatives. Accordingly, it was agreed that within 90 days of ratification, a training and delivery plan will be developed for, and delivered to these UAW Job Security Representatives.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**OPTIONAL PROCEDURE, ARTICLE IV, SECTION 4(b)**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Optional Procedure, Article IV, Section 4(b)

This will confirm the understanding reached in the 1993 negotiations that the attached procedure, originally established in 1970, will be used in the event of production standards disputes in all car and truck assembly plants except where other written procedures are mutually agreeable to the local parties and are approved by the National Ford Department of the UAW and the Employee Relations Staff of the Company.

The effectiveness of this procedure is contingent upon the local parties' constructive approach and usage. In the event of problems in this regard, it further is understood that either the Employee Relations Staff or the National Ford Department may terminate the procedure at any selected location upon notification to the other party.

Very truly yours,

JAMES D. SHANNON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

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## **PROCEDURE FOR REVIEW OF WORK ASSIGNMENT**

### **PROCEDURE FOR REVIEW OF WORK ASSIGNMENT**

The purpose of this procedure is to establish a method whereby the parties may jointly review particular work assignment situations as defined in paragraph 1 below. In such work related instances, the Company will defer disciplinary action against an employee who is experiencing continued difficulty in the completion of an operation and the Union will withhold initiating a grievance protesting the employee's workload until the procedure has been exhausted.

#### **PROCEDURE:**

1. The review procedure will be used as a result of:
  - a. Complaints from employees to supervisors, either directly or through their Local Union representative(s), that the completion of an operation is continually difficult, or
  - b. At the request of supervision where an employee is continually not completing the operation.
2. Upon notification by either the plant labor relations office to the appropriate Local Union representative, or the Local Union representative(s) to the plant labor relations office, a committee composed of at least three representatives from the appropriate engineering and production supervision functions, will be instituted and investigation will be made of the operation in question. The scope of this investigation will vary depending upon the nature of the work assignment involved. The committee will take the following steps, as appropriate:
  - a. Hold a discussion with the employee to determine the exact nature of the employee's problem, if any.
  - b. Check for proper tooling and process.
  - c. Check the quality and location of stock.
  - d. Determine whether the employee has time and room to perform the operation in the employee's work station.
  - e. Determine whether the employee can physically perform the operation, e.g., physical size of employee.

#### **PROCEDURE FOR REVIEW OF WORK ASSIGNMENT**

- f. Check for a mix problem.
  - g. Determine whether the best method and sequence is being utilized.
  - h. Determine whether the operation is being performed in accordance with the production standard as established.
3. Upon completion of the investigation, the findings will be discussed with the appropriate Union representative for the purpose of resolution.
  4. In the event the differences cannot be resolved at that level, they will be considered at a meeting attended by no more than three members of Management representing production, industrial engineering, and employee relations, as appropriate, and no more than three Union representatives including the Chairperson or a person designated by the Chairperson to handle work standards questions.
  5. While no time limits are provided for, the success of the procedure is primarily dependent upon both parties exhibiting a spirit of cooperation through proper application, timely handling, and an objective review of each instance.
  6. If the matter cannot be satisfactorily resolved through the use of this procedure, the applicable provisions of the Collective Bargaining Agreement may be employed.
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**PRODUCTION STANDARDS - ADVERSE MIX CONDITIONS IN  
CAR AND TRUCK ASSEMBLY PLANTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Production Standards - Adverse Mix Conditions in  
Car and Truck Assembly Plants

During the course of negotiations, the parties discussed the impact of mix and overcycle conditions on work allocations in car and truck assembly plants.

The Company recognizes the importance of ensuring an employee's ability to perform his/her operation in a safe manner and at a reasonable pace, resulting in a quality product.

The parties agreed that floor supervision will use scheduling data and advanced planning techniques, such as the High Option Content Report (HOCR) and the national mix blend, to respond to adverse mix conditions. In addition, each facility shall locally establish a containment plan, as provided in the Collective Bargaining Agreement, to address any adverse mix or overcycle conditions and the process will be communicated to impacted employees.

The parties further agree to establish a joint training program that will be funded from the Education, Development, and Training Program funds for the purpose of providing appropriate local company and union personnel techniques to effectively address mix/cycle situations. The parties agree to meet after the conclusion of negotiations to jointly develop subject matter content and an implementation plan.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

**PRODUCTION STANDARDS —  
BODY & ASSEMBLY OPERATIONS**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Production Standards—  
Body & Assembly Operations

This will confirm the understanding reached in the 1993 negotiations that, on a job for which a production standard has been placed in effect in a car and truck assembly plant and that standard is in dispute, the work elements and normalized elemental times will be furnished without undue delay in writing to the designated Local Union representative, upon request. It is mutually recognized that it would be impractical to provide this information during periods of production acceleration or mix changes.

It further is understood that a member of Management on each production shift will be designated to assist in resolving production standards disputes occurring on that shift.

Very truly yours,

JAMES D. SHANNON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**PRODUCTION STANDARDS AND OTHER ISSUES**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Production Standards and Other Issues

During these negotiations, the parties discussed mutual concerns related to establishing and maintaining production standards and their impact on health and safety and product quality. The parties recognized the importance of providing a quality product that will lead to customer satisfaction and employee job security. It was agreed that the establishment of fair and equitable workloads was a critical component of providing a quality product. The parties discussed efforts that have been initiated to date by the Company to address and resolve these and other issues. Specifically, these efforts include:

- Modular Arrangement of Pre-Determined Time Standards (MODAPTS) and Automated Methods Analysis Time System (AutoMATS). These are examples of alternative systems for establishing work standards. The national parties are available to support locations that wish to implement these methods.
- In-Line Vehicle Sequencing (ILVS). ILVS will address problems associated with adverse mix and its impact on work allocations and product quality. Even with ILVS, the existing provisions of the CBA pertaining to adverse mix conditions remain in effect.
- Quality Deployment Sheets/Quality Process Sheets. QDS/QPS sheets are devices that ensure consistent performance of work elements and lead to employee and customer satisfaction.

**PRODUCTION STANDARDS AND OTHER ISSUES**

These continuous improvement initiatives are designed to promote the parties' mutual commitment to providing quality products in a competitive environment. The parties agreed to continue to support these local endeavors.

Very truly yours,

THOMAS M. BROWN, Executive Director  
Labor Affairs  
Human Resources

Concur: Ernest Lofton

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**PRODUCTION STANDARDS GRIEVANCES  
AFTER THE FOUR-MONTH PERIOD**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Production Standards Grievances after the  
Four-Month Period

During the recent negotiations, the Union expressed concern about production standards grievances resolved outside of the four-month period specified in the Work Allocation Letter of October 5, 1976. More specifically, the Union was referring to the effect on an undisputed operation involved in the grievance settlement of a disputed operation. This will confirm that if the resolution of a production standards dispute after the four-month period results in work being reassigned to another operation, the employee on such operation is not precluded from disputing the work reallocation through the Procedure for Review of Work Assignments or the Grievance Procedure.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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RELIEF PATTERN CHANGES - ASSEMBLY OPERATIONS

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Relief Pattern Changes - Assembly Operations

During these negotiations the Company and Union discussed the competitive pressure within the automotive industry and the necessity to respond to market fluctuations. The ability to align production with customer demand is an essential competitive element.

**The parties agreed to create an avenue, other than significant downtime or disruptive line speed changes, and the associated operational churn, to address decreases or increases in volume requirements, pursuant to customer demand. Therefore, it was agreed that, in cases where the Vice President and Director of the UAW-Ford Department concurs as to the need to efficiently match capacity with demand, the Company may exercise the option to transition between relief patterns (mass/tag).**

This letter does not impact the Company's right to address short-term operating issues that require transition between relief patterns.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**RESCHEDULING OF EMPLOYEE RELIEF AND LUNCH PERIODS -  
CAR AND TRUCK ASSEMBLY PLANTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Rescheduling of Employee Relief and Lunch  
Periods - Car and Truck Assembly Plants

During the current negotiations the union raised concerns regarding the frequency and extent to which operating management changes the established lunch and relief periods in car and truck assembly plants.

The parties reaffirm the provisions of Article IV, Section 4(a) concerning the scheduling of relief periods and Article X, Section 6 regarding the advancement or delay of employees' lunch periods.

The Company assures the union that it is the intention of management to provide appropriate relief to all employees as provided in the agreement and not alter the lunch period or relief schedule except in instances where there is a legitimate need to do so, such as a breakdown that cannot be resolved quickly. To address issues concerning the advancement of relief and lunch periods, the Company agrees that for affected employees the regularly scheduled relief cycle after lunch will not commence until one-half hour after the end of the regularly established lunch period.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

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**SATISFYING CUSTOMER DEMAND IN ASSEMBLY PLANTS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Satisfying Customer Demand in Assembly  
Plants**

**During 2007 negotiations, the parties discussed the mutual advantage of delivering the right products to our customers when demand is high. In the event that customer demand exceeds the restrictions outlined in Appendix H, Part A, Paragraph 4(a), the Company will contact the Local Plant Chairperson in order to discuss, develop and implement a plan to address production needs, subject to the approval of the UAW National Ford Department. If customer demand exceeds the outlined restrictions and local parties cannot find resolution, the issue will be elevated to the National parties to be resolved.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**TOOL AND DIE CONSTRUCTION**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Tool and Die Construction

During the current negotiations the Union expressed its concern over the effect on employment opportunities for seniority journeymen in tool and die classifications (Appendix F) of Company decisions to utilize non-Company sources for new machining, fabrication, repair, tryout and related checking fixture construction work normally assigned to the die construction activity in the plants of the Metal Stamping Division, including the Dearborn Tool and Die Plant.

As explained by the Company in the discussion of this subject, and particularly with reference to the meetings in 1975 with Rouge Tool & Die Unit representatives regarding the delayed 1977 car and truck model die construction program, decisions concerning the effective utilization of in-house die capacity and outsourcing are the responsibility of the Metal Stamping Division Management.

It is the policy of the Company to retain new die machining, fabrication, repair, tryout and related checking fixture construction work within the die construction activity of plants in the Metal Stamping Division to the extent the Company's program requirements can reasonably be met. Of course, the final decision must be made by the Company based upon its assessment of these requirements and the facts known to the Company at the time the decision is made.

The decision to retain such work in-house or to utilize non-Company sources is influenced by many considerations, including the magnitude of the new die construction program, the timing of each phase of the program, the availability of facilities, specialized equipment and necessary skills within the work force, the complicating effect of design modifications and bottleneck operations such as machining

## **TOOL AND DIE CONSTRUCTION**

limitations and the unavailability of presses to perform necessary tryout work, the efficiencies and economics involved, and the need to maintain a reliable supply base in view of the fluctuations and uncertainties of the die construction business.

Many of the same considerations which influence the allocation of such work by division management also impact the accomplishment of the objectives established for local plant management as a part of the overall new die construction program. For example, the unavailability of machining capacity in the plant die construction activity may lead to the decision to utilize a non-Company source in order to assure that deadlines in the program are met.

A local management decision to utilize a non-Company source for such work should consider, in addition to all other relevant factors, any adverse employment impact on the plant's tool and die work force, i.e., seniority journeymen in the affected classifications are laid off or would be laid off as a direct result of the decision.

In the event that such a decision is being contemplated, local management will, except where time and circumstances prevent it, have advance discussion with local union representatives concerning the nature, scope and approximate dates of the work to be performed and the reasons why management is contemplating utilizing a non-Company source. At such time, Company representatives are expected to afford the Union an opportunity to comment on the Company's plans and to give appropriate weight to those comments in the light of all attendant circumstances.

In making a final decision, the Company will not act arbitrarily or capriciously in disregard of the legitimate interests of Ford employees.

In addition, where the Company considers that work practices or provisions of local agreement may be having an adverse effect on the Company's ability to compete in this

**TOOL AND DIE CONSTRUCTION**

field effectively, management will discuss such matters on a timely basis with local union representatives and explore with them the possibilities of taking practical steps with respect to such matters to the end of improving the employment opportunities of such employees.

Very truly yours,

SIDNEY F. McKENNA,  
Vice President  
Labor Relations

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**TOOL AND DIE WORK**

October 9, 1961

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Tool and Die Work

During our current negotiations, the Union's National Ford Negotiating Committee raised with the Company the problem of job opportunities for Ford seniority skilled tool and die employees. These opportunities are affected upon occasion by Company decisions to purchase, rather than manufacture, certain tools, dies, fixtures and similar equipment, despite the fact that the Company has the facilities to do such work.

As we pointed out to you, the Company cannot agree to any conditions on its right to make make-or-buy decisions. In making such decisions, it intends to continue to give appropriate consideration to the operating needs of the business, the efficiencies and economies involved, and other pertinent factors, including the consequences of such decisions to the employment opportunities of its skilled tool and die employees. The Company is genuinely interested in maintaining maximum employment opportunities for these employees, consistent with the needs of the enterprise.

Where the Company considers that work practices or provisions of local agreements in its Tool and Die Departments may be having an adverse effect on the Company's ability to compete in this field effectively, Management will discuss such matters on a timely basis with the local Tool and Die Unit Committee and explore with it fully the possibilities of taking practical steps with respect to such matters to the end of improving the employment opportunities of such employees.

**TOOL AND DIE WORK**

In connection with this matter, we informed you of the Company's continuing program to improve its die construction facilities in the Rouge Area. Approximately \$2,000,000 has been expended on this program in the past two years, and some quarter of a million additional dollars have been appropriated for further improvements.

Very truly yours,

MALCOLM L. DENISE,  
Vice President  
Labor Relations

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**WORK ALLOCATIONS IN ASSEMBLY PLANTS**

October 5, 1976

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Work Allocations in Assembly Plants

During the 1976 negotiations, the Union sought, as it has in the past, a Company commitment that work allocations in the car and truck assembly plants would be made early in the model run and would remain unchanged for the balance of the model run.

The Company has consistently emphasized the great number of factors that influence its ability to make unchangeable work allocations early in the model run in its vehicle assembly plants, among which are the overmanning that sometimes occurs early in the model in connection with launching, the normal difficulties which are associated with the production of new models, the engineering changes which occur throughout the model run, the frequent variations in body mix and option installation rates, the changes in processing and tooling which occur frequently and continually, and the continuing efforts which the Company makes to achieve a satisfactory level of manpower efficiency and work load balance.

Article IX, Section 2(b) of the Ford-UAW Collective Bargaining Agreement explicitly recognizes these and other factors and objectives as the underpinning of the Improvement Factor increases provided for in the Agreement.

Nonetheless, we are not unmindful of the interest which employees in the vehicle assembly plants have in securing a reasonably certain level of work assignment at some point in time in the model run. As we have discussed, the factors described in the second paragraph above are particularly critical in those vehicle assembly plants in the model years in which there is a new or major change car or truck line and somewhat less critical in the plants in which the so-called

#### **WORK ALLOCATIONS IN ASSEMBLY PLANTS**

“carryover” or “face-lift” vehicles are assembled, vehicles which undergo a relatively limited year-to-year change. Even in the latter cases, however, they are not unimportant.

With respect to the latter vehicle assembly plants, the Company will assure that by the end of four months after the line speed reaches scheduled production, suitable employee work allocations will have been made and will remain unchanged for the balance of that year’s model run, excepting as a change in work allocation is occasioned by changes in line speed, mix, option installation rates, tooling, processing, engineering or design specifications, methods or layout.

It is expressly understood that this arrangement will not constitute any kind of acknowledgment that the work load or work allocation as of the time it becomes unchanged will represent a full work load, nor does it carry any assurance or implication that the work allocation in the succeeding model year will remain unchanged, regardless of the degree of vehicle change.

Very truly yours,

SIDNEY F. McKENNA,  
Vice President  
Labor Relations

Concur: Ken Bannon

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**WORK ALLOCATIONS IN ASSEMBLY PLANTS —  
APPLICATION OF CHANGES**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Work Allocations in Assembly Plants—Application  
of Changes

During 1987 negotiations, the parties discussed interpretation of certain provisions of the 1976 letter "Work Allocations in Assembly Plants".

It is with respect to work reallocations after the four-month period referenced in the letter which are occasioned by changes in tooling, processing, engineering or design specifications, methods or layout that the question of proper application arose, particularly when they may result in manpower reductions.

The parties have agreed that in such cases there must be some regard for the magnitude and significance of the changes to avoid rendering meaningless the assurance given to employees contemplated in the letter. The change should be such that there is a real and identifiable effect on the operation(s) impacted. Relatively minor changes after the four months are not to be used to justify major work reallocations.

Prior to implementation of changes in this nature the appropriate union representative will be advised of the planned change.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**WORK ALLOCATIONS IN ASSEMBLY PLANTS —  
CLARIFICATION**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Work Allocations in Assembly Plants—Clarification

During the 1987 negotiations, the Union sought clarification as to when the four-month period begins in plants where vehicles are assembled which undergo a relatively limited year-to-year change; the so-called “carry-over” or “face-lift” vehicles as stipulated in the Letter of Understanding dated October 5, 1976, re Work Allocations in Assembly Plants.

This letter will serve to confirm the parties’ understanding that with respect to so-called “face-lift” or “carry-over” vehicles with limited year-to-year change, the four-month period for allocating work will begin ten (10) working days after the first unit for that model run is produced at the plant.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**WORK ALLOCATIONS IN ASSEMBLY PLANTS - EMPLOYEE  
ENGAGEMENT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Work Allocations in Assembly Plants - Employee  
Engagement

During these negotiations, the parties discussed lean principles and opportunities to seek continuous improvement through employee and team engagement. It is recognized that employees and teams have the greatest understanding of how to organize work and eliminate waste. The parties discussed the importance of utilizing workforce input and the positive impact it has on competitiveness and employee morale. In this regard, the parties agreed to support employee or team driven efforts to continuously eliminate waste, improve quality, address health and safety and ergonomic concerns as well as the effective and efficient allocation of work elements. Communications and implementation of employee suggestions will be in accordance with local practices.

Except in the limited application of this letter, its provisions are not intended to conflict with existing language regarding work allocations in assembly plants.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**WORK ALLOCATIONS IN ASSEMBLY PLANTS - REBALANCE PERIOD**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Work Allocations in Assembly Plants - Rebalance Period

During these negotiations the parties discussed the impact of multiple model launches within a model run. The Union demonstrated to the Company that these multiple launches could be interpreted as an avenue to establish additional rebalance periods within a model run.

The Company acknowledges the negative impact constant churning could have on safety, quality, and employee morale. The parties agree that there will be one designated rebalance period for "Face-lift and Carry-over" vehicles. Facilities that launch multiple "Face-lift and Carry-over" models derived from the same platform will continue to be governed by the principles of the 1976 Work Allocations in Assembly Plants Letter of Understanding and the 1987 Work Allocations in Assembly Plants - Application of Changes Letter of Understanding.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**WORK ALLOCATION — PROBLEM RESOLUTION PROCESS**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Work Allocation — Problem Resolution Process

During the recent negotiations, the Union alleged that certain local assembly plant managements were not adhering to the provisions of the September 17, 1987 Letter of Understanding entitled, "Work Allocations in Assembly Plants—Application of Changes." Specifically, the Union claimed that management at certain plants continue to make insignificant changes after the four-month period which resulted in additional major work reallocations. The Company reaffirmed its commitment that the changes made during this period must have a real and identifiable effect on the operation(s) impacted. It also is the intent of the Company to continue to abide by the assurances given in the October 5, 1976 Letter, "Work Allocations in Assembly Plants."

In those instances following the four-month period, the Company agrees to provide ample advance notification to the Unit Chairperson and/or local Production Standards Representative of work allocation changes. It is intended that concurrent with this notification, the Unit Chairperson and/or local Production Standards Representative will be informed of the nature and the reason for the changes. The parties recognize that there are certain temporary conditions including safety, ergonomic or quality concerns that may occur that would make advance notification impractical.

#### **WORK ALLOCATION — PROBLEM RESOLUTION PROCESS**

The Company also assured the Union that its concerns in this regard will be fully communicated to all Plant Managers in the car and truck assembly plants, and that the principles contained in the September 17, 1987 Letter of Understanding will be reaffirmed to appropriate members of assembly plant management. This will be accomplished within a 90-day period following the ratification of the new Collective Bargaining Agreement.

To ensure this issue is dealt with effectively, at all levels, the local parties are directed to exhaust all means at their disposal to resolve any work allocation disputes arising from the September 17, 1987 letter, including discussion with senior plant management. Either party may, in writing, refer the dispute to the National Ford Department and the appropriate Program/Regional Manager at Body and Assembly Operations for resolution.

It is the intent of the parties that these discussions and procedures would provide an avenue for resolution of such work allocation issues without need to utilize the formal grievance procedure. However, utilization of this resolution process does not preclude the use of the grievance procedure.

Very truly yours,

THOMAS M. BROWN, Director  
Union Affairs Office  
Employee Relations Staff

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TOTAL COST

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Total Cost**

**During the 2007 negotiations, the Union and Company discussed the importance of promoting a total cost perspective by eliminating wasteful procedures across manufacturing operations. This was in response to the Union's concern that local management relied primarily on work force reductions to reduce costs, without exploring other areas where cost reductions could be accomplished.**

**In responding to the Union's concerns, the Company emphasized that continuous improvements in all aspects of the business, including work force productivity and cost reductions, are essential to meet competitive challenges in the global automotive industry. Through several negotiations and agreements, the parties have recognized that competitiveness and job security go hand in hand. In labor intensive manufacturing operations the bulk of opportunities are directly tied to work force productivity and labor costs. This situation is true for both Ford's foreign and domestic competitors. Therefore, to remain competitive the Company must continue to explore all opportunities for potential total cost reductions.**

**Plant Total Cost Process**

**The Company recognizes the Union's interests and concerns in this regard and will continue to emphasize a total "four walls" cost approach in cost reduction efforts. Labor and overhead will continue to be an element of total cost. Ford utilizes labor hours per unit as a measure of productivity and improvement**

## **TOTAL COST**

over time. The strategy and tactics to achieve our productivity objectives require favorable financial analysis and decisions should not be made solely on the basis of reducing hours per unit. The Ford Production System (FPS) Process can provide the knowledge and capability to teams to identify other areas of waste within our manufacturing processes and generate real, bottom line savings. Plant cost objectives are based on achieving total cost objectives, including, but not limited to: labor, overhead, inventory, supplies and services, fuel, scrap, energy costs, indirect materials, raw and bulk material, freight, production material and spending related costs. Plant On-Line Reporting (POLR) will be available for tracking of cost performance.

### **Communications Process**

To further promote the total cost perspective throughout manufacturing organizations, the following actions will be taken to ensure effective communication:

- Annual cost objectives for North America will be communicated to the UAW-Ford Department by the Vice President, North American Manufacturing and the Controller of Manufacturing Operations.
- Following the above notification, the total budget task will be communicated annually at the plant level to the local Chairperson by the Plant Manager and Controller. As each plant determines how to manage its task, local leadership will be encouraged to identify additional, or alternative, ways the task can be achieved.
- Monthly cost performance will be communicated to the local Chairperson by the Plant Manager.
- Team cost performance will be communicated to Team Leaders by operations management. The communications should reflect a "four walls" cost approach and also contribute to the plant's cost performance.
- Team Leaders will participate in additional opportunities to impact cost performance positively.

**TOTAL COST**

- **The National Continuous Improvement Forum will develop local plant guidelines including, but not limited to, meeting agenda items, meeting attendees, meeting frequency and content topics.**

**Support for Insourcing Ideas**

**Local Job Security Operational Effectiveness Committees (LJSOECs) are encouraged to develop proposals on ways to add business/jobs on a competitive basis, utilizing 2007 negotiated cost methodologies agreed to in Appendix P, with the recognition that national level UAW and management support may be provided where assistance from Purchasing or Product Development is required.**

**Redeployment Strategy**

**If as a result of FPS continuous improvement efforts, plants have surplus employees, elements of a successful redeployment strategy should include, but not be limited to, the following:**

- **Assigning available employees to improvement teams, quality teams or other work directly related to the achievement of business goals.**
- **Using available employees as a resource to enable training required for business skills.**
- **Redeploying employees to regular job openings, including the potential of team leaders, as attrition occurs or due to growth.**

**The parties believe that discussion and engagement of this total cost perspective will help to foster an inclusive environment where all employees aggressively pursue opportunities to reduce cost and enhance competitiveness.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**CONTINUOUS IMPROVEMENT**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Continuous Improvement**

**During the 2007 negotiations, the parties discussed the importance of Total Cost and Continuous Improvement initiatives and their role in eliminating wasteful procedures across manufacturing operations.**

**As a result of these discussions the Memorandum of Understanding - Continuous Improvement Forum (Appendix J) was created. Consideration was also given to the importance of preparing the forum members for the tasks identified in Appendix J. As such, both the UAW and Company agree that there may be times when the Continuous Improvement Forums may request support, resources or services from the UAW-Ford National Programs Center. When approved by the Joint Governing Body these requests will be supported.**

**In addition, the Grievance Procedure as set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over any matter related to this letter.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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CONTINUOUS IMPROVEMENT "BEST-IN-CLASS"  
BENCHMARKING

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Continuous Improvement "**Best-in-Class**"  
Benchmarking

During the course of these negotiations, the parties discussed **the Union's interest in increasing the Company's manufacturing presence in the United States** and the progress of our facilities in implementing continuous improvement initiatives. It is recognized locations are at various stages of implementation, and there are differences in plant layouts and manufacturing processes. As continuous improvement initiatives mature, there will be opportunity to standardize processes in similar operations. Additionally, design, commonality and flexible manufacturing will help drive consistency of application.

The parties agree to identify best practices around continuous improvement processes through joint internal and external "**Best-in-Class**" benchmarking efforts. The parties reaffirm this benchmarking role is integral in the charters of the National **and Operations** Continuous Improvement **Forums** and the local committees.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

**Concur: Bob King**

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CONTINUOUS IMPROVEMENT FORUM

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Continuous Improvement Forum

During these negotiations, the parties discussed the many contributions made by our joint programs **and cooperative efforts** that are **significant factors** in our producing quality products at a competitive price. The parties discussed the time **spent addressing operational issues and** administration of these programs, specifically the number of meetings, **and the resulting time constraints that this has** placed on the **local** Union leaders and management employees. There was a recognition that in some cases **local** Union **representatives** and **management employees** are receiving redundant information as they attend various meetings.

In light of these concerns, the parties have agreed that consideration should be given at the local level to consolidating meetings of various local joint committees (e.g., Job Security, Ergonomics, Mutual Growth Forum, Continuous Improvement, **Cost Reviews, Job Security & Operational Effectiveness (JSOE), Outside Contracting and Sourcing discussions**) into one regular meeting—the Continuous Improvement Forum. **The parties also agree that in some locations it may be appropriate to consolidate other meetings into this Forum at the discretion of the Plant Manager and UAW Chairperson, as the above examples are not all-inclusive.** It is envisioned that in many of our operations, establishing a Continuous Improvement Forum would:

- Improve communication, both among the local parties and with their national counterparts.
- Maximize the opportunities for key Union and Company representatives to participate and contribute.

#### CONTINUOUS IMPROVEMENT FORUM

- **Enable a flow of dialogue that will aid the work force in efforts to produce "best-in-class" products and thereby assist in ensuring the viability of each location.**
- Ensure a consistent approach in the application and administration of all joint programs.
- Provide a forum to consolidate information and maximize the synergy among many of our programs as the local parties work toward their joint goal of improving the quality of work life and providing world class quality products.

**While this letter is not intended to prescribe meeting frequency for local parties, experience does suggest that, in light of the complexity of plant operations, frequent meetings are the best approach. In addition, due to the nature of subjects to be discussed, it is imperative that meetings be conducted by the senior operating and bargaining unit personnel at each location.**

The national parties endorse the Continuous Improvement Forum as one approach for local parties to maximize information sharing, improve time management and focus on the key issues at each location. There is a clear recognition that other approaches for addressing important issues may also be appropriate and acceptable.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**CONTINUOUS IMPROVEMENT INITIATIVES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Continuous Improvement Initiatives

During these negotiations, the parties discussed the importance of those initiatives which enable Ford employees to contribute to continuous improvement in the elements of the manufacturing business. Furthermore, the parties recognized the necessity of continuous improvement to support a focus on the consumer **and** to deliver products and services with improved customer satisfaction and quality, with great value, and at an affordable cost.

The parties recognize that, in order to achieve and maintain global competitiveness, Ford must remain on the cutting edge of new and emerging organizational, technological and process trends. For example, the Ford Production System (FPS) is a key, business driven foundation process, able to evolve over time as business dictates; and the application of the principles of Appendix **J**—Continuous Improvement to the manufacturing process is critical to meet customer expectations. The parties also discussed the importance of linking, as appropriate, all Joint Programs to continuous improvement efforts.

The following elements are linked together in order to realize fully the vision of FPS:

- **Gear 1: Flexible, capable highly motivated and empowered people (Work Groups, Leadership, Training, SHARP, Environmental)**
- **Gear 2: World class reliability and maintainability (FTPM, ISPC, ME, QOS)**
- **Gear 3: Continuously flowing material and products (SMF, IMF)**



## CONTINUOUS IMPROVEMENT INITIATIVES

During the course of these discussions the parties recognized how improving the Company's operating processes can enhance the work environment and improve competitiveness, **total cost** and job security. The UAW and Ford have achieved significant progress together, and the parties reaffirm their commitment to maximize management and Union support to Continuous Improvement. To ensure continuity, and to recognize the benefits Continuous Improvement provides to all parties, these initiatives should not be suspended and/or otherwise impacted as a consequence of internal differences or unrelated disputes. In addition, to achieve their mutual goals to improve job security and operational competitiveness, the parties recognize the relationship between Continuous Improvement and these other processes/programs noted above; the need to continue efforts to align Continuous Improvement and the other processes/programs; and to involve all organization components and levels with people working together to achieve common goals.

Consistent with these objectives, the parties reaffirmed their commitment to support and encourage our **Continuous Improvement forums at the Local, Operations, National and Senior Advisory level** to provide leadership and recognition in the implementation of FPS and other Continuous Improvement processes so important to our collective future.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

**CONTINUOUS IMPROVEMENT PRINCIPLES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Continuous Improvement Principles

The Company reaffirms its commitment to continuous improvement and the establishment of structures that allow employees the opportunity to participate in continuous improvement activities.

The parties recognize that a high level of quality, operating efficiency and effective relationships require mutual respect and recognition of each other's issues and concerns. Therefore, **Local Continuous Improvement Forums** should include consideration of each plant's operational requirements and the needs of employees as they focus on cooperative efforts that achieve our common goals of improving operational effectiveness, increasing job satisfaction, and fully engaging the workforce.

The structure and support of continuous improvement initiatives may vary by location and will be discussed on a regular basis by the local parties in the **Continuous Improvement Forum** or in other **meetings** as appropriate.

#### **CONTINUOUS IMPROVEMENT PRINCIPLES**

The Company will implement initiatives that drive continuous improvement at each plant. It is understood that successful implementation will be based on consistent support from both the local management and Union leadership. In pursuit of these initiatives, representatives of the National Continuous Improvement **Forum** will be available to work with local committees to achieve these goals.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

Concur: **Bob King**

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**NORTH AMERICA MANUFACTURING COST OBJECTIVES  
EFFORTS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: North America Manufacturing Cost  
Objectives Efforts**

Recently, the parties discussed in great detail the role of effective work groups in **manufacturing operations**. Examples of where work groups can contribute to plant metrics include: scrap reduction, industrial materials savings, labor and overhead, fuel and utilities, bulk materials, launch improvements, and other areas that contribute to achieving the plant's overall annual cost objectives.

The efficient and effective utilization of our people is critical to the continuous improvement process. In this regard, **North America Manufacturing** will continue to utilize work group contributions to support the elimination of waste and the establishment of a continuous improvement mindset. This process may at times include the identification of productivity enhancements that result in available labor, which will be addressed in accordance with the provisions of the Collective Bargaining Agreement.

**NORTH AMERICA MANUFACTURING COST OBJECTIVES  
EFFORTS**

The parties acknowledge the importance of sharing annual cost objectives with the Union leadership to provide an understanding of business conditions **along with the opportunity for open dialogue around the initiatives of total plant cost**. This communication will take place annually and will include the Vice President of **North America Manufacturing** and the appropriate National Ford Department leadership, designated by the UAW Vice President and Director of the **UAW-Ford** Department. Similar communications will occur locally in existing forums.

Very truly yours,

**JOE HINRICHS,  
Vice President  
North America Manufacturing**

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## ADMINISTRATION OF GRIEVANCE PROCEDURE

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Administration of Grievance Procedure

This letter confirms the present and past understandings agreed to by the parties with regard to the administration of the grievance procedure. It also describes two new initiatives in the administration of the grievance procedure.

### General Principles

- The parties agree that the provisions presently established in the Collective Bargaining Agreement governing the administration of the grievance procedure, when conscientiously applied, provide sufficient means to ensure the efficient resolution of employee complaints.
- Both parties reaffirm their mutual intent to avoid backlogs and delays in the lower stages of the grievance procedure and to seek correction for those situations where the lower stages of the procedure do not appear to be functioning effectively.
- Both parties have the responsibility to meet regularly on grievances in accordance with the terms of the Collective Bargaining Agreement and that such meetings should not unnecessarily be postponed or delayed.
- The relevant provisions of the grievance procedure, if closely administered, prevent the Company or Union representatives from delaying timely processing of grievances in the procedure.

## ADMINISTRATION OF GRIEVANCE PROCEDURE

### National Parties' Review and Action

- To improve the administration of the grievance procedure at all Company locations, appropriate personnel from either the National Ford Department or Labor Affairs of the Company may contact the other party in situations where problems have developed in the administration of this procedure at specific Company locations.
- Upon receipt of such request, representatives of the National Ford Department and Labor Affairs will meet to discuss the problems enumerated in an attempt to formulate corrective action.
- The parties must be sensitive to any trouble spots with a view to preventing problems before they arise. In this regard, the parties will consult with appropriate plant level Company and Union representatives quarterly to determine the status of grievances pending in the lower stages of the procedure.
- Representatives from the National Ford Department and Labor Affairs will meet at least quarterly or more often if necessary to review and assess the parties' administration of the grievance procedure at the plant level. Such reviews are intended to identify those locations that are beginning to experience difficulty in the administration of the grievance procedure so that corrective action may be implemented on a timely basis.
- Corrective action will be designed on a case by case basis depending on the particular circumstances that exist at a location.
- The parties' recommendations for corrective action may be made binding on the local parties if the problem is persistent.

### Training in Administration of the Grievance Procedure

- The parties also discussed training of representatives responsible for administering the grievance procedure. Both parties recognize the benefits that can be achieved in the administration of the Grievance Procedure when Company and Union representatives are knowledgeable concerning their roles and responsibilities.

**ADMINISTRATION OF GRIEVANCE PROCEDURE**

- In this regard, the parties agree the UAW-Ford Collective Bargaining Agreement Training Program, which is the subject of a separate Letter of Understanding, will include a module that addresses the proper administration of the grievance procedure and the roles and responsibilities of Company and Union representatives.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**CLEARING DISCIPLINARY RECORDS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Clearing Disciplinary Records

This letter will serve to consolidate and confirm the following understandings reached by the parties with regard to effacement and clearing the charges from an employee's disciplinary record.

With regard to the administration of discipline under Article IV, Section 3 of the Collective Bargaining Agreement, this is to advise you that procedures have been instituted by the Company to assure that prior infractions which occurred more than 18 months previously are effaced from the employee's active disciplinary record in use for the purpose of determining current disciplinary measures.

In addition, the following instructions—"Clearing Disciplinary Records"—have been issued to all Company locations.

- An employee's disciplinary record should be entered **in the TWOS computer system** and copies of the Forms 4600 **should be retained in the Labor Relations office.**
- When a record is to be cleared the entry should be obliterated.
- When a penalty is merely reduced and a charge stands, the lesser penalty should be inserted in place of the original one. The record should reflect the lesser penalty only.
- A notation should be made on the Form 4600 of the rescinded or changed disciplinary action stating that the disciplinary action was removed or changed in accordance with an identified grievance or Umpire case number.

#### CLEARING DISCIPLINARY RECORDS

- All personnel in labor relations offices who use, transcribe, or post labor relations records should be made aware that rescinded entries must not be considered in any future disciplinary action, promotion case, etc.
- Similar care should be taken to insure that disciplinary action more than 18 months old at the time of the charge is not considered. **However, in instances where an employee is on a medical leave of absence of 90 days or more during the 18 month time period after a disciplinary action is issued, the 18 month time period will be extended by the amount of time of medical leave occurring within the initial eighteen months to ensure 18 months of active employment from the issuance of the disciplinary action.**
- The rules above do not call for a review of all records on file. However, the above rules should be observed for future transactions and any time past records are used. Compliance with these rules will effectively clear an employee's record of any charge of which the employee is or has been found innocent.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

Concur: **Bob King**

Note: This letter replaces the following letters:

- **Clearing of Disciplinary Records and Attachment, October 9, 1999**
- Clearing of Disciplinary Records and Attachment, October 2, 1961
- Procedure, Effacement of Prior Infractions, Occurring More than Five Years Previous, in Discipline Cases, September 21, 1964

**COMPUTERIZING THE GRIEVANCE PROCEDURE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Computerizing the Grievance Procedure

During 1999 negotiations, the parties discussed the feasibility of computerizing certain portions of the Grievance Procedure.

This will confirm the parties have agreed to initiate a joint study of the issues associated with computerizing portions of the grievance procedure by the 2<sup>nd</sup> quarter of 2000. Should the parties conclude that computerizing portions of the grievance procedure is desirable, pilot programs will be conducted at selected locations. Unit committeepersons would be given access through computers presently accessible to committeepersons in in-plant union offices.

All cost associated with this study and any pilot programs the parties jointly agree upon (including such items as hardware, software, installation, maintenance, user training, program/security administration and development or modification of information systems) will be paid from the Education, Development and Training Program Funds upon approval of the Joint Governing Body.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

**DISCIPLINARY INVESTIGATORY INTERVIEWS —  
WAIVER OF REPRESENTATION**

September 15, 1993

Operations and Division Employee Relations Managers  
Operations and Division Hourly Personnel and  
Labor Relations Managers  
Plant Employee Relations Managers  
Plant Labor Relations Supervisors

Subject: Disciplinary Investigatory Interviews—Waiver of  
Representation

Article VII, Section 5(b), of the Ford-UAW Collective Bargaining Agreement affords an employee the same representation rights during a disciplinary investigatory interview which presently are afforded an employee when a disciplinary hearing is held.

Effective immediately, when an investigatory interview is conducted by Company representatives which may result in evidence to be used to discipline the employee, the following procedure is to be followed:

- The Company employee conducting the investigatory interview will advise the employee of the right to Union representation.
- Should the employee not desire Union representation, the employee will sign a waiver to that effect.

A standard Waiver of Union Representation Form has been developed (attached). It is recommended that the Waiver of Union Representation form be used when a disciplinary investigatory interview is conducted. The original signed form will be retained as part of the employee's personnel record. A copy of the signed form may be provided to the Union upon request.

**DISCIPLINARY INVESTIGATORY INTERVIEWS —  
WAIVER OF REPRESENTATION**

Please assure that all management representatives who may be responsible for conducting a disciplinary investigatory interview (for example, security personnel and line supervision) are advised of the contents of this memorandum. Should you have any questions, please contact the Arbitration Activity.

Very truly yours,

LAWRENCE E. PERCZAK, Director  
Forward Planning Office  
Employee Relations Staff

Attachment

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**WAIVER OF UNION REPRESENTATION**

**WAIVER OF UNION REPRESENTATION**

I, \_\_\_\_\_, have been given the opportunity to have my Committeeperson present at this investigatory interview on \_\_\_\_\_  
(Date)  
and I have waived representation.

\_\_\_\_\_  
(Signature)

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The above employee, \_\_\_\_\_ has been given the opportunity to have Union Representation at his/her investigatory interview on \_\_\_\_\_.  
(Date)

\_\_\_\_\_  
Company Representative  
(Signature)

**DISCIPLINARY PRACTICES - APPEARANCE OF DOUBLE  
STANDARD**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Disciplinary Practices - Appearance of Double  
Standard

During the 1999 negotiations, the Union expressed concern regarding plant disciplinary practices that have different application to hourly and salaried employees. The Union indicated this was an area that could unintentionally give rise to the appearance of a "double standard" of treatment. The Company is committed to fairness in the administration of discipline. Accordingly, in a continuing effort to establish and maintain a work environment characterized by mutual respect and trust, the Company informed the Union that a concern regarding this matter may be raised with local management for discussion.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

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**GRIEVANCE NUMBER ON CHECK STUB**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Grievance Number on Check Stub

This is to confirm the Company's intention to continue the present procedure of printing the grievance number of each respective grievance award on the check stub of a regular pay check when the grievance award is paid as an adjustment or on the check stub of a separate check when the grievance award is in excess of \$100.

The grievance number listed on the Form 2436, Authorization for Payment of Claims Resulting from the Grievance Procedure, will be the number to be printed on the check stub.

Very truly yours,

LAWRENCE E. PERCZAK, Director  
Forward Planning Office  
Employee Relations Staff

Concur: Ernest Lofton

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**ORAL STEPS OF GRIEVANCE PROCEDURE —  
SUPERVISORS/SUPERINTENDENTS' PARTICIPATION**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Oral Steps of Grievance Procedure—Supervisors/  
Superintendents' Participation

During 1993 Negotiations, the Union asserted that Supervisors and Superintendents, on occasion, fail to meet and discuss with the District Committeeperson on a timely basis those grievances processed into the oral steps of the First Stage of the Grievance Procedure.

The parties share a common interest in encouraging effective operation of the Grievance Procedure, with special emphasis on early resolution of grievances. Accordingly, the parties fully support the value and importance of full and timely discussion to resolve misunderstandings and to enhance relationships inherent in the oral discussion steps.

The parties, therefore, recognize the obligations of: (1) Supervisors and Superintendents to give their best efforts at timely and thoughtful consideration of grievances discussed within the scope of their ability and authority, and to make appropriate adjustments when grievances are meritorious; and (2) District Committeepersons to give timely and thoughtful consideration to the issues and to withdraw grievances that are not meritorious.

Difficulties with First Stage grievance administration should be addressed by the Unit Chairperson and local Employee Relations Manager. Upon request of either party, the matter may be referred to the National Ford Department and

**ORAL STEPS OF GRIEVANCE PROCEDURE —  
SUPERVISORS/SUPERINTENDENTS' PARTICIPATION**

Employee Relations Staff of the Company in accordance with the October 7, 1990 letter entitled "Administration of Grievance Procedure."

Very truly yours,

LAWRENCE E. PERCZAK, Director  
Forward Planning Office  
Employee Relations Staff

Concur: Ernest Lofton

Note: This letter replaces the following letter:

- Superintendents Participation in Second Oral Step, October 5, 1976

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**REINSTITUTION OF GRIEVANCES**

October 5, 1976

Mr. Ken Bannon, Vice President  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Reinstitution of Grievances

The Company and the Union have long recognized that the mutually satisfactory resolution of employee complaints in the grievance procedure, by authorized Company and Union officials, results in a final and binding determination for both parties as well as the employee involved. The parties' recognition of this principle has contributed stability and certainty to the grievance procedure. Accordingly, the Company views any attempt to reinstitute such claims by either party as being antithetical to the purposes for which the grievance procedure was established.

However, subject to the provisions of Article VII, Section 19 of the parties' Agreement, in those instances where the UAW's International Executive Board, Public Review Board, or Constitutional Convention Appeals Committee have reviewed a grievance disposition and found that such disposition was improperly concluded by the Union body or representative involved, the National Ford Department may so inform the Labor Relations Staff of the Company and request in writing that such grievance be reinstated in the parties' grievance procedure at the same level at which it was originally settled. After receipt of such written request, the grievance will be so reinstated by the Company.

It is understood by the parties, however, that the Company will not be liable for any back pay claims from the time of original disposition to the time of reinstatement of the grievance, and it is further agreed that the reinstatement of any such grievance shall be conditioned upon agreement by the Union and the employee(s) that neither will pursue such back pay claim against the Company.

**REINSTITUTION OF GRIEVANCES**

This letter is not to be construed as modifying in any other way either party's rights or obligations pursuant to the Collective Bargaining Agreement or the final and binding nature of any other grievance resolutions. It is also understood by the parties that this letter of understanding and the Company's obligation to reinstitute grievances consistent with the conditions set forth above and upon written request from the Union, can be terminated by either party upon thirty (30) days' notice in writing, to that effect.

Very truly yours,

ROBERT M. MIDDLEKAUFF, Director  
Labor Relations Planning Office

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**REVISED FORM 4600 DISCIPLINARY ACTION REPORT**

**November 3, 2007**

Division Industrial Relations Managers  
Division Hourly Personnel and Labor Relations Managers  
Plant Industrial Relations Managers  
**FCSD** Center Managers

Subject: Revised Form 4600 Disciplinary Action Report

As a result of discussions during 1984 negotiations, the Company revised Form 4600 Disciplinary Action Report in November 1984 to include a full carbon preceding the Union's copy of the Form. The purpose of this revision is to provide the Union a complete copy of the Form 4600 which contains the same information appearing on the Company's copy when it is completed at the conclusion of disciplinary hearings.

**JOHN WRIGHT, Manager  
Arbitration and Wage  
Administration  
Employee Relations Staff  
U.S. Labor Affairs**

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**SOURCING - GRIEVANCES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Sourcing - Grievances

During these negotiations, the Company and the Union agreed to a revised Memorandum of Understanding-Sourcing (Appendix P) wherein it is provided that if the Union cannot resolve a sourcing issue, a grievance may be filed. In addition, the parties agreed that grievances covering such issues shall be handled in the following manner:

1. Such a grievance may be filed by the Local Committee in the second stage of the grievance procedure as provided for in Article VII of the Collective Bargaining Agreement. If the grievance is not resolved, it may then be appealed by the local Union in the normal manner through the fourth stage of the grievance procedure.
2. The Union may elect to appeal through Article VII, Section 9 - Special Submissions to Umpire. The Special Submissions provision must be invoked within 120 days after the expiration of the 90-day period described in paragraph 3d of Appendix P.
3. If such grievance is processed through the fourth stage of the arbitrable grievance procedure, and is decided by the Umpire, the Umpire is empowered to make a decision whether or not the Company has violated its express commitments as set forth in the Memorandum of Understanding-Sourcing (Appendix P).

Very truly yours,

MARTIN J. MULLOY,  
Executive Director  
North American Labor Affairs

Concur: Gerald D. Bantom

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ADMINISTRATION OF APPENDIX V – RAWSONVILLE AND  
STERLING AXLE PLANTS

November 3, 2007

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

**Subject: Administration of Appendix V – Rawsonville  
and Sterling Axle Plants**

During these negotiations, the parties discussed at length the significant global and domestic competitive pressures facing the Rawsonville and Sterling Axle Plants. The Parties recognized these unrelenting challenges with the 2005 UAW-Visteon-Ford, Visteon Restructuring Memorandum of Agreement. This Agreement resulted in the return of these plants to Ford Motor Company and retained the Visteon Supplemental Agreement through the term of the 2007 Collective Bargaining Agreement, including Supplemental Wages and Benefits, for future hires at this plant.

The Parties addressed the need for these plants to remain competitive relative to wage rates and cost factors in line with their competitors. As a result of these discussions, the parties agree to the following:

- The UAW-Visteon Supplemental Agreement will no longer be applicable to UAW-represented employees at these plants.
- All provisions of the 2007 UAW-Ford Memorandum of Understanding entitled "UAW-Ford Entry Level Wage And Benefit Agreement", also referred to as Appendix V, will apply to employees hired or rehired on or after the Effective Date of the Agreement at these plants with the following exceptions:
  - (1) The Starting Rate for Entry Level employees will be \$14.61.
  - (2) The Production Rate for Entry Level employees will be \$16.23.

**ADMINISTRATION OF APPENDIX V – RAWSONVILLE AND  
STERLING AXLE PLANTS**

- (3) Entry Level employees will not be eligible to become a regular non-Entry Level employee at these plants with the exception of Entry Level employees who are transferred to the skilled trades or apprentice classifications at either of these plants.**
- (4) When Entry Level employees at these plants become eligible to transition to regular non-Entry Level status, this will occur only upon application and transfer to another facility as openings become available. Employees transferring to an out-of-zone facility will be eligible for Moving Allowance Benefits.**

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**DEFINITION AND ADMINISTRATION OF ENTRY LEVEL  
EMPLOYEES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Definition and Administration of Entry  
Level Employees**

During the course of these negotiations, the parties had considerable discussion around increasing jobs in UAW facilities, maintaining seniority provisions and creating future employment opportunities. A competitive business case must exist for insourcing new work or expanding existing work. The Company and the Union mutually agree that the first priority is placing all employees covered under the Job Security provisions, including those hourly Ford employees currently working at Automotive Components Holding LLC (ACH) locations.

As outlined in the Memorandum of Understanding entitled, "UAW-Ford Entry Level Wage & Benefit Agreement", Entry Level employment has been established to ensure a competitive blended labor rate across the enterprise. 7,027 Entry Level opportunities have been identified based on the current employment level Company-wide, excluding Sterling Axle Plant, Rawsonville, ACH, and previously negotiated COA outsourcing actions. In conjunction with 7,027 Entry Level opportunities identified, a total of 1,229 previously negotiated COA outsourcing actions will be retained in-house at traditional classifications and rates. The combination of these two actions represents 20% of the total number of seniority employees covered by the UAW-Ford National Agreement. The number of Entry Level opportunities will be adjusted to maintain this percentage, based on changes in future population size.

**DEFINITION AND ADMINISTRATION OF ENTRY LEVEL  
EMPLOYEES**

In evaluating new work that will be considered for future employment, two definitions were determined;

- Work that is presently being performed by a third party that the parties agree can be done competitively by Ford employees. Examples may include kitting, sequencing, instrument panel assembly, stamping sub-assembly, etc. This work, if insourced, will be tracked separately and not included in the 20% entry level employment opportunities outlined above.
- Work that is associated with new programs, new models or increased volume of existing work. This work would be tracked in line with the proportionate model.

Recognizing the necessity for swift implementation of this future staffing model, the parties agree that new employees will be hired as Entry Level. Career progression into regular, non-entry level employment will be managed Corporate-wide, converting the highest seniority Entry Level employee(s) to regular, non-entry level employment once the proportional model is reached in order to maintain the appropriate percentage.

The oversight and ongoing maintenance of this transformation will be monitored and discussed between the National Ford Department and Ford Labor Affairs on an ongoing basis. Ford Motor Company and the UAW are both committed to the full implementation of this Agreement on the basis that the business will prosper, thus enhancing the employment security of current employees while providing opportunities for prospective new employees.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**HOUSEKEEPING**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Housekeeping**

**During 2007 negotiations, the parties held extensive discussions regarding the unprecedented competitive pressures that have required the parties to focus on the performance of housekeeping functions and their impact on Ford's overall competitiveness. It was recognized that these housekeeping functions detract from the overall competitive position of the Company and must be addressed. Therefore, the parties have agreed to exit the following functions in their entirety, as expeditiously as possible, but no later than January 2009:**

- Cardboard Disposal/Trash Handling**
- Environmental Cleaning**
- Janitorial/Laborers; all functions performed**
- Power Sweeper Operators**
- Roads, Grounds Maintenance, and Snow Removal<sup>a/</sup>**
- Booth Cleaning**
- Chip Handlers/Foundry Cleanup**

**The local parties will develop and implement redeployment plans for impacted employees that may include transfer to other operations within the existing plant, transfer to another location, normal attrition and/or a targeted Special Attrition Program as this work is being transitioned.**

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<sup>a/</sup> excludes Michigan Proving Grounds

**HOUSEKEEPING**

**In the event issues exist that the local parties are unable to resolve, either party may refer the matter to the National Parties for resolution.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**LONG-TERM SUPPLEMENTAL EMPLOYEES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Long-Term Supplemental Employees**

**During these negotiations the parties discussed the need for employees to be hired or rehired on a long-term supplemental basis (e.g., new product launch, attrition program transition or other similar supplemental manpower needs).**

**Long-Term Supplemental Employees shall be employed in accordance with the following:**

- A. Long-Term Supplemental employees are employees hired by the Company who normally shall work any five (5) days per week in addition to premium days, for a period not to exceed twelve (12) calendar months.**
- B. The Company shall review with the National Ford Department situations requiring Long-Term Supplemental employees.**
- C. Requests for Long-Term Supplemental employees shall be made in writing to the National Parties for mutual agreement.**
- D. Upon mutual agreement, the Company may hire or rehire Long-Term Supplemental employees for a period up to one (1) year. If a Supplemental employee works for a continuous period of more than one (1) year, they will gain seniority as an Entry Level employee.**
- E. Long-Term Supplemental employees shall accrue no credit towards acquiring seniority.**

**LONG-TERM SUPPLEMENTAL EMPLOYEES**

- F. Long-Term Supplemental employees will be considered for Entry Level job opportunities in a fair and equitable manner, giving due consideration to the length of employment with the Company.**
- G. The Company reaffirms that these Long-Term Supplemental employees are not to be employed to avoid hiring to fill permanent positions. The National Parties will continue to review the use of Long-Term Supplemental employees on an on-going basis; the UAW-National Ford Department may cancel the use of Long-Term Supplemental employees pending two weeks advanced written notice of termination to the Company.**
- H. Long-Term Supplemental employees shall be governed by the terms and conditions of Appendix K, Section II, with the exception of wages and benefits. Wages are determined in accordance with Appendix V, Memorandum of Understanding, UAW-Ford Entry Level Wage and Benefit Agreement, Article I, 4, (a), (b), & (c). Benefits are established as listed in Attachment A.**

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**LONG-TERM SUPPLEMENTAL EMPLOYEES**

**ATTACHMENT A**

**LONG-TERM SUPPLEMENTAL EMPLOYEES**

Long-Term Supplemental employees will be eligible for the following wages and benefits:

Wages are determined in accordance with Appendix V, Memorandum of Understanding, UAW-Ford Entry Level Wages and Benefit Agreement, Article I, 4, (a), (b), & (c).

Hospital-Surgical-Medical-Drug coverage as of the first day of the eighth month following date of hire and their enrollment is limited to the National Preferred Provider Organization (NPPO), modified to include the cost-sharing requirements shown in the table below:

<b>Annual Deductible</b>	
<b>    In-Network</b>	
Single	<b>\$300</b>
Family	<b>\$600</b>
<b>    Out-of-Network</b>	
Single	<b>\$1,200</b>
Family	<b>\$2,100</b>
<b>Co-Insurance</b>	
In-Network	<b>10%</b>
Out-of-Network	<b>35%</b>
<b>Out-of-Pocket Maximum</b>	
In-Network	
Single	<b>\$1,000</b>
Family	<b>\$2,000</b>
Out-of-Network	
Single	<b>No Limit</b>
Family	<b>No Limit</b>
<b>Prescription Drugs (Retail and Mail Order)</b>	
Generic	<b>\$7.50/script</b>
Brand	<b>\$15.00/script</b>
<b>Office Visit Co-Insurance</b>	<b>100%</b>

#### **LONG-TERM SUPPLEMENTAL EMPLOYEES**

**Additionally, the maximum aggregate annual prescription drug benefits available for an individual employee and all eligible and enrolled dependent(s) will be \$1,000.**

**The opportunity for survivors to continue coverage, or for the subject employees to continue coverage post-employment or for periods not in active service will be limited to self-pay continuation that may be available under federal law.**

**Long-Term Supplemental employees will be eligible to participate in the Dependent Care Assistance Plan described in the Dependent Care Assistance Plan Letter of Understanding.**

**Long-Term Supplemental employees are eligible to participate in the Tax-Efficient Savings Plan for Hourly Employees (TESPHE); however, they are not eligible for the Company contribution of an amount equal to \$1.00 for every compensated hour into the TESPHE in lieu of Company contributions for health care coverage in retirement.**

**Long-Term Supplemental employees shall not accrue benefits under any Company-sponsored qualified defined benefit pension plan. In the event a Long-Term Supplemental employee becomes an Entry Level employee as defined in Appendix V, service earned from date of hire by such employee shall be recognized for:**

**Eligibility and vesting purposes under the Personal Retirement Plan (Appendix V, Attachment A, Section II A)**

**Eligibility for purposes of participation in Company-sponsored benefit plans.**



ACCOUNTABILITY FOR SAFETY VIOLATIONS

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Accountability for Safety Violations**

**During the 2007 negotiations, the parties discussed concerns regarding the consistency and timing of employee discipline involving safety related violations. Specific questions were asked as to why some discipline happens immediately and other discipline seemed to take much longer to administer. To address this concern, Human Resources Personnel are being provided with an investigation procedure to be used for safety violations. The investigation procedure will include a checklist to aid in timely investigations. In situations where discipline for violations of safe work practices are contemplated, all disciplinary penalties associated with the same event will be served simultaneously as practicable.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**AIR SAMPLING TRAINING**

November 3, 2007

**Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Air Sampling Training**

**During 2007 negotiations the Company agreed to provide training for Unit Health and Safety Representatives in Powertrain locations on collecting oil mist mapping data and accompanying PTO Engineering personnel during mist mapping (See Appendix S, page 267). In addition, the Appendix S topic "Training for Health and Safety Representatives/Safety Engineers" states "Present and newly appointed Unit Health and Safety Representatives (UHSR) and Company Safety Engineers will be required to be certified to a level of core competency which satisfies the disciplines for health and safety personnel in industrial hygiene, ergonomics and safety." Broad and in depth training on methods for conducting routine air sampling is provided in the mandatory core competency curriculum for all Unit Health and Safety Representatives.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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BEHAVIORAL EMERGENCY/CRITICAL INCIDENT STRESS  
DEBRIEFING (BE/CISD) AND LOCAL RESPONSE TEAM TRAINING

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Behavioral Emergency/Critical Incident Stress  
Debriefing **(BE/CISD)** and Local Response Team  
Training

During these negotiations, **particularly in light of the recent restructuring efforts and related turnover throughout the Company**, the Company and the Union discussed concerns regarding the Behavioral Emergency/Critical Incident Stress Debriefing training and local response team meetings. The parties concluded that additional follow-up efforts are necessary to ensure the jointly agreed upon national and local mandatory training has been completed and local response teams are meeting on a **monthly** basis. The National ESSP Committee will **conduct an initial** audit of all locations **within 90 days of ratification of the agreement to determine training needs. Based on the results of the audit, those locations identified as needing additional training will be required to attend the National Behavioral Emergency/Critical Incident Stress Debriefing refresher training either at the National Training Center or locally. Periodic audits will be conducted throughout the course of this agreement to ensure the integrity and the intent of the**

**BEHAVIORAL EMERGENCY/CRITICAL INCIDENT STRESS  
DEBRIEFING (BE/CISD) AND LOCAL RESPONSE TEAM TRAINING**

**Behavioral Emergency/Critical Incident Stress Debriefing and Local Response Team Training is followed.** The audit results will be reported to the Company and Union Coordinators as well as the Assistant Directors of the National Program Center.

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs Staff**

**Concur: Bob King**

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**COMPANY HEAT STRESS PROGRAM**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Company Heat Stress Program

During these negotiations, the parties discussed the prevention of employee heat stress.

The Ford Motor Company will continue to emphasize its annual heat stress program. In addition, the Company will increase its efforts to assure compliance with this program by:

- Assigning local responsibility for implementation of the program to the Plant Safety Engineer and the UAW-Ford Unit Health and Safety Representative.
- Requiring that the Plant Safety Process Review Board evaluate and support the implementation of the Company Heat Stress Program in early spring before local weather conditions generate potential heat stress conditions.
- Requiring Operations/Divisions and the UAW-Ford National Joint Committee on Health and Safety (NJCHS) to monitor progress of the annual heat stress program.

The Plant Safety Engineer, the Unit Health and Safety Representative and other appropriate personnel will survey their plant to identify potential employee heat exposure issues in a timely manner before local hot weather is expected and measure the heat stress potential. From this survey, an action list will be developed to be promptly addressed.

Further, locations identified as potential heat stress areas will be reevaluated during hot weather after controls have been applied.

**COMPANY HEAT STRESS PROGRAM**

To assist in employee awareness and education efforts the NJCHS will develop new education materials, including a pocket employee heat stress guide, heat stress safety talks, FCN heat stress prevention promotional announcements and videos, and other appropriate educational materials, as necessary.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**ENERGY CONTROL AND POWER LOCKOUT PLACARDS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Energy Control and Power Lockout Placards**

**During the 2007 negotiations, the parties discussed concerns regarding the accuracy and timely installation of ECPL placards on new and modified equipment. As a result of these discussions it was agreed:**

- **A group consisting of manufacturing engineering and Ford Occupational Health and Safety with input from the UAW-Ford NJCHS will develop the necessary guidelines, standards and roles and responsibilities for the placarding process to achieve standardization across all U.S. Company facilities.**
- **There is no intent to replace all current placards that are accurate.**

**It is further agreed that all existing standards, specifications and guidelines will be modified as necessary to align with this letter.**

**In addition, subject to funding approval from the UAW-Ford Joint Governing Body, the National Joint Committee on Health and Safety will provide initial funding to implement an annual preventive maintenance visual inspection of all ECPL placards at each manufacturing and Ford Customer Service Division**

**ENERGY CONTROL AND POWER LOCKOUT PLACARDS**

**location. The local placarding committee at each affected facility is responsible for reviewing the status of these PM inspections regularly during the Safety Process Review Board.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**ENERGY CONTROL POWER LOCKOUT PLACARDING  
SNAP-SHOT SURVEY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Energy Control Power Lockout Placarding  
Snap-Shot Survey

During the 2003 negotiations, the parties discussed the need to conduct, in a timely manner, a snap-shot survey to ensure the integrity of Energy Control Power Lockout placards and develop action plans to address missing, damaged, or defective placards.

To accomplish this survey, each applicable department or area shall identify a qualified person(s) familiar with the equipment/machines to conduct a visual confirmation of the placards including: existence and proper location, legibility, energy labels match placards, and applicable machine components are identified on layout. Inaccurate placards are to be immediately communicated to the appropriate member of management and placarding committee as identified in local procedures.

To ensure consistency, it is essential that the qualified persons have completed ECPL training (including the placarding video), experience in using ECPL, and reviewed the ECPL Placarding Guidelines.

The NJCHS will develop and distribute detailed instructions that include a summary matrix for conducting the surveys. Departments/areas are to complete all surveys within 90 days of receipt of the instructions and forward summaries and action plans to correct deficiencies to the plant safety engineer and union health and safety representative for review at the Plant Safety Process Review Board meeting.

**ENERGY CONTROL POWER LOCKOUT PLACARDING  
SNAP-SHOT SURVEY**

Action plans and timing will be forwarded to Division/  
Operations for review and monitored until completion.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**ERGONOMICS - ERGORX (COMPUTERIZED EVIDENCE BOOK)**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Ergonomics - ErgoRx (Computerized Evidence Book)

During the course of the 1999 negotiations, the parties discussed the importance of providing members of the Local Ergonomics Committees (LECs) with information that will improve the effectiveness of the ergonomic process. The successful use of ErgoRx (Computerized Evidence Book) will assist in addressing future ergonomics concerns, encourage sharing solutions with other locations with similar issues, and serve as a resource available to engineering personnel involved in the design of new product/process for future applications.

The NJCHS will jointly instruct LECs how properly to record in the ErgoRx system successful solutions to ergonomic concerns. Specific items that will be addressed with the LECs to ensure the accuracy of the Computerized Evidence Book are:

- identification of the specific job with an ergonomic concern;
- a description of the ergonomic concern, including the evaluation methods used to determine risk;
- a summary of the solution that includes an accurate description of how the job was modified to correct the ergonomic concern.

**ERGONOMICS - ERGORX (COMPUTERIZED EVIDENCE BOOK)**

This information will be distributed to the LECs and will be a key topic at the next Ergonomic Co-Chair Conference sponsored by the NJCHS. The overall effectiveness of the Ergonomics Program, including the accuracy of the Computerized Evidence Book, will continue to be evaluated in the course of the joint plant audit process.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**HEALTH AND SAFETY - OUTSIDE CONTRACTORS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Health and Safety - Outside Contractors

During the current negotiations, the parties discussed the issue of outside contractors in Company facilities as it relates to Ford employee health and safety and the means to ensure that outside contractors comply with health and safety requirements as specified by Ford Motor Company, Global Plant Engineering General Conditions (GPE 1000), and local procedures.

With regard to this issue, within thirty (30) days of ratification of this Agreement, Operations Vice Presidents will distribute a letter to respective facilities regarding these requirements, which apply to outside contractor employees that perform work in Company facilities. If specific employees of a contractor continue to violate health and safety requirements, the matter should be referred to local management for immediate resolution.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**HEALTH AND SAFETY TRAINING IMPROVEMENTS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Health and Safety Training Improvements**

During the course of the 2007 negotiations, the parties reaffirmed to further the efforts realized from previously negotiated commitments on health and safety training. It is agreed that cost efficient and effective delivery methods will be utilized to implement NJCHS training through an expansion of web based applications and hands-on training that will have a positive impact on the competency of UAW Health and Safety Representatives, Plant Safety Engineers and trainers. Where appropriate, the NJCHS will continue to work with operations to assist in the development of general content and delivery guidelines. Staff program assistance will be utilized to simplify implementation. It is reaffirmed that certain aspects of safety training are best delivered in a classroom setting using qualified instructors.

Consistent with the aforementioned, the following list identifies the key training programs the parties will develop and deliver, as mutually agreed, during the term of the agreement:

- An annual GRASP refresher consisting of a high impact safety message will be incorporated into the post summer stand-down commencing in 2008.
- Current safety training videos and printed materials will be reviewed for opportunities to update format (i.e. DVD, CD), including digitizing training materials for web based reference and/or delivery. This format transition will be completed within 24 months of ratification.

#### HEALTH AND SAFETY TRAINING IMPROVEMENTS

- Training programs will be mutually reviewed and streamlined/updated where necessary to increase effectiveness without compromising program integrity.
- An updated Confined Space Entry Program with training for Plant Safety Professionals, Permit Issuers, Safety Trainers, Emergency Response Team, Entrants/Attendants and their Supervisors in 2008.
- Implementation of a web based delivery method for UAW Health and Safety Representatives and Plant Safety Engineers for completion of Core Competency certification testing. Core I, II and III will continue to be proctored, but at the plant level. A secure web based test will be developed to ensure and maintain test integrity. Pertinent study materials will be available for download to the end user. Secure access to the test will be administered through the NJCHS, and immediate test result notification will be made available to both the individual and the NJCHS.
- In an effort to increase the competency of Health and Safety trainers, an instructor led classroom "Training Techniques" course will be developed and delivered by the NJCHS to new trainers. Trainers who successfully complete this course will receive additional instructor led web based or satellite "Train the Trainer" programs. Each additional Train the Trainer request must follow the current trainer selection process. To support this process and ensure success, the trainers will continue to be mentored by the UAW Health and Safety Representatives and Plant Safety Engineers.
- It is recognized that situations may exist in locations where the number of employees or other factors affect the availability of joint trainers for every program. It is agreed that NJCHS programs may be delivered to small class sizes using one hourly trainer with the exception of the Guidelines, Responsibilities and Safe Practices (GRASP) course, which will be conducted with both an hourly

**HEALTH AND SAFETY TRAINING IMPROVEMENTS**

**and a salaried trainer. Plant leadership will address new Company employees during safety orientation training to emphasize their joint commitment to the health and safety process. To support this process and ensure success, trainers will work with the UAW Health and Safety Representative and Safety Engineers regarding technical issues or questions. In addition, the NJCHS will review special requests on a case-by-case basis to determine alternate methods to properly train employees at affected locations where a joint trainer is unavailable.**

**The National Joint Committee on Health and Safety will begin meeting within 90 days of the effective date of this agreement to jointly determine the scope, design, delivery model and timing for development and completion of the above initiatives.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**This letter replaces Health and Safety training Initiatives, September 15, 2003**

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## HEALTH AND SAFETY TRAINING INITIATIVES

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Health and Safety Training Initiatives

During the course of these negotiations, the parties discussed several areas where additional training would be appropriate to support joint efforts targeted at improving workplace health and safety. The importance of providing health and safety training in a cost effective and efficient manner continues to be a key principle in the development and delivery of NJCHS initiatives.

In this regard, the parties reaffirmed the practice of investigating and where appropriate, utilizing new methods to develop and deliver high impact health and safety training. Methods to be considered will include, but are not limited to, web-based technology, distance learning, hands-on exercises, and the potential to use supervisors and/or team leaders/coordinators to deliver selected safety talks and stand-downs. Where appropriate, the NJCHS will work with operations to assist in the development of general content and delivery guidelines when supervisors or team leaders/coordinators conduct training. It is fully recognized that certain aspects of safety training are best delivered in a classroom setting using qualified instructors.

Consistent with the methods discussed above, the following list identifies key training initiatives the parties will develop and deliver, as mutually agreed, during the term of the Agreement:

- Safety Day #2
- Update the ECPL program and include placarding
- Study, and if feasible, develop and deliver an ECPL refresher that incorporates a "hands-on" approach

#### HEALTH AND SAFETY TRAINING INITIATIVES

- Training for employees developing production job safety analysis (JSA) sheets and/or JSA/Quality Process Sheets (QPS)
- Update the Ergonomics Manual "Fitting Jobs to People"
- Update the Railroad Boxcar Safe Procedures training
- Stand-down topic emphasizing Pedestrian Safety
- Asbestos awareness safety talk for applicable skilled trades using existing JSA video
- Updated Confined Space Entrant and Attendant refresher training and incorporate into annual ECPL refresher training
- A practical, floor-based hands-on GRASP refresher

The National Joint Committee on Health and Safety will begin meeting within 90 days of the effective date of this Agreement to jointly determine the scope, design, delivery model, and timing for the development and completion of the above initiatives.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**PLANT VENTILATION**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Plant Ventilation

During these negotiations, the parties discussed employee working conditions during high heat periods and the importance of maximizing ventilation and air movement.

As a result of these discussions, each plant will establish a team comprised of appropriate engineering or maintenance personnel, the Plant Safety Engineer, the Unit Health and Safety Representative, and others as deemed necessary. This team will conduct a plant walk-through review to assure that ventilation and air movement equipment (excluding abandoned and obsolete equipment) is working and maintained and positioned properly, consistent with the present plant operations. From this review, an action list will be developed to address requirements. Included, but not limited in this walk-through review, the team will ensure that:

- Air make-up units are properly functioning as designed;
- Cooling fans are operating and properly installed and positioned to maximize their effectiveness;
- Ventilation units and fans are cleaned; and
- Air filters are cleaned and/or replaced as appropriate.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**PRESSROOM POWER PRESS DIE BLOCK SAFETY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Pressroom Power Press Die Block Safety

During the 2003 negotiations, the parties discussed concerns regarding safe procedures associated with power press die blocks. The Company's safety requirements detailed in Ford Motor Company Manufacturing Standards DR8 "Pressroom Safety Accessories" and DR8X "Pressroom Safety Accessories Design and Reference Data" pertain to power press die block safety procedures.

The Operations/Division will reinforce compliance with the above standards through the development of department specific GRASP area safety checklists. Further, the SHARP physical conditions floor audit will be modified to include safety die block compliance.

In addition to the above requirements, identification will be added to die blocks to indicate where they belong.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**PRODUCTION JOB SAFETY ANALYSIS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Production Job Safety Analysis

During the 2003 negotiations, the parties discussed opportunities to improve the current production JSA process.

The parties agreed to meet as soon as practicable after the effective date of this agreement to discuss, pilot and implement the necessary process improvements.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**REIMBURSEMENT FOR REPRESENTATION AT EXTERNAL  
HEALTH AND SAFETY STANDARDS COMMITTEE MEETINGS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Reimbursement for Representation at  
External Health and Safety Standards  
Committee Meetings**

During the course of the 2007 negotiations, the parties discussed our mutual interest in ensuring that our input is considered by consensus standards organizations such as the American National Standards Institute (ANSI) and the National Fire Protection Association (NFPA) on health and safety related standards affecting the workplace. There may be opportunities for UAW-represented employees to participate on these committees. In the event a facility-based UAW employee is authorized to participate on an external standard committee, the UAW-Ford National Joint Committee on Health and Safety will reimburse the local facility for the wages of the employee to attend the meetings and reasonable travel expenses to participate in this standards activity.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**ACCESS TO AUTOMATED REPORTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Access to Automated Reports

During these negotiations, the parties discussed the value of providing inquiry access, for selected International Union representatives assigned to the National Job Security Committee, to certain attendance records, employment history, and GEN report information currently maintained in Ford Motor Company information systems.

For the purposes of enhancing the discussions routinely conducted between the parties on these topics, the Company agreed to make available the following screens, or their equivalents, to National Job Security representatives who are specifically assigned to such activities:

- Attendance inquiry
- Employment history inquiry
- Manipulate employment history data to create customized reports
- GEN reports

Access to these screens will include data from all Company locations covered by the Ford-UAW Master Agreement. It is understood that such access will require the Union to keep information confidential.

**ACCESS TO AUTOMATED REPORTS**

Implementation will be undertaken following the conclusion of the 1999 negotiations. Sufficient resources will be allocated to complete this project within nine (9) months of ratification, with related costs paid from joint training funds.

Very truly yours,

ROBERT H. MARCIN,  
Executive Director  
Labor Affairs  
Human Resources

Concur: Ron Gettelfinger

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**ENTERPRISE-WIDE OFFERING OF SPECIAL RETIREMENT/  
SEPARATION PROGRAMS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Enterprise-Wide Offering of Special  
Retirement/Separation Programs**

**This letter is to confirm the Company's interest in conducting an enterprise-wide offering of Special Retirement and Separation Programs for eligible and interested Ford UAW-represented hourly employees subsequent to the implementation of the 2007 Collective Bargaining Agreement. By mutual agreement, the parties will determine the timing of these offerings, as well as which of the presently available program options will again be offered.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**FULFILLMENT OF QUALIFIED ATTRITION REPLACEMENT  
OBLIGATIONS THROUGH HIRING AND CONVERSION  
OF ENTRY LEVEL EMPLOYEES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Fulfillment of Qualified Attrition  
Replacement Obligations Through Hiring  
and Conversion of Entry Level Employees**

During these negotiations, the parties discussed the methods by which the Company can fulfill qualified attrition replacement obligations, as described in Section II C of Appendix M, Memorandum of Understanding, Job Security Program. Based on these discussions, the parties agreed that, in addition to the methods noted in Appendix M, the following three types of actions also will fulfill qualified attrition replacement obligations on a one-for-one basis:

- hiring an Entry Level employee;
- converting an on-roll Entry Level employee to New Traditional employee status;
- hiring a New Traditional employee.

Furthermore, the parties recognized and also agreed that because the fulfillment of all qualified attrition replacement obligations will be accomplished and accounted on a Company-wide basis, effective with the 2007 Agreement, an attrition replacement action at one location will fulfill a qualified attrition replacement obligation incurred at a different location, i.e., the replacement need not take place at the same location at which the obligation was incurred.

**FULFILLMENT OF QUALIFIED ATTRITION REPLACEMENT  
OBLIGATIONS THROUGH HIRING AND CONVERSION  
OF ENTRY LEVEL EMPLOYEES**

**The National Job Security, Operational Effectiveness, and Sourcing Committee (NJSOESC) shall have responsibility for the Company-wide monitoring and reporting of qualified attrition replacement obligations and replacement actions. The NJSOESC also shall have responsibility for interpretation of agreements and understandings related to these practices, and for resolution of issues arising from these practices.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**FULL UTILIZATION OF PROTECTED EMPLOYEES**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Full Utilization of Protected Employees

During the 1993 negotiations regarding the Job Security Program (JSP)—GEN, the parties discussed utilization of Protected employees at some length. The Company and the UAW have agreed that productive utilization of Protected employees is critical to the viability of our operations, and to the continued success of our Job Security Program.

It was agreed that local Job Security, Operational Effectiveness and Sourcing Committees must make every effort to ensure that Protected employees are fully utilized on meaningful assignments. The parties have recognized that both underutilized employees and unproductive assignments are contrary to the spirit of the Agreement.

For purposes of the Job Security Agreement, "non-traditional" work could encompass any assignment(s) within the facility (except regular productive work, including the direct production, assembly or fabrication of vehicles or components) which can efficiently and safely be performed by the individuals involved.

Very truly yours,

JACK HALL,  
Vice President  
Employee Relations

Concur: Ernest Lofton

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**HIRING OBLIGATIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Hiring Obligations**

**During these negotiations, the parties discussed the resolution of Ford deferred hiring obligations generated under the 1999 and 2003 Agreements. The parties recognized the intense competitive pressures and economic difficulties that challenge the Company. Moreover, the Company acknowledged the significant and continued sacrifices made by employees in an effort to help enhance the Company's competitive position.**

**The parties noted two significant workforce accession actions during the term of the 2003 Collective Bargaining Agreement:**

- **the hiring of full-time and temporary part-time employees as necessary to meet operating requirements;**
- **the conversion of Visteon hourly employees at former Ford locations to Ford full-time hourly employment status.**

**Additionally, the Sterling and Rawsonville plants were returned to Ford, and two separate "flowback" actions provided eligible Ford hourly employees at Visteon/ACH locations opportunities to return to Ford locations.**

**Furthermore, the Company affirms its commitment to facilitate the following actions during the term of the 2007 Collective Bargaining Agreement:**

- **placement of interested Ford hourly employees remaining at closed/idled locations into available jobs at Ford locations, as opportunities arise;**

**HIRING OBLIGATIONS**

- **placement of interested Ford hourly employees working at ACH locations into available jobs at Ford locations, as opportunities arise;**
- **preferential hiring of temporary hourly employees into full-time jobs, as warranted by operating requirements;**
- **hiring of new Entry Level hourly employees, as warranted by operating requirements;**
- **introduction of new work into Ford facilities, as practicable, which will aid in creating new job and hiring opportunities to support the above actions.**

**In recognition of these job creations and employee hiring, conversion, and placement efforts, the parties agree that all open hiring obligations resulting from the 1999 and 2003 Collective Bargaining Agreements have been fulfilled.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**JOB PLACEMENT AND TRANSITIONAL OPPORTUNITIES FOR  
NON-SKILLED EMPLOYEES AT CLOSED/IDLED FACILITIES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Job Placement and Transitional  
Opportunities for Non-Skilled Employees at  
Closed/Idled Facilities**

**During the 2007 Negotiations, the parties expressed a mutual desire to provide return-to-work opportunities for employees presently in, or subsequently placed in Protected Status in the following locations: Edison Assembly Plant, Chesterfield Trim, Maumee Stamping, St Louis Assembly Plant, Norfolk Assembly Plant, and Atlanta Assembly Plant.**

**In addition, within three months of ratification of the Agreement, employees will be presented one final placement opportunity and a choice of one of the Special Retirement/Separation Program for which he or she is eligible.**

**Any employee who fails to accept either a placement opportunity or a Special Retirement/Separation Program will be placed on inactive employment status, with an immediate cessation of all Company-provided income and benefits, including healthcare.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**JOB PLACEMENT AND TRANSITIONAL OPPORTUNITIES FOR  
SURPLUS EMPLOYEES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Job Placement and Transitional  
Opportunities for Surplus Employees**

**During the 2007 Negotiations, the parties explored various options for managing and accommodating certain groups of employees.**

**Based on these discussions, the parties developed and agreed on the following provisions for surplus employees. The parties' have agreed to provide equitable and affordable options for affected employees as follows:**

- **Employees placed on indefinite lay off will be eligible for up to two placement offers to Ford facilities. If the 48 week period of indefinite layoff expires, and two placement opportunities have not been offered, the employee will be placed on protected status for a maximum of two years, and will remain eligible for a total of two placement offers.**
- **Prior to being placed on protected status or indefinite layoff, surplus employees will be offered a package.**
- **An employee placed in Protected Status may remain for a maximum of two years. Employees in Protected Status will have a choice of one of two options:**
  - a) **report to his or her work facility, for assignment to non-traditional work that may arise, and receive 100% of his or her regular straight-time hourly rate of pay (exclusive of any premiums) for a 40-hour week, or**



**JOB PLACEMENT AND TRANSITIONAL OPPORTUNITIES FOR  
SURPLUS EMPLOYEES**

- b) do not report to work, but receive 85% of his or her regular straight-time hourly rate of pay (exclusive of any premiums) for a 40-hour week.
- If an employee placed in Protected Status, receives less than two (2) placement offers during the two year period, the two year period will be extended until a job offer is made. If the employee elects to decline the placement offer, he or she will be placed on inactive status, with an immediate cessation of all Company provided income and benefits, and will remain eligible for placement offers not to extend beyond the employee's seniority or 18 months, whichever is greater.
- If an employee placed in Protected Status receives two placement offers within the two year period, and the employee elects to decline the second placement offer, he or she will be placed on inactive status, with an immediate cessation of all Company provided income and benefits, and will continue to remain eligible for a placement offer not to extend beyond the employee's seniority or 18 months, whichever is greater.

The National Job Security, Operational Effectiveness, and Sourcing Committee (NJSOESC) will provide oversight for this process, and will jointly coordinate and implement the offerings of job placement opportunities, based on business operating requirements.

Very truly yours,

**BILL DIRKSEN,**  
Executive Director  
U.S Labor Affairs

Concur: Bob King

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**JOB SECURITY PROGRAM(S) - APPEALS TO THE NATIONAL  
COMMITTEE**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security Program(s) - Appeals to the National  
Committee

During these negotiations, the parties discussed procedural requirements for submission of unresolved local issues (Appendices M, N, O) to the National Committee. Open communication and information sharing are critical elements contributing to the success of the LJSOESC. Information or documentation used by either party to support or demonstrate their respective positions on the disputed issue(s) shall be made available, in a timely manner, to the other party prior to the matter being appealed to the National Committee. To assist in providing timely resolution of issues and responses to appeals, it is agreed that the local parties are required to follow these established procedures:

- The local Job Security, Operational Effectiveness and Sourcing Committee (JSOESC) is obligated to review all complaints regarding the administration of the program.
- The Agreement provides that the national parties will limit their review of complaints to those raised, in writing, within 60 days of the subsequent monthly Local Job Security, Operational Effectiveness and Sourcing Committee (LJSOESC) meeting date.
- Local management will provide its written position within ten (10) working days of receipt of a written appeal from the local union.
- The local union shall, within ten (10) working days of receipt of the Company position, give written notice that the matter will be appealed to the National Committee.
- Appeals should be jointly submitted and clearly state the position of both of the parties. The appeal must be

**JOB SECURITY PROGRAM(S) - APPEALS TO THE NATIONAL COMMITTEE**

signed by both chairpersons of the local JSOESC as an acknowledgment that the issue was discussed locally.

- Complaints received from only one side — Company or Union — are not considered joint appeals. These unilateral complaints may be returned to the sending party by their respective national staff for consideration by the other local party.
- Copies of completed appeals should be forwarded simultaneously to both the National Ford Department and Employment Security Programs, Union Affairs Office.
- Appeals shall be promptly reviewed by the national parties. The local parties will be advised, in writing, within thirty (30) working days following disposition of the matter by the NJSOESC. The NJSOESC will also advise the parties if the national parties are unable to reach consensus.

Notwithstanding the above, disputes arising from the following matters may be submitted within thirty (30) days of **the monthly Local Job Security, Operational Effectiveness and Sourcing Committee (LJSOESC) meeting** to the National Committee for review by the Vice President and Director of the UAW-Ford Department and Executive Director, Labor Affairs, Ford Motor Company: (1) market-driven volume-related layoffs, and (2) new hire obligations required pursuant to Section II.(A) of the Memorandum of Understanding, Appendix M - Job Security Program - **JSP**. If unresolved, the dispute must be appealed to the umpire in accordance with Article VII, Section 9 of the Agreement within thirty (30) days of receipt of the appeal. The umpire's decision shall be final and binding on the parties and the umpire shall have the authority to enforce such decision, including the authority to order the Company to hire new employees required under **Appendix M**.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King** \_\_\_\_\_

**JOB SECURITY PROGRAM - COMMITMENT TO TRAINING**

**November 3, 2007**

Mr. **Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security Program - Commitment to Training

During these negotiations, the parties discussed at length the training needs for UAW Job Security Representatives and Labor Supervisors. Both parties recognize that training **is needed on the 2007 Job Security Program Agreement**. The Company **will fund this training initiative; thus, the parties** have agreed to **leverage existing technology to** jointly develop and conduct **cost effective** training for the previously mentioned personnel.

It is **anticipated** that this training will commence within **one hundred twenty (120) days** of the Effective Date of the Agreement.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King**

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**JOB SECURITY PROGRAM - GEN - EXCLUSION TO  
PROTECTION FOR VOLUME RELATED LAYOFFS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Job Security Program - GEN - Exclusion to  
Protection for Volume Related Layoffs

During 2003 negotiations, the parties discussed the administration of the forty-eight (48) week exclusion from the protection provided for volume-related layoffs contained in the 2003 Agreement. The parties agreed that both the protection and the forty-eight (48) week exclusion (which is inclusive of vacation shutdown weeks, except for Model Change or Plant Rearrangement) are an individual protection. Locations that utilize vacation shutdowns must ensure eight (8) weeks of the forty-eight (48) weeks are reserved exclusively for the vacation shutdown periods. The reserve weeks requirement will be reduced two (2) weeks in each successive year of the Agreement.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**JOB SECURITY PROGRAM - JOB SECURITY DATA**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security Program - Job Security Data

During these negotiations, the Company and the Union discussed concerns regarding the availability and communication of data as it relates to **the Job Security Agreement**. The parties agreed that following the conclusion of these negotiations, a joint sub-committee will be assigned to look into the feasibility **of enhancing and updating** the current mechanized system to **reflect 2007 Agreement changes** and support the needs of the National Job Security Committee. **Specific sub-committee topics will include the tracking of non-seniority employees, Temporary Part Time Employees (TPT's), Long-Term Temporary Employees, Entry Level Employees, Skilled Employees working in Non-skilled positions, Employees with RTBU rights, Employees with Closed Plant Return to Area rights, and the monitoring of the Protected Status employee twenty-four month maximum time allotment.** The parties recognize the impact on current systems, local involvement, and cost and confidentiality are just some of the elements that may affect feasibility.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King**

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**JOB SECURITY PROGRAM - LAYOFF ALTERNATIVE - JSP**

**November 3, 2007**

Mr. **Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security Program - Layoff Alternative - **JSP**

The parties recently discussed the 48 week volume layoff limiter contained in Appendix M of the Collective Bargaining Agreement and two issues that have arisen in regard to that provision:

- The desire of some UAW/Ford employees to be laid off instead of being placed in Protected Status during plant down weeks or temporary shutdown of certain plant operations.
- The desirability of having a mechanism to help manage situations where the parties agree, it is impractical to find meaningful assignments for Protected Status employees.

The parties have agreed that, for the duration of the 2007 Agreement, the Local Job Security, Operational Effectiveness and Sourcing Committee (Local committee) may, upon approval by the National Job Security, Operational Effectiveness and Sourcing Committee, offer an option by which affected employees may elect layoff in lieu of Protected Status. (The option would be limited to those employees for whom meaningful Protected Status assignments are not available, as determined by the Local committee.) When this option is extended to an employee, it may be accepted or declined for each layoff on an employee-by-employee basis. Because such layoffs will be voluntary, they would not be considered contrary to the individual protection afforded by Appendix M of the Agreement.

**JOB SECURITY PROGRAM - LAYOFF ALTERNATIVE - JSP**

Any layoff resulting from an eligible employee's election will be deemed a "qualifying layoff" as defined in Article I, Section 3 of the Supplemental Unemployment Benefit (SUB) Plan; and SUB Plan benefits will be payable in accordance with the provisions of the 2007 SUB Plan.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King**

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**JOB SECURITY PROGRAM - NJSOESC MONTHLY REVIEW  
MEETING**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security Program - **NJSOESC Monthly  
Review Meeting**

During these negotiations the parties **reaffirmed** that job security can only be realized within a work environment which promotes operational effectiveness, continuous improvement, and competitiveness.

The National Job Security, Operational Effectiveness and Sourcing Committee (NJSOESC) will meet monthly to review the **Job Security Program**. The monthly meeting will include **a review of the following topics**: locations with **JSP Protected Status employees (including the monitoring of the remaining Protected Status time allotment of impacted employees)**, operational requirements at Ford locations (including prior review of in-zone and out-of-zone opportunity postings), **qualified attrition, and entry level employee implementation**.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King**

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**JOB SECURITY PROGRAM - REPORTING OF JSP PROGRAM  
EXPENDITURES**

**November 3, 2007**

Mr. **Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security Program - Reporting of **JSP** Program  
Expenditures

During the course of these negotiations, the Union expressed interest in receiving updated information relative to **JSP** Program expenditures incurred during the term of this Agreement. Accordingly, the Company will provide monthly reports of **JSP** Program expenditures by each location, to the UAW National Ford Department Job Security Department.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King**

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**JOB SECURITY PROGRAM - SKILLED TRADES EMPLOYEES'  
REFUSAL FOR RETRAINING RESULTING IN LAYOFF**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Job Security Program - Skilled Trades Employees'  
Refusal for Retraining Resulting in Layoff

Pursuant to the Letter of Understanding, titled Job Security - Apprentice Development and Journeymen/women Retraining, dated October 9, 1999, it is understood where placement opportunities have been exhausted and indefinite placement in Protected Status is the only remaining alternative, the National Joint Apprentice Committee may direct retraining for the affected employees. If, under these circumstances, retraining is offered and refused, these employees will be laid off.

The parties agree that layoffs associated with such circumstances will be treated as an Excluded Event as described in Appendix M, Job Security Program - GEN, Section I.D. It is further agreed that the National Joint Apprentice Committee will be responsible for the determination whether such layoffs are appropriate.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**JOB SECURITY PROGRAM - UAW-FORD JOB SECURITY WEB SITE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Job Security Program - UAW-Ford Job Security  
Web Site

During these negotiations, the parties discussed the need to update the UAW-Ford Job Security Web Site. The purpose of the web site is to enhance communication between the National Committee and Local Job Security, Operational Effectiveness and Sourcing Committees, provide updates to the locations quickly, and provide assistance with the Job Security Program. To this end, the parties agreed to the following:

- The contents of the web site is jointly managed, assessed, implemented and administered.
- Updating of the web site will be undertaken following ratification of this Agreement and completed as soon as practicable.
- Expenses associated with development and implementation of the web site will be paid from the Education, Development and Training Program funds.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**NATIONAL JOB SECURITY COMMITTEE —  
UNIQUE ATTRITION CREDIT**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: National Job Security Committee — Unique  
Attrition Credit

During these negotiations, the parties agreed that the principle of replacing normal attrition of eligible employees would be continued in this Agreement as the general rule. In addition, it was recognized that exceptions to this concept are appropriate in unusual situations. For example, if a location has a large number of Protected employees who cannot be effectively utilized, yet more Protected employees would be required because of the replacement concept, it may be **deferred**.

Accordingly, this will confirm our understanding that the National Job Security Committee is specifically empowered to investigate unique situations and **resolve any issues**.

Very truly yours,

**BILL DIRKSEN**,  
**Executive** Director  
U.S. Labor Affairs

Concur: **Bob King**

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**NON-FORD BUSINESS IMPACT ON VISTEON LOCATIONS**

September 15, 2003

Mr. Gerald Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue

Dear Mr. Bantom:

Subject: Non-Ford Business Impact on Visteon Locations

During these negotiations the parties discussed the affect of non-Ford customer sourcing actions on Visteon locations. The parties agreed that cancellation or declines in such business shall be considered as volume related changes.

Very Truly Yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald Bantom

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**PLACEMENT OPPORTUNITIES FOR FORD EMPLOYEES  
WORKING AT ACH-LLC LOCATIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Placement Opportunities for Ford  
Employees Working at ACH-LLC Locations**

**During these negotiations, the parties discussed placement opportunities for Ford employees working at ACH-LLC locations. Based on these discussions, the following agreements were reached:**

- **Ford employees working at Ford Motor Company locations will not be surveyed for job openings at ACH-LLC locations.**
- **Ford employees working at ACH-LLC locations may transfer to another ACH-LLC location only if there are no available job openings at Ford Motor Company locations.**
- **For purposes of preferential placement, Ford employees working at ACH-LLC locations will be administered in accordance with Appendix N and associated letters of understanding.**
- **Ford Motor Company has no obligation to replace attrition at ACH-LLC locations.**

**None of the procedures associated with the above agreements are subject to the Grievance Procedure (Article VII of the Collective Bargaining Agreement).**

**PLACEMENT OPPORTUNITIES FOR FORD EMPLOYEES  
WORKING AT ACH-LLC LOCATIONS**

**The parties will meet periodically to resolve issues arising under the Job Security Program as it relates to Ford employees working at ACH-LLC locations.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**This letter replaces the September 15, 2003 Letter of Understanding titled "Job Security - GEN - Understanding Relating to Visteon"**

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**PLANT CLOSING AND SALE MORATORIUM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Plant Closing and Sale Moratorium

During the **2007** bargaining, on many occasions, the Union expressed deep concern about the viability of plants and parts distribution centers covered by the Ford-UAW Collective Bargaining Agreement. This will confirm that during the term of the new Collective Bargaining Agreement, which expires on September 14, **2011**, the Company will not close, nor partially or wholly sell, spin off, split off, consolidate, or otherwise dispose of in any form, beyond those which have already been identified, any plant, asset or business unit of any type, constituting a bargaining unit under the Agreement.

In making this commitment, it is understood that conditions may arise that are beyond the control of the Company, e.g., an Act of God, and could make compliance with this commitment impossible. Should such conditions occur, the Company will review both the conditions and their impact on a particular location with the Union and consistent with our past practice, the Company will attempt to redeploy employees to other locations and, if necessary, utilize the **appropriate job security provisions** identified in the Collective Bargaining Agreement.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U. S. Labor Affairs**

Concur: **Bob King**

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**RECALL BYPASS**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Recall Bypass

During the present negotiations, the parties discussed problems that arise when laid off seniority employees are recalled to their basic units to fill temporary job openings while they either are working at permanent jobs with outside employers or are participating in the UAW-Ford Education, Development and Training Program. The parties agreed, in such instances, that the employees would not be recalled, provided they have notified the Company in writing of their desire to be bypassed.

In this regard, solely for the purpose of calculating the period of continuous unemployment relative to breaking seniority pursuant to Article VIII, Section 5(7) of the Agreement, the period of time an employee otherwise would have worked except for being bypassed, beginning with the date such temporary work became available and ending on the date such temporary work was completed, will be excluded from the calculation.

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**RETURN TO BASIC UNIT - APPENDIX O ADMINISTRATIVE  
GUIDELINES**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Return To Basic Unit - Appendix O Administrative  
Guidelines

During these negotiations, the parties discussed the importance of proper administration regarding Appendix O, Return to Basic Unit. To this end, the parties emphasized the following:

- Appendix O clearly states that each facility will maintain an applicant listing for use by the local parties. Local Job Security, Operational Effectiveness and Sourcing Committees (LJSOESC) should be monitoring Return Home activities.
- The local Hourly Personnel Office at sending locations should be notifying employees of their respective return home rights prior to an employee's departure.
- Prior to hiring, the Human Resources Office must review its RTBU list, and offer opportunities to eligible employees.
- Eligible employees (in-zone and out-of-zone) have a six-month waiting period before they can be offered a return home opportunity.
- In order to conduct proper Return to Basic Unit surveys, sending locations must develop a list of all employees who were preferentially placed from their location:
  - laid off,
  - transferred from Protected Status for Covered Events and Volume cap limit, and
  - employees with Article VIII, Section 1(b) rights.

**RETURN TO BASIC UNIT - APPENDIX O ADMINISTRATIVE GUIDELINES**

Receiving locations must develop a list of employees being transferred into their location, complete with name, social security number, Ford Service Date, accession date and name of employees' basic unit. The list excludes employees moved under Enhanced Moving Allowance (Article IX., 28(c)) and the Special Transfer Incentive.

- Acceptance or refusal of Appendix O opportunities must be documented on the Return To Basic Unit Offer Confirmation Form and disseminated as indicated on the bottom of the form as soon as practicable.
- All forms are to be dated and accurate files maintained.
- Employees are to be provided copies of their applications and refusals.
- Employees on medical leave (less than 90 days) are active employees, and thus are eligible for Appendix O rights.
- If unique situations involving the six-month In-Zone Return Home provision arise, the national parties may review those situations and, if appropriate, provide a deviation to the application of the six-month waiting period.
- Return to Closed Area is administered by the Employment Security Programs Office.
- Questions concerning apprentices should be directed to the Joint National Apprenticeship Committee.

Very truly yours,

**BILL DIRKSEN,**  
**Executive** Director  
U.S. **Labor** Affairs

Concur: **Bob King**

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**RETURN TO BASIC UNIT - EMPLOYEES PLACED ON  
TEMPORARY PART-TIME STATUS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Return to Basic Unit - Employees Placed on  
Temporary Part-Time Status

During the course of these negotiations, the parties discussed occasions where employees, upon seniority layoff, were subsequently placed on temporary part-time status at their home location.

This will confirm the parties' understanding that, with regard to recall rights to their basic unit, employee(s) placed on TPT status will not be advantaged over employees who have been preferentially placed.

In order to ensure proper recall procedures are followed, situations involving temporary part-time and preferentially placed employees shall be handled under the provisions outlined in the October 7, 1990 Letter of Understanding, In-Zone Return Home Procedure, including a review by the National Job Security, Operational Effectiveness and Sourcing Committee, which may waive this six-month requirement to properly return the employee(s) to their basic unit.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**ATTENDANCE AT JOINTLY SPONSORED TRAINING PROGRAMS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Attendance at Jointly Sponsored Training  
Programs

Our workforce is well trained and poised to compete in the global marketplace. During these negotiations, the parties discussed their continued commitment to offer jointly developed training programs designed to reinforce the business principles required to reach our goal of becoming the world's leading consumer company for automotive products.

Both parties will demonstrate their continued support by ensuring that required joint training is received in a timely fashion. Additionally, it is recognized that both parties should make a good faith effort to ensure that training session attendance is a priority.

Any concerns regarding this issue may be raised by the Unit Chairperson with the Plant Manager and/or Human Resources Manager for resolution.

In addition, the Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter related to this joint program.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**DEPENDENT CARE ASSISTANCE PLAN**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Dependent Care Assistance Plan

Effective January 1, 2001, or as soon as practicable thereafter, an employee Dependent Care Assistance Plan (DCAP) will be established whereby active employees may make wage reductions and be reimbursed, on a pre-tax basis in an amount not to exceed their wage reductions, for Dependent Care Assistance Expenses as defined in Internal Revenue Code Section 129. Active employees are employees who are receiving pay during the month designated for the annual elections. Eligible employees may elect to participate in the DCAP on an annual basis and may enroll during the annual DCAP enrollment period by designating a specified amount up to \$5,000 annually from their pay, on a pre-tax basis. The designated amount will be deducted in equal increments over the course of the plan year of the election. Participating employees will be required to submit legitimate receipts for services described in Internal Revenue Code Section 129 to UNICARE Life and Health Insurance Company, or other administrative carrier(s) mutually agreed upon by the Company and the Union. Wage reduction amounts contributed to this DCAP in excess of receipts submitted for eligible child care will be forfeited as required by law.

**DEPENDENT CARE ASSISTANCE PLAN**

This DCAP will be in compliance with the applicable provisions of the Internal Revenue Code and administered through the National Employee Services Center.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**EMPLOYEE TUITION PLANS – WORK-RELATED DEATH**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Employee Tuition Plans – Work-Related Death

During these negotiations, the parties discussed that providing tuition assistance for education is an important consideration for the surviving spouse and dependent child(ren) of an active employee who dies in a work-related incident. The parties agreed to extend additional educational assistance to these family members.

The spouse or dependent child(ren) of an employee who dies while on the active rolls in a work-related incident will be entitled to utilize the remaining balance of the employee's tuition assistance eligibility, plus three additional years tuition assistance eligibility, for college or educational pursuits during a period equal to the length of the present Agreement following the date of the employee's death.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**HEALTH PROMOTION PROGRAMS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Health Promotion Programs**

**Prior to and during the 2007 negotiations, both the UAW and the Company had many difficult conversations regarding the suspension of certain Joint Programs. Recognizing the present business state, the Company understands the importance of wellness programming. In this regard, the Company agrees to offer specific programs to deal with the issues of weight management, stress management and smoking cessation. Many health care providers offer such programs for their members as part of their medical plan. A committee comprised of representatives from the National ESSP Committee will explore and identify wellness programs available through present medical plans. Employees seeking to utilize such programs shall do so through their present medical plan.**

**In the interest of encouraging more healthful personal life styles among employees, the Company will provide a health promotion component when these programs are not available through the employees' existing healthcare plans.**

**This initiative provides active hourly-represented employees with the opportunity to access health awareness information and health promotion services.**

**HEALTH PROMOTION PROGRAMS**

**Employees will pay no more than 20% of the approved program costs, regardless of their healthcare plan, up to a maximum of \$40. The Company will be responsible for all costs in excess of this employee contribution (see Attachment A). The Company recognizes the Union's interest in vendor selection, and that will be considered in conjunction with following the Corporate Purchasing process.**

**In addition, it is the parties' intent that any programs, approaches or related services provided under the wellness programs are not to be construed as benefits or insurance programs.**

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

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HEALTH PROMOTION PROGRAMS

Attachment A

Program	Program Cost	Employee Cost	Company Cost	Co-pay %
Weight Mgt	\$150	\$30	\$120	20%
Smoking Cessation	\$199	\$40	\$159	20%
Stress Mgt A	\$199	\$40	\$159	20%
Stress Mgt B	\$300	\$40	\$260	13%

Health Care Plan	Program	Program Cost	Employee Cost	Company Cost	Employee Co-Pay %
HMO	Weight Mgt	\$150	\$25	0	17%
PPO	Weight Mgt	\$150	\$30	\$120	20%

Health Care Plan	Program	Program Cost	Employee Cost	Company Cost	Employee Co-pay %
HMO	Smoking Cessation/ Stress Mgt	HMO pays entire cost	0	0	0
PPO	Smoking Cessation/ Stress Mgt	\$199	\$40	\$159	20%

The above table is provided as a directional example only of co-payments, and does not constitute the actual costs for all health care plans.

**JOINT PROGRAMS COMPUTERS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Joint Programs Computers

In 1999 negotiations, the parties agreed to transition joint programs computers to the Company PC Renewal plan. (Joint programs PC renewal administration and guidelines are outlined in the attachment.)

During **the 2007** negotiations, the parties agreed to continue joint programs participation in the Company PC Renewal plan. The parties further agreed that should the Company revise the PC Renewal plan and/or initiate additional plans related to computers, computer peripherals or other equipment, the parties will evaluate such plans and assess their application for use within the joint programs.

All cost associated with joint programs computers will continue to be supported by the Education, Development and Training fund. The Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter related to this letter.

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

Attachment

Concur: **Bob King**

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## JOINT PROGRAMS COMPUTERS

Attachment

### JOINT PROGRAMS PC RENEWAL ADMINISTRATION AND GUIDELINES

- Joint programs computers are provided to the following local positions for use in joint programs administration:
  - Local Union President
  - Building Chairperson
  - Benefits
  - Best-In-Class Quality
  - Employee Support Services
  - **Employee Resource Coordinator**
  - Health and Safety
  - Job Security/Production Standards
- **Within 90 days of the Effective Date of this Agreement, a survey will be completed at each facility to determine the present level of computer needs. In the past,** joint programs computers were provided for joint programs activities (e.g., skills enhancement, learning, education and technical skills centers and the National Programs Center). At each PC renewal cycle, the local parties will be required to verify the number of required joint programs computers for these activities.
- Joint programs activities requiring additional computers should address a request to the UAW and Ford PC Renewal Coordinators (presently the UAW and Ford Coordinators for the Technical Skills Program). Upon approval of the Joint Governing Body, arrangements will be made to supply the required number of computers.
- The PC Renewal cycle is planned in intervals of three years.
- Users of joint programs computers must maintain the security of the Company's computer network and information systems. Improper or inappropriate use of joint programs computers is subject to discipline.
- All hardware and software must comply with the Company's standards and must be installed on Company property.
- Internet access may be available where there is a verifiable job-related need.

JOINT PROGRAMS STUDY COMMITTEE

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Joint Programs Study Committee

Ford Motor Company and the UAW recognize the mutual benefits that have resulted from Joint Programs and reaffirm the need to continually identify opportunities to improve and ensure the future viability of these programs and activities. The parties pledge to continue providing the resources and direction necessary to assure that all employees receive training and development opportunities that have a positive effect on employee morale, enhance existing skills, and equip employees with new skills while strengthening the Company's ability to succeed in a highly competitive industry.

To demonstrate this continuing commitment, the parties agree a joint study committee at the National Programs Center will **annually** evaluate all existing joint training programs. The committee will make recommendations for improvements to the Joint Governing Body where necessary, including development and implementation of new programs, expansion of existing programs, **reinstatement**, and/or elimination, consolidation, suspension, or other modifications to existing programs and activities funded through Joint Programs, in order to ensure the continuing viability of Joint Funds while addressing the dynamic needs of employees and the Company.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

Concur: **Bob King**

**SUSPENSION OF CERTAIN ESSP OFFERINGS THROUGH JOINT PROGRAMS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Suspension of Certain ESSP Offerings  
Through Joint Programs**

**During the 2007 negotiations, there was much discussion about the suspension of certain Joint Programs. Recognizing the present business state, the Company understands the importance of fitness centers, rehabilitation centers, and health promotion programs. In this regard, the parties agree to include fitness centers, rehabilitation centers, and health promotion programs in the annual evaluation referenced in the Letter of Understanding, Joint Programs Study Committee, November 3, 2007.**

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

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**JOINT WORK AND FAMILY INITIATIVE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Joint Work and Family Initiative**

**During the 2007 negotiations, the parties recognized that working families face significant challenges in balancing their work and family obligations. The parties acknowledge that the needs of workers vary depending on a number of factors including demographics, geography, and shift patterns.**

**The parties agree to undertake an initiative to address the conflicts between work and family obligations and propose alternatives. To this end, the parties agree to establish a Joint Work-Family Committee (JWFC), consisting of an equal number of members representing the Union and the Company, as determined by the parties. The Committee's Union representatives will be appointed by the Vice President and Director, UAW-National Ford Department, and the Company's representatives will be appointed by the Vice President, Labor Affairs. The JWFC will be established no later than thirty (30) days after the effective date of the Collective Bargaining Agreement.**

**The JWFC will utilize internal resources to collect information including, but not limited to, demographic data, work and family needs assessments and a comprehensive review of existing UAW-Ford National and Local agreements to identify Ford benefits and policies relevant to the initiative.**

**After a comprehensive evaluation of the collected data, the JWFC will propose alternatives and methods of implementation to assist employees with their family needs, including a pilot program, or broader based implementation, if warranted. The JWFC will then**

**JOINT WORK AND FAMILY INITIATIVE**

submit its recommendations to the parties for review. This process will be completed within one (1) year after the effective date of the Collective Bargaining Agreement.

The parties recognize that the issues addressed by this initiative may be common to similar workplaces. It has been determined that the Union and Ford, Chrysler and General Motors all may benefit from joint exploration of these work-family issues. Therefore, the parties agree that to the extent feasible, the efforts to address work-family issues at each Company will be coordinated to take advantage of the additional opportunities created by a joint effort.

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

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**LABOR STUDIES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Labor Studies

During **the 2007** negotiations, the Union and Company agreed that eligible employees may use a portion of their Education and Training Assistance Plan allocation (which provides for the prepayment of tuition and **approved** fees up to certain dollar limits) for Joint Governing Body approved labor studies courses. These courses generally examine worker, workplace and Union related subjects. To qualify for reimbursement courses must meet the following criteria:

- The courses must be available to an accredited college **or** university general student body and listed in its official course catalog.
- Tuition costs and **approved** fees must be within the generally accepted fee structure for such course and be applicable to the accredited college **or** university general student body.
- Tuition costs and **approved** fees will be directly **paid** to the accredited college **or** university through the Education and Training Assistance Plan.

Participant attendance is voluntary, and is not considered hours of work or employment and not subject to Ford compensation.

**LABOR STUDIES**

The Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter relating to this letter.

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

Concur: **Bob King**

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**LEARNING CENTER COMPUTER ACCESS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Learning Center Computer Access

During the current negotiations the Union requested that all Learning Centers have access to the Internet. It was mutually agreed that Internet access will be provided for plant Learning Centers.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**LOCAL TRAINING FUNDS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Local Training Funds

This confirms the understanding reached during these negotiations that current and expanded local training activities jointly agreed to by local unions and local management will continue to be funded by Local Training Funds.

The parties reaffirmed Local Training Funds are primarily established to improve our products, quality and competitiveness through improved working relationships and employee technical knowledge, including job skills development and training, interpersonal skills training, **continuous improvement** and "Best-In-Class" Quality training. It is understood that the cost of these joint programs, wages of the trainees, travel expenses and other training expenses may be chargeable against the Local Training Funds. While the funds are intended for the training of UAW bargaining unit employees, there may be situations where it will be natural for some salaried employees to receive the same training. Such training expenses of non-bargaining unit employees may be funded by Local Training Funds provided such handling is mutually agreeable with local unions and local management.

In addition, Local Training Funds will be used for joint endeavors in support of programs, projects and activities newly specified in this Agreement, or as subsequently agreed by the Joint Governing Body, as eligible for such funding. Job skills development and training expenses related to the Job Security Program will be provided by Local Training Funds.

In these negotiations, the parties reaffirmed their commitment to the Technical Skills Program. Local unions and management are encouraged to utilize Local Training Funds

## LOCAL TRAINING FUNDS

for education and training projects consistent with the UAW-Ford Technical Skills Program provisions of Appendix T to the Collective Bargaining Agreement.

Requests for authorization to expend Local Training Funds must be jointly approved by the local parties. In situations where mutual agreement regarding funding approval cannot be reached locally, either party may appeal the issue to the Joint Governing Body.

When the local parties authorize funds for **continuous improvement** or “Best-In-Class” Quality endeavors, they are to assure that these endeavors are consistent with **the Senior Advisory Continuous Improvement Forum** and/or **the** Quality Improvement Implementation Committee guidelines. When the parties authorize funds for permissible Job Security Program activities, they are to assure that such activities are consistent with National Job Security and Operational Effectiveness Program Committee guidelines.

The parties agreed it would be inappropriate to use Local Training Funds to train employees required to service newly introduced technology. However, use of Local Training Funds to provide subsequent general training of other employees on this equipment to broaden their skills is appropriate, when agreed by the local parties. Further, it was agreed, Local Training Funds should not be used for training of employees to implement a newly negotiated change in classifications, but use of Local Training Funds to freshen or update generally the skills of employees is appropriate. Local Training Funds may be used to pay wages of employees assigned to short-term local education and training related projects. Local Training Funds may not be used to establish special assignments or administrative positions unrelated to local education and training projects as specified in updated and revised guidelines.

In addition, certain expenditures require prior approval by the Joint Governing Body or its designees. These expenditures include: the purchase, construction or lease of any real property (land and buildings)—no matter what its value; the purchase or lease of items or services over \$10,000; the purchase of promotional items in excess of \$10 per person; and the payment of wages to an individual employee for

**LOCAL TRAINING FUNDS**

assignment(s) in support of local education and training related projects that exceed 20 days in the aggregate within the calendar year.

Administrative guidelines and procedures concerning Local Training Funds will be updated and reissued, as required, by the Joint Governing Body following the conclusion of these negotiations.

The provisions for Local Training Funds do not limit in any way the right of either party to provide educational and training programs on the same, similar, or other subjects as it may deem appropriate.

Finally, the Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter relating to the Local Training Funds.

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

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**MUTUAL GROWTH FORUM**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Mutual Growth Forum

The UAW-Ford relationship is dramatically different today than it was when the Union and the Company signed their first Collective Bargaining Agreement.

Both parties recognize that the need for change continues—that prosperity, secure employment, and the mutual interests of all depend upon our ability to meet the competitive challenge of today's market through growth, development, and adaptation. Perhaps most of all, the parties realize they must explore new methods of resolving their honest differences in orderly, rational ways.

Both parties also recognize that positive change is possible only when progressive, cooperative attitudes exist at all levels of our two organizations. Where we find such attitudes are lacking, the Company and the Union must work vigorously to instill them.

During these negotiations, the parties continued their commitment to the Mutual Growth Forum principles and concepts. The Mutual Growth Forum constitutes a joint process for labor-management consultation, communication, and mutual problem solving. It complements other joint endeavors, as well as the collective bargaining process itself.

This Forum does not replace collective bargaining, nor does it interfere in any way with the parties' Grievance Procedure. Rather, it provides a framework designed to promote better management-union relations through better communications, systematic fact finding, and advance discussion of certain business developments that are of material interest and significance to the Union, UAW-represented Ford employees, and the Company.

## **MUTUAL GROWTH FORUM**

The parties regard the Mutual Growth Forum as a major progressive step. It promotes understanding, improves relationships, and prevents disputes by providing for ongoing, constructive, and cooperative problem solving. Both the Company and the Union have pledged to bring good faith diligence to the process and to be responsive to issues and concerns raised by the other party.

It is understood that the make-up, organization, and procedures of the Mutual Growth Forum are not subject to the Grievance Procedure of the parties' Collective Bargaining Agreement.

The parties recognize that information to be made available frequently is of a sensitive nature and may have important competitive implications. Accordingly, they agree that information and data shared at these meetings will be accorded appropriate confidential treatment and will not be disclosed to outside firms, agencies, or persons without the consent of the party providing it.

The lists of matters that can be dealt with in Mutual Growth Forum meetings are illustrative, and topics, including those listed, are always subject to the mutual agreement of the parties.

### *Local Mutual Growth Forum*

At the local level, the make-up and organization of the forum is entirely at the discretion of the local parties. It is suggested, however, that forum meetings be held at least quarterly, but meetings may be held more often if mutually agreed by the parties.

The local forum may deal with a variety of matters having special interest to the employees, the Local Union, and the Management of the plant. Among these might be:

- Finding ways to improve two-way communications at the location.
- Discussing the plant's general operations, and certain business developments, within the scope of available knowledge and the plant's responsibility.
- Determining principal matters of concern to the employees, the Union, and Management.

## MUTUAL GROWTH FORUM

- Discussing the quality of the plant's products and other general indicators of performance as well as UAW Quality Representative issues of concern.
- Discussing the plant's health and safety activities.
- Discussing and clarifying general plant administrative matters (e.g., inter-departmental relationships and internal communications procedures) and improving approaches and attitudes.
- Addressing other matters the local parties agree are appropriate for discussion.

If the local forum is interested in studying or implementing innovative pilot projects or experiments in human resources development, it will make its interests known to the national forum. As noted later, that body has special authorities that may be useful in this regard.

Periodically, the local forum will review financial and business information to keep the local parties and the employees informed about the performance and outlook of the Company as a whole.

In this regard, the parties agree to investigate new and innovative ways to deliver this information. Costs related to these activities, and other developments in support of national initiatives as may be approved by the Joint Governing Body, may be funded through the Education, Development and Training Program.

Agendas for meetings of the local forum will be established jointly. Each party will provide reasonable advance notice of the subjects it wishes discussed. Local forums may issue reports to the national forum if they wish, and local forums, or either party, may request assistance from the national forum if they feel the local forum or its activity is not being conducted within the spirit and intent of this letter.

### *Division Mutual Growth Forums*

To further improve communication and information sharing at all levels of both the Company and Union organizations, the parties have agreed to encourage division Mutual Growth Forums. These forums should meet to discuss and review division-wide matters and should operate in ways similar to the local forums and national forum. Members of this forum

## MUTUAL GROWTH FORUM

include key division operating Management and appropriate UAW National Ford Department representatives. Representatives of Human Resources and UAW regional personnel also may be invited to attend.

### *National Mutual Growth Forum*

At the national level, the Mutual Growth Forum has an equal number of Union and Company representatives designated by the Company's Vice Chairman Chief of Staff and by the Vice President and Director of the UAW National Ford Department. Meetings are chaired by co-chairpersons—one Company and one Union.

The national forum deals principally with matters of mutual interest of a broad, corporate-wide nature. Its charter includes such items as:

- Monitoring and improving the Company's overall labor relations climate.
- Discussing the Company's general operations and certain business developments.
- Examining government relations matters (including auto industry regulations) of mutual interest.
- Jointly studying human resources needs, trends, developments, concepts, etc. in industry and elsewhere.
- Implementing pilot projects and experiments recommended by local forums and monitoring innovative human resources management and development approaches.
- Collecting, organizing, and disseminating information and other data required by the national forum to perform its mission.
- Commissioning studies (both internally and by outsiders) to identify and explore issues of mutual concern. (Where such studies by outsiders may be mutually desirable, the national forum will recommend joint programs funding be provided.)
- Visiting both Company and non-Company facilities to review and discuss information on issues and concepts important to the forum's mission.

## MUTUAL GROWTH FORUM

- Maintaining liaison with local forums and assisting and encouraging them as appropriate.

As appropriate, the national forum will establish standing or ad hoc subcommittees or working groups to explore or resolve selected issues. Where there are appropriate issues of mutual interest and concern, the national forum, upon the approval of the Company's Vice Chairman Chief of Staff and the Vice President and Director of the UAW National Ford Department, may request periodic meetings between members of the Union leadership designated by the Vice President and Director of the National Ford Department and Company operating Management.

In addition, periodic meetings will continue to be scheduled between members of the UAW National Ford Department and the senior operating management of Ford Motor Company in the United States. These meetings are intended to provide greater information sharing and discussion with members of Management involved in important Company direction and formulation of policy. Agendas will be approved in advance by the parties. Such meetings will be arranged by the Company Vice Chairman Chief of Staff. The Vice President and Director of the National Ford Department, assistants, and members of the operations committee will be regular meeting members.

Periodically, the national forum may direct the preparation of a presentation on the state of the UAW-Ford relationship. As approved by the Company's Vice Chairman Chief of Staff, and the Vice President and Director of the UAW National Ford Department, this presentation may be made to members of the Company's senior Management and/or Union leadership bodies. In addition, as arranged by the Company's Vice Chairman Chief of Staff, the Vice President and Director of the UAW National Ford Department may address the Company's Board of Directors on relevant matters semiannually.

Very truly yours,

PETER J. PESTILLO  
Vice Chairman  
Chief of Staff

Concur: Ron Gettelfinger

**NEW EMPLOYEE ORIENTATION PROGRAM**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: New Employee Orientation Program

The parties have long recognized the importance of providing orientation programs for new employees. Many of these programs resulted from the diligent efforts of plant employee groups and have addressed such topics as quality, teamwork, safety, and joint programs in addition to those items new employees must know to perform their jobs.

The parties agreed to supplement these local programs by providing a national New Employee Orientation Program through the auspices of the National Education, Development and Training Center. The Program was developed and successfully launched by a joint study team of UAW and Ford representatives and technical consultants. The focus of the program is on national materials that explain the respective roles of Ford and the UAW, the state of the auto industry, the changing composition and diversity of the work force, the negotiated joint programs, and how employees, Management, and the Union work together to foster employee well-being and Company business success which benefits both employees and communities.

The national program ensures uniformity of message and treatment. Throughout the development of the orientation program, the National Center obtained broad-based feedback from operations/division, plant, and Union representatives to ensure the program met the needs of its customers. The program is available to requesting locations, including appropriate support on how to deliver it most effectively. The national program is packaged in self-contained modules to provide local parties the flexibility to incorporate each segment into their ongoing local orientation programs as they deem appropriate. Locations should make the program

#### **NEW EMPLOYEE ORIENTATION PROGRAM**

available to new employees within a reasonable period of time. The national program content will be kept up-to-date and the program will be evaluated periodically to ensure it is meeting its goals. Training will be provided as needed to Company and Union representatives from each location responsible for administering the program.

The national New Employee Orientation Program is funded through the UAW-Ford Education, Development and Training Program. Ongoing costs incurred at each location may be funded through Local Training Funds. Local parties may request funding for ongoing program costs from the Education, Development and Training Program, as necessary.

The New Employee Orientation Program shall not be subject to the Grievance Procedure nor in any way limit communications by the Company with its employees or by the Union with its members.

In addition to developing national orientation materials, the UAW-Ford National Education, Development and Training Center will provide consulting and review assistance to requesting locations who wish to assess their local orientation programs. To assist in this process, the National Center has developed a model local orientation program, and guidelines for measuring the effectiveness of local programs.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ernest Lofton

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**NOTIFICATION OF ETAP BENEFITS TO A SURVIVING SPOUSE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Notification of ETAP Benefits to a Surviving  
Spouse

This will confirm the understanding reached during the present negotiations that a spouse or next of kin of an employee who dies while on the active rolls will be notified of Education and Training Assistance Plan (ETAP) benefits available to a spouse or dependent child(ren). A notification process will be developed together with the National Employee Services Center (NESC), who has primary responsibility for notifying a spouse or next of kin, of benefits they can utilize.

The notification process will include the mailing of general ETAP benefit information by the NESC upon notification of the employee's death and subsequent contact by the ETAP Office, National Programs Center, to provide specific tuition benefit eligibility information.

The Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter related to this program.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**ON-SITE PHYSICAL REHABILITATION**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: On-Site Physical Rehabilitation**

**During the 2007 negotiations, the parties discussed at length the value of providing on-site rehabilitation services and concerns about the on-site Physical Rehabilitation units as it pertains to treatment of non-occupational injuries to employees. The present contract with our supplier does not provide for non-occupational injury treatment. As a result of these discussions, the parties agree to establish a committee comprised of representatives from Employee Support Services, Clinical Operations/Workman's Compensation, UAW-Benefits, Ford Healthcare Management.**

**The Committee will evaluate the present fee-for-service arrangements and will explore the possibility of accommodating treatment of personal injuries while recognizing existing coverage under the individual employee's health care plan. The Committee will provide recommendations prior to the expiration of the current provider contract July 2008.**

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

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**PERSONAL DEVELOPMENT ASSISTANCE**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Personal Development Assistance**

**During the 2007 negotiations, the parties discussed Personal Development Assistance funding. While the present level of available EDTP funding does not allow for the wide-scale offering of such a program as in the past, the parties agreed that certain situations deserve consideration. As such, certain career related courses for employees affected by plant closings or other major capacity restructuring events and job related courses for active employees may be submitted to the Joint Governing Body for review.**

**In addition, the parties discussed the rapidly changing technological and educational environment and the ongoing impact of these changes on educational opportunities for our workforce. It was agreed to establish a joint committee at the UAW-Ford National Programs Center to research and review offerings that might be available to address and enhance our employees' ability to acquire and utilize constantly evolving job related skills and meet other diverse educational needs.**

**The UAW-Ford National Programs Center will create a process to expedite these approvals when necessary. The Joint Governing Body has the authority and discretion to interpret the terms of this funding, including but not limited to, school and course approval, location of courses, and program guidelines.**

**PERSONAL DEVELOPMENT ASSISTANCE**

**In addition, the Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter related to this letter.**

**Very truly yours,**

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

**Note: This letter will replace the following letter:**

- **Enhanced Employee Educational Opportunities, October 9, 1999**

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**RETIREE TUITION ASSISTANCE PLAN**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

**Dear Mr. King:**

Subject: Retiree Tuition Assistance Plan

This will confirm the understanding reached during the present negotiations that a Retiree Tuition Assistance Plan (including Personal Development Assistance) for retired UAW-represented Ford employees shall be continued and funded under the Education, Development and Training Program. Retirees would be eligible, on a space available basis, to take classes approved on-site at the plant, local Union hall or other approved program delivery sites. The courses offered to retirees must be those that are available to the active work force.

In cases where both the Ford facility and the local Union hall are closed and no other UAW-Ford represented locations exist in the area, retirees would then be allowed to attend classes at a college or university approved by the National Programs Center. Also, in the event the retiree relocates and no local Ford facility or Union hall is available, the retiree would then be allowed to attend classes at approved colleges or universities.

The program provides up to **\$1,750** per calendar year per retiree for the prepayment of tuition and compulsory fees for approved courses. This includes approved courses leading to credits or degrees at approved educational institutions, or courses included in a special range of approved competency based courses, including non-credit and non-degree courses or activities.

The plan will be administered by the UAW-Ford National Programs Center. The National Programs Center has the authority and discretion to interpret the terms of the plan including, but not limited to, school and course approval, location of courses and program guidelines.

**RETIREE TUITION ASSISTANCE PLAN**

In addition, the Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter related to this joint program.

Very truly yours,

**JACK HALVERSON**, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs Staff

Concur: **Bob King**

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**RETURN TO WORK FROM SUBSTANCE ABUSE-RELATED  
MEDICAL LEAVE — ILLEGAL DRUGS AND UNAUTHORIZED  
PRESCRIPTION DRUGS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Return to Work from Substance Abuse-Related  
Medical Leave — Illegal Drugs and Unauthorized  
Prescription Drugs

During these negotiations, the Company and the Union discussed their firm commitment to helping employees who are affected by substance abuse problems. In particular, the parties reviewed circumstances pertaining to an employee returning to work from a substance abuse-related medical leave of absence who is still using illegal drugs or unauthorized prescription drugs.

The parties agreed that permitting such an employee to return to the workplace jeopardizes the employee's safety and the safety of fellow employees. It also hampers the ability of the Company and the Union to meet today's challenges, including the ability to achieve continuous improvement in quality, safety, customer satisfaction, and operating effectiveness.

To address this problem, the parties agreed:

- Drug testing will be included as part of physical examinations for each employee returning to work from a first\* substance abuse-related medical leave for treatment of illegal drugs or unauthorized prescription drug use or dependency. For purposes of this letter, only medical leaves occurring after the effective date of the 1996 Agreement, September 30, 1996, will be considered.

\* Employees will be required to complete a Central Diagnostic and Referral Agency assessment and pass a drug test administered by the Company Medical Services before returning to work from a first medical leave for treatment of illegal drugs and/or unauthorized prescription drug use or dependency.

**RETURN TO WORK FROM SUBSTANCE ABUSE-RELATED  
MEDICAL LEAVE — ILLEGAL DRUGS AND UNAUTHORIZED  
PRESCRIPTION DRUGS**

- Drug testing will be conducted in accordance with established Company practice, and the reason for conducting the test and the test results will be strictly confidential and will be made known only to the employee, the Central Diagnostic and Referral Agency, and Human Resources personnel having a business reason to know.
- An individual who tests positive for illegal drugs or unauthorized prescription drugs will not return to work from such a medical leave except under conditions set forth below:
  - To facilitate recovery, the employee will be referred to the Central Diagnostic and Referral Agency for assessment and/or follow-up.
  - Upon meeting the objectives of the prescribed course of treatment, if any, and presentation to the Company of acceptable written evidence of having completed the assessment, and a negative drug test, the employee, if otherwise eligible, may return to work.
  - The employee will be subject to drug testing for the following twenty-four (24) months. (Such testing will be conducted no more frequently than six times in any twelve-month period.)
  - The decision as to when an employee must have such a drug test will be made by Medical Services/ Human Resources, and will not be a supervisory determination.
  - If the employee subsequently tests positive for illegal drugs or unauthorized prescription drugs, (including positive return from medical leave tests, positive 24-month tests, and positive DOT required drug tests but excluding positive “for cause” drug tests), the employee will not be allowed to continue work and will be placed on medical leave.
  - Criteria for returning to work following this subsequent medical leave will be as described above.
- The Letter of Understanding, Employee Support Services Program, reads in part: “Employees with alcoholism,

**RETURN TO WORK FROM SUBSTANCE ABUSE-RELATED  
MEDICAL LEAVE — ILLEGAL DRUGS AND UNAUTHORIZED  
PRESCRIPTION DRUGS**

drug dependency, emotional or personal problems will be able to seek help voluntarily without having to be concerned that their employment status will be affected because they have sought help for such problems.” This provision notwithstanding:

- Any employee who has three positive drug tests within any three-year period, including positive return from medical leave tests, positive 24-month tests, and positive DOT required tests, but excluding positive “for cause” drug tests, may return to work after the third positive test only if, in addition to meeting the criteria specified above, that employee agrees to a twelve-month waiver.
- This waiver will require the following:
  - (1) Drug testing during the period of the waiver.
  - (2) Termination upon a positive drug test result, including positive return from medical leave tests, positive 24-month tests, positive DOT tests, and positive “for cause” tests.
  - (3) No access to the Grievance Procedure to protest the reasonableness of any penalty, including discharge, as the result of a positive test for illegal drugs or unauthorized prescription drugs during the twelve-month period.
  - (4) Other terms and conditions of the waiver may be determined locally by the Company and the Union.
- During the 24-month testing period and/or the period of the 12-month waiver, all time off work due to layoff, medical leave or personal leave will extend the length of the 24-month testing period and/or the period of the 12-month waiver by an identical number of work days.
- An employee attempting to return to work from a medical leave for illegal drugs or unauthorized prescription drug use or dependency who incurs four consecutive positive drug test results will be terminated as a “Quit - Failure to Meet Conditions of Employment - Substance Abuse.”



**RETURN TO WORK FROM SUBSTANCE ABUSE-RELATED  
MEDICAL LEAVE — ILLEGAL DRUGS AND UNAUTHORIZED  
PRESCRIPTION DRUGS**

- Any employee who refuses assessment, treatment, or testing in accordance with the provisions of this Letter of Understanding will be treated as though the employee had tested positive.

Employees affected by the above provisions would continue to be subject to the same standards of performance and conduct expected of any other employee.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ernest Lofton

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**SUPERVISOR, COMMITTEEPERSON, AND LABOR RELATIONS  
REPRESENTATIVE EARLY INTERVENTION TRAINING**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Supervisor, Committeeperson, **and Labor  
Relations Representative** Early Intervention  
Training

During **the 2007** negotiations, the Company and the Union discussed the importance of timely completion of Supervisor, Committeeperson, **and Labor Relations Representative** Early Intervention training. The parties reaffirmed that early intervention by supervisors, committeepersons, **and/or labor relations representatives** to assist employees in obtaining prompt, confidential EAP support is an important element in the recovery process. Early intervention is critical for helping employees understand how abuse of alcohol, drugs, **and other personal concerns** can lead to excessive absenteeism and declining job performance. **All** supervisors, committeepersons, **and labor relations representatives** must be trained with the knowledge and skills to identify and assist employees in need.

An "Early Intervention Training Module" **has been** developed **and will be a tool** for local and broader use in periodic supervisor, committeeperson, **and labor relations representative** training, or other training opportunities as they present themselves (e.g., CBAT training).

**SUPERVISOR, COMMITTEEPERSON, AND LABOR RELATIONS  
REPRESENTATIVE EARLY INTERVENTION TRAINING**

**In order to facilitate the completion of the Early Intervention Training Module, the Local Response Teams will be required to discuss and determine the most effective means of conducting the training at the local level. Upon this determination, the Employee Support Services Program Representative will contact the National Employee Support Services Program Committee which will provide the appropriate support.**

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

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**SUSPENSION OF CERTAIN JOINT PROGRAMS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Suspension of Certain Joint Programs**

**Prior to and during the 2007 negotiations both the UAW and the Company had many difficult conversations regarding the suspension of certain Joint Programs. As we are all aware, the Company is working its way through some very serious financial challenges, which have resulted in reduced revenue for the National Program Center, leaving it in an unsustainable financial condition. As such, it has been necessary to implement certain changes during the first quarter of 2007 in order to ensure the continuing viability of Joint Funds.**

**To that end, the UAW and Company have agreed, at this time to continue those suspensions. However, the Joint Governing Body will annually review these programs in line with the Letter of Understanding, Joint Programs Study Committee, November 3, 2007.**

**Very truly yours,**

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

**Concur: Bob King**

**Note: This letter will replace the following letters:**

- **Education, Development and Training Program  
– Distance Education Study Team,  
September 15, 2003**

**SUSPENSION OF CERTAIN JOINT PROGRAMS**

- **Lifestyle Management – Planning your Future – Program Funding, September 15, 2003**
  - **Grants for Plants, September 15, 2003**
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**THE PARTIES' UNDERSTANDING OF JOINT EFFORTS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: The Parties' Understanding of Joint Efforts

During the current negotiations the Company and the UAW reaffirmed their commitment to the principles and objectives of UAW-Ford education and training efforts. These efforts have been undertaken by the parties to reinforce and improve the welfare and long-term job security of employees represented by the UAW, and concurrently improve Ford's competitiveness in a global economy. Through jointly sponsored programs, Ford and the UAW have established technological and process-oriented approaches to the education and utilization of human resources to meet ever-growing competitive challenges, and thereby strengthen the job security of UAW-represented employees.

The Company and the Union will continue to undertake joint efforts in the following areas to contribute to the well-being of the Company and its employees: advanced manufacturing technology development; National Programs Center programs; quality; job security and sourcing; employee support services; mutual growth; health and safety; employee involvement; and the Ford workforce and its role in providing high quality products. The endeavors of Company and Union representatives assigned to these efforts result in an array of programs that enhance the technical and process skills of the workforce. The Company and the Union recognize that a highly educated and skilled workforce is a critical factor in improving competitiveness, and therefore, in tempering the cyclical unemployment traditionally experienced in the automotive industry.

#### **THE PARTIES' UNDERSTANDING OF JOINT EFFORTS**

The parties have thoroughly examined the objectives and approaches of the efforts described above, and agree that use of the jointly administered funds of the Education, Development and Training Program (EDTP) to support these efforts is appropriate. EDTP funds shall be designated for the Program, the Center and its activities, or such other purposes for the benefit of employees as may be agreed upon by the Co-Presidents of the Joint Governing Body.

We have also supported research projects or efforts by other training, educational or cultural institutions which will through education and exposure promote our goal of labor and management cooperation in the workplace.

The parties further agree that new programs and activities designed to enhance the welfare and job security of UAW-represented employees may be funded by the EDTP, when authorized by the Joint Governing Body, acting under the provisions of Appendix T to the Collective Bargaining Agreement (Memorandum of Understanding - National Programs Center; Education, Development and Training Program; and Technical Skills Program). Expenditures for such other purposes as may be agreed upon by the Co-Presidents of the Joint Governing Body may be authorized and approved by them or their designated representatives.

Very truly yours,

MARTIN J. MULLOY,  
Executive Director  
North American Labor Affairs

Concur: Gerald D. Bantom

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## **TRAINING FACILITIES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Development  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Training Facilities

For more than a decade, the UAW-Ford Joint Governing Body has supported development of plant training facilities. During this same period, technical training has become increasingly important. Beginning in 1986, with the first Grants for Plants program, the Joint Governing Body provided the local parties with funding to develop onsite training facilities conducive to world-class learning. This support continued with the introduction of the UAW-Ford Technical Skills Program following 1993 bargaining and again in 1996 and 1999 with the announcement of a new Grants for Plants program. Every major facility in the Company has a training facility available onsite at their location.

During the course of these negotiations the Union expressed concern regarding technical training facilities as well as the adequacy of other training facilities at some locations. The parties agreed that if such concerns are not resolved at the local level, UAW-Ford National Programs Center representatives will meet with appropriate representatives from the location and the Operations Human Resources Business Operations to review local training facility concerns.



**TRAINING FACILITIES**

Following these discussions, the UAW-Ford Joint Governing Body will be provided an update on the training facilities issue and recommendations for assistance, if appropriate.

Very truly yours,

HARVEY T. PROCTER, JR.,  
Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs Staff

Concur: Gerald D. Bantom

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**TRAINING SCHEDULES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Development  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Training Schedules

The parties agree that education and training of the UAW-represented work force is an essential element in achieving continuous improvement and is critical to the Company's competitiveness. The Union expressed concern during these negotiations that on occasion, at some locations, scheduled education and training activities were postponed, suspended or canceled. Rationale for schedule revisions included insufficient numbers of replacement personnel, lack of or reassignment of funding for training and for other business related reasons.

During 2003 negotiations, the parties reaffirmed the understanding that when education and training activities are postponed, suspended or canceled repeatedly, the local parties may jointly refer this matter to the Operations/Division Human Resources Business Operations Manager and the National Ford Department for consideration. It is understood, however, that on occasion it may be necessary to postpone, suspend or cancel scheduled training based on operating schedules.

Very truly yours,

HARVEY T. PROCTER, JR.,  
Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs Staff

Concur: Gerald D. Bantom

**UAW-FORD COLLECTIVE BARGAINING AGREEMENT TRAINING  
PROGRAM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: UAW-Ford Collective Bargaining Agreement  
Training Program

Following 1999 national negotiations, the parties jointly updated and implemented a Collective Bargaining Agreement Training (CBAT) Program that was well received by UAW and Ford representatives involved in Agreement administration. Participant evaluations clearly indicate support and a continued need for this type of training, which was a first in the history of labor-management relations.

During **the 2007** negotiations, the parties agreed to update and continue the UAW-Ford Collective Bargaining Agreement Training program. The program will be made available to local Union Presidents, Building Chairpersons, Bargaining Committees, District Committeepersons, elected Alternate Committeepersons, elected Union officials responsible for CBA administration, Human Resources Managers, Labor Relations personnel and a select number of supervisors, as appropriate, that have not previously attended the training. A CBAT refresher program will be developed and targeted for delivery in **2008**. As part of the update, a new Agreement Guide shall be included and made available to prior participants of CBA training who continue to have contract administration responsibilities.

**UAW-FORD COLLECTIVE BARGAINING AGREEMENT TRAINING PROGRAM**

Funding for this training program, including development costs, travel, lodging and wages of participants, shall come from the existing Education, Development and Training Program funds. The Grievance Procedure set forth in Article VII of the Agreement has no application to, or jurisdiction over, any matter relating to this training program.

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

Concur: **Bob King**

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UAW-FORD FAMILY SERVICE AND LEARNING CENTER

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: UAW-Ford Family Service and Learning Center

During the **2007** negotiations the Company and the Union have agreed to reaffirm their commitment to the employees of Ford Motor Company **and their families**. The parties agree that a strong family structure is important for family stability, growth and community well being.

As a result of this commitment, **current Local and Area-Wide Family Councils supported by the National parties will remain intact, locally managed, and encouraged to provide the following:**

- Family Education Programs and Service (e.g., parenting education, health and wellness programs, vacation programs, after school programs, retirement and financial planning services and other family supportive programs and services as may be mutually agreeable). **These programs** will be available to active employees, retirees, their spouses and dependent children.
- Community Service Education and Outreach Programs and Services (e.g., support activities to encourage community volunteerism, identify volunteer opportunities, and offer training to volunteers). **These programs** will be available to active employees, retirees, their spouses and dependent children.
- Local **and national** joint committees and others, as appropriate, will provide **support and** counsel to the **Local and Area-Wide Family Councils** on local programming and opportunities.

**UAW-FORD FAMILY SERVICE AND LEARNING CENTER**

Where appropriate, linkages will be established with public programs and resources. As soon as practicable, the parties will meet and discuss the structure and the appropriate methods of management for the **Local and Area-Wide Family Councils**.

In addition, it is the parties intent that any programs, approaches or services provided through **the Local and Area-Wide Family Councils** are not to be construed as benefits, entitlements or insurance programs. It is further agreed that this understanding is not intended in any way to create for any employee, retiree, spouse, dependent child, other person or group, an enforceable obligation against the Company, the Union, or their representatives.

Finally, the Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement shall have no application to, or jurisdiction over any matters related to this initiative, or any programs or services that are created, provided by third parties, or which may be made available under this initiative.

**This Letter of Understanding supersedes and replaces the following letters:**

- **Skills Enhancement Program for Retirees and Their Spouses, dated (10-9-99)**
- **Spouse and Dependent Children Attendance at Training Classes, dated (10-9-99)**

Very truly yours,

**JACK HALVERSON, Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs**

Concur: **Bob King**

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**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEES -  
NATIONAL AND LOCAL**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW-National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: UAW-Ford Joint Equality and Diversity  
Committees - National and Local

Diversity in the workplace **continues to be** an important and recurring topic throughout numerous discussions between the Company and the Union during the 2007 negotiations. Workplace diversity encompasses all of the many differences that define employees as unique and valuable individuals, including but not limited to culture, ethnicity, race, nationality, gender, age, abilities, disabilities, opinions, religion, beliefs, union affiliation, education, experience, military status, sexual orientation, marital status, and family status. Although the concept of diversity highlights our differences as individuals, the true value of workplace diversity is that such differences can create a whole that is more than the sum of its components - a group of individuals, whose collective strengths are derived from understanding, appreciating, and capitalizing on their particular personal attributes.

The parties share a vision of diversity in the workplace: an environment that promotes a culture, which encourages every individual to contribute fully to the success of their workplace while achieving maximum personal fulfillment. The contributions - actual as well as potential - of all employees, regardless of differences, must be recognized, tapped, and appreciated. Such a harmonious environment will foster positive working relationships among all employees, thus allowing UAW-Ford people to succeed to the best of their abilities. Ultimately, this will result in a stronger Ford Motor Company, in turn leading to greater job security. But fundamentally, and perhaps most importantly, diversity is a matter of respect for the other human beings with whom we

**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEES -  
NATIONAL AND LOCAL**

spend a significant portion of our lives - our co-workers. Union and Company leadership alike embrace this vision.

For many years the Company and Union, in their respective fields, have been leaders in adopting and effectuating policies against sexual harassment and discrimination **as well as harassment and discrimination** because of ethnicity, race, nationality, gender, age, disabilities, religion, union affiliation, sexual orientation, marital status, and family status. To this end, the parties have continued in their Agreement an "Equal Application of Agreement" provision that both ensures adherence to that principle in all aspects of employment at Ford Motor Company and provides the Grievance Procedure for the resolution of alleged violations of that principle.

In addition, the parties recognize the desirability of increased communication and cooperative efforts for the following purposes:

- to encourage employees and grievance representatives to use the contractual Grievance Procedure as the exclusive method for prompt resolution of all claims of denied equal application rights;
- to determine the cause of such claims, arising or recurring;
- to maintain liaison with appropriate federal and state civil **and human** rights agencies;
- to increase understanding and seek solutions to mutual problems;
- to promote and encourage use of the Grievance Procedure in order to avoid multiplicity of litigation in many forums simultaneously, which is frequently time consuming, contradictory and hence, nonproductive to relieving employee problems;
- to relieve tensions in the areas of equal application, diversity and sexual harassment; **and**
- to exchange information, expertise and **advice**.



**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEES -  
NATIONAL AND LOCAL**

Accordingly, the parties agree to **UAW-Ford National discussions on Joint Equality and Diversity and to continue the** UAW-Ford National Joint Equality and Diversity Committee, and **the** UAW-Ford Local Joint Equality and Diversity Committees.

**National Joint Equality and Diversity Committee:**

The UAW-Ford National Joint Equality and Diversity Committee will consist of **four (4) members, two (2) representatives** identified by the UAW-Ford Department and **two (2) members** identified by the Company. The UAW-Ford National Joint Equality and Diversity Committee will meet **during jointly agreed to meetings or joint program events between the UAW-National Ford Department and Corporate Labor Affairs. Its** functions shall be the following:

- Review and discuss, (1) ways and means of encouraging employees and grievance representatives to use the Grievance Procedure as the exclusive contractual method to resolve claims of denial of equal application rights and (2) general matters concerning the subject of sexual harassment.
- Conduct or arrange, as appropriate, for investigations and/or studies into claims of denied equal application rights and discrimination problems and tensions in an attempt to prevent such problems from arising or recurring.
- Maintain liaison with appropriate federal and state agencies.
- Maintain liaison with Corporate Personnel Relations and Equal Employment Planning Office and the UAW Civil **and Human** Rights Department.
- Advise and counsel UAW-Ford Local Joint Equality and Diversity Committees.
- Develop and provide training for UAW-Ford Local Joint Equality and Diversity Committee members.
- Review, discuss and recommend ways and means to facilitate awareness of equal application, diversity and sexual harassment issues.

**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEES - NATIONAL AND LOCAL**

- Design, develop and implement training programs and other strategies to increase employee awareness of and promote constructive dialogue regarding equality and diversity. These programs and strategies will address sexual harassment, diversity and equal application issues. It is envisioned that these programs and strategies will be comprehensive, including hourly and salaried employees as appropriate (e.g., supervisors, superintendents, human resources representatives, and plant management).
- Oversight of delivery of equality and diversity strategies implemented at all UAW-represented Ford locations.
- **The committee will be encouraged to attend both the UAW Civil Rights Conference and the Ford Diversity Conference.**

UAW-Ford joint funds will be a source of support for these initiatives.

**Local Joint Equality and Diversity Committee:**

At each plant or facility that the Collective Bargaining Agreement covers, a UAW-Ford Local Joint Equality and Diversity Committee will be established consisting of six (6) members, three (3) representatives of the Local Union and three (3) representatives of the Company. The three (3) representatives of the Local Union shall consist of the Local Union President, or designee, the Local Chairperson of the Unit Committee, and a Local Union member with diversity responsibilities or expertise. The three (3) representatives of the Company shall be the Plant Manager, or designee, and a Company official at the plant, active in the Company's equal employment opportunity program and another member designated by the Company Plant Manager. Local Joint Equality and Diversity Committees will meet on a quarterly basis, or as frequently as is mutually deemed desirable or necessary and its functions shall be the following:

- Recommend to the UAW-Ford National Joint Equality and Diversity Committee ways and means of promoting use of the Grievance Procedure as the exclusive contractual method for resolving claims of denial of equal application rights.

**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEES -  
NATIONAL AND LOCAL**

- Monitor progress of implementation of equality and diversity strategies and report to the UAW-Ford National Joint Equality and Diversity Committee.
- Offer suggestions to the UAW-Ford National Joint Equality and Diversity Committee on ways to facilitate awareness and greater understanding of equal application and diversity issues.
- Suggest guidelines for Union and Company representatives, active in the Grievance Procedure in the proper and prompt handling of grievances alleging such claims and consider whether other means of handling allegations of sexual harassment should be used.
- Recommend to the UAW-Ford National Joint Equality and Diversity Committee, means for determining the cause of claims of denied equal application rights and discrimination problems and tensions in the plant.
- Comply with all procedures as established by the UAW-Ford National Joint Equality and Diversity Committee.
- Submit minutes of meetings and all other related data to the UAW-Ford National Joint Equality and Diversity Committee.
- **The UAW-Ford Local Joint Equality and Diversity Committee will be encouraged to attend both the UAW Civil Rights Conference and the Ford Diversity Conference.**

Members of the UAW-Ford Local Joint Equality and Diversity Committees will receive pay for **approved** time spent **planning for, and** attending scheduled meetings.

The UAW-Ford Local Joint Equality and Diversity Committees may meet with the Local Diversity Councils to discuss diversity issues of mutual concern.

The parties continue to recognize their legal and moral responsibility for assuring that all Ford Motor Company employees have equal employment opportunities and freedom from discrimination as set forth in Article X, Section 9 of the Collective Bargaining Agreement. Consequently, the function of the Local Joint Equality and Diversity Committees shall be advisory, consultative, and cooperative. While the Company and the Union will welcome the recommenda-

**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEES -  
NATIONAL AND LOCAL**

tions the Committees may make, the Committees may not commit either party to a specific course of action. However, the Union agrees that it will discourage its members from bypassing the Grievance Procedure with respect to any claim or complaint against the Company, which may be made the subject of a grievance under the contract.

Very truly yours,

**JOE W. LAYMON,  
Group Vice President  
Human Resources and Labor  
Affairs**

Concur: **Bob King**

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**UAW-FORD SCHOLARSHIP PROGRAM FOR DEPENDENT  
CHILDREN**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

**Dear Mr. King:**

Subject: UAW-Ford Scholarship Program for Dependent  
Children

During these negotiations, the parties discussed the importance of continuing education for school-aged dependent children of UAW-represented employees. In this regard, the Union and the Company agreed to continue the UAW-Ford Scholarship Program for Dependent Children based on the following parameters:

- Eligibility: Dependent children of active, retired, or deceased UAW-represented employees who are pursuing post-secondary education or training at an **approved** institution accredited by a governmental or nationally recognized agency are eligible to apply for continuing education support. For purposes of this program, the definition of dependent children will be the same as defined in the UAW-Ford Legal Services Plan.
- Amount of Support: An annual voucher of up to a maximum of \$1,500 (\$3,000 in the event of a work-related death) will be distributed directly to the recipient's educational institution for tuition and/or **approved** compulsory fees.
- Funding: Funding for this program, including administrative costs, will be provided through existing Education, Development and Training Program funds. Total annual funding and expenditures for this program will be determined by the JGB.
- Administrative procedures: The operating guidelines and administrative procedures will continue to be approved by the JGB, **including but not limited to retroactive pay requests and documentation.**

**UAW-FORD SCHOLARSHIP PROGRAM FOR DEPENDENT CHILDREN**

- Payments under the UAW-Ford Scholarship Program for Dependent Children will be subject to applicable federal, state, and local income tax provisions.

The Grievance Procedure set forth in Article VII of the Collective Bargaining Agreement has no application to, or jurisdiction over, any matter related to this program.

Very truly yours,

**JACK HALVERSON,**  
Director  
Joint Education, Development  
& Training and  
National Programs Center  
Labor Affairs

Concur: **Bob King**

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**ADVANCED MANUFACTURING ENGINEERING**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Advanced Manufacturing Engineering

During these negotiations, the Union expressed concern regarding the future direction of Advanced Manufacturing Engineering, and its relationship to negotiations regarding job security for UAW-represented Ford employees. The Company is committed to the maintenance of a strong and stable manufacturing and assembly presence in the U. S. and the employment levels required to support that presence. The Company believes that Advanced Manufacturing Engineering, with the UAW as a full participant, is an essential ingredient in our mutual effort to assure Ford's presence as a major U. S. employer and vehicle producer. This letter confirms the understanding of the parties regarding: (1) the intent and objectives of the Advanced Manufacturing Engineering effort; (2) the process used by people in Advanced Manufacturing Engineering; and (3) the role of the UAW's National Ford Department in future Advanced Manufacturing Engineering efforts.

The role of Advanced Manufacturing Engineering is development of superior methods to design and build Ford products, and to use Ford resources, facilities, and people in the best manner possible in that effort. It is intended that Advanced Manufacturing Engineering promote continuous improvement in every element of Ford's business. The Company believes this effort holds great promise for helping meet the Company's two-pronged approach for continued success—being the "best-in-class" quality producer of vehicles for every measure of customer satisfaction, and being fully competitive with every major vehicle producer in the world. Success in Advanced Manufacturing Engineering will help assure long-term job security.

## **ADVANCED MANUFACTURING ENGINEERING**

The Advanced Manufacturing Engineering activity includes people representing the Company's major functions. They are assigned to specific projects that focus attention on product, component, process, and manufacturing issues, and their efforts are intended to cut across traditional organization lines to develop approaches that prevent problems rather than detect problems. The Company is convinced that UAW participation on Advanced Manufacturing Engineering projects will contribute to its success—especially as Advanced Manufacturing Engineering develops long-term actions that affect Ford employees.

The UAW-Advanced Manufacturing Engineering Representatives have been appointed by the Vice President and Director of the National Ford Department. Their participation in specific Advanced Manufacturing Engineering assignments includes: review of Design for Assembly projects and product tear-downs, system reviews on present designs, feasibility reviews on proposed projects, review of training designed for UAW-represented hourly employees, and Advanced Concept Vehicle evaluation for assembly and functional feasibility.

From time to time, it may be appropriate to seek the participation of UAW-represented hourly employees on Advanced Manufacturing Engineering assignments. With Local Management's agreement to participate, the specific project, role, length of assignment and selection criteria of these employees will be determined by Advanced Manufacturing Engineering Management in consultation with the UAW-Advanced Manufacturing Engineering Representatives. Within these criteria, the local parties will jointly select the participants.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger



## NEW BUSINESS DEVELOPMENT

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: New Business Development

To seek to enhance employment opportunities, the joint New Business Development Group will be continued for the term of the 1999 Ford-UAW National Agreement. The Group will consist of equal numbers of Company and Union representatives with multi-disciplinary backgrounds. Company representatives will be appointed by the Vice President, Human Resources and Union representatives will be appointed by the Vice President and Director, National Ford Department. Appointed representatives may be part time or full time.

It will be the responsibility of the New Business Development Group to promote sound and profitable business or integration opportunities having the potential to provide employment. The Group will make recommendations to the Company and the Union for concept approval, and will request new business funding from the Company for business opportunities deemed to be consistent with maximizing employment growth objectives of the Program. The projects to be considered should utilize existing facilities where appropriate, and contribute to the welfare of Ford and its employees. In addition, it will be the responsibility of the Group to perform the following related functions.

- Develop and implement an organizational structure in consultation with the Vice President, Human Resources and the Vice President and Director, National Ford Department.
- Communicate to division and local Management and to regional and Local Union representatives the full scope of this new business concept.

## **NEW BUSINESS DEVELOPMENT**

- Review and study the feasibility of proposals submitted in writing by the local party(ies) regarding entry into new business ventures.
- Initiate studies necessary for a complete examination of proposed new business ventures.
- Examine each feature of the total business opportunity.
- Report, in writing, to the local parties its findings and recommendations regarding a proposed new business venture within an appropriate time frame.
- Develop means of encouraging the entire organization, hourly and salaried, to participate in bringing new competitive business into the Company and creating new jobs.

As an indication of its continued commitment to employment enhancement through integration and business diversification, the Company will make available up to \$30 million of funding to provide for this Program during the term of the 1999 Agreement. However, should the New Business Development Group recommend new business funding in excess of that amount, the Company agrees to review such requests in accordance with the guidelines of this Letter of Understanding. These funds will be available for investment in new business ventures including, as appropriate, the establishment of separate corporate organizational structures.

Investment funds will be released on an "as required" basis. Only those ventures receiving concept approval and initial funding prior to the expiration of the 1999 Agreement will be considered as firm commitments by the Company. Reporting fund expenditures will be the responsibility of the New Business Development Group.

Operating expenses attendant to the activities of persons assigned by the Company and the Union to the New Business Development Group will be provided from the Education, Development and Training Program Fund upon approval of the Executive Director - Labor Affairs and the Vice President and Director, UAW National Ford Department or their designees.

Contingent upon the business climate and market proximity, we have agreed to pay particular attention to communities affected by the loss of Ford-UAW employment opportunities.

## NEW BUSINESS DEVELOPMENT

Accordingly, any newly created business venture developed through the efforts of the New Business Development Group will be expected to provide opportunities for employees, with preferential consideration given to UAW-represented employees laid off from or working at Company facilities. Therefore, to the extent permitted by law, the Company or other employer will recognize the UAW as the representative of the hourly employees working at businesses developed through the New Business Development Group for the purpose of collective bargaining. In this regard, the parties recognize the need to consider innovative approaches to labor relations, including the negotiation of new collective bargaining agreements as an alternative to this Agreement, for each venture.

The New Business Development Group will report periodically to senior Ford Motor Company Management and the International Union UAW on their progress in identifying and developing viable opportunities for employment growth.

It is understood that the Company's discussion with the Union will require the Union to keep information confidential until the Company consents to its release. It is also understood that matters arising hereunder are not subject to the Grievance Procedure.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**NEW TECHNOLOGY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: New Technology

In these negotiations, the parties discussed broadly-based concerns regarding new technology. Accordingly, this letter replaces the prior letter and serves to clarify and reaffirm the understandings reached regarding new technology.

Throughout the years, the parties have recognized that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a cooperative attitude on the part of all parties in such progress. Continued technological progress is also essential to the Company's growth and to its ability to compete effectively. Technological progress can contribute to the Company's well-being and thereby to the economic well-being of employees.

*Recognition*

The Company understands the Union's legitimate concern that advances in technology may alter, modify or otherwise change the job content and responsibilities of bargaining unit employees at plant locations. In this regard, the parties have agreed to continue the National Committee on Technological Progress, comprised of an appropriate number of Union and Company representatives. Following conclusion of these negotiations, the parties will meet to establish meeting guidelines, including meeting agendas and revised committee composition to include a skilled trades representative from the National Ford Department. The Committee will meet periodically to discuss new technology at the corporate level and its possible impact upon the scope of the bargaining unit. It was agreed that such periodic meetings could be held at the Company's Advanced Manufacturing

## NEW TECHNOLOGY

Technology Development facility. A review of advanced manufacturing technologies under development at the facility will be provided to the Committee. These reviews would enable the parties to become more knowledgeable of new and/or emerging technologies which may have future application to the manufacturing environment. The Committee may also discuss other matters concerning new or advanced technology that may be referred by local unions or by local managements as well as any claims of erosion of the bargaining unit, occasioned by the introduction of new technology.

The parties recognize that advances in technology may alter, modify or otherwise change the job responsibilities of included employees, skilled and nonskilled, at plant locations and that a change in the means, method or process of performing a work function, including the introduction of computers or other new or advanced technology, will not serve to shift the work function normally and historically performed by included employees to excluded employees. This is to assure you it is not the Company's policy to assign to excluded employees work normally assigned to included employees at a particular plant location. The Company fully respects the integrity of the contract unit and has no intention of altering its composition by assigning to excluded employees work that has been performed traditionally and exclusively by included employees. The parties will continue to abide by Umpire decisions, or letters of understanding, or other criteria that have been recognized by the parties in the past pertaining to such work assignments. Furthermore, it is understood computers will not be used to establish production standards or initiate or support disciplinary action.

### *Notice and Discussion*

The Company agrees to continue to provide advanced written notification to Local Unions at locations planning the introduction of new or advanced technology so as to permit meaningful discussion of its impact, if any, upon skilled or nonskilled employees. Examples of situations where notification should be given are:

## **NEW TECHNOLOGY**

- A) The first introduction of a technology as compared to previously existing plant technology.
- B) Introduction of a new, more advanced generation of existing technology having a significantly different impact on the bargaining unit.
- C) Introduction of a new application of existing technology which has a significantly different impact on the bargaining unit.

It is understood that the provisions of this letter do not preclude the local parties from discussing new work that has never been performed by the bargaining unit.

The parties at each Company location will determine the persons to be responsible and involved in the discussions. Included among the information to be provided for discussion is a description of the technology involved, the equipment being introduced, its intended use, the anticipated installation date(s), and a description of the extent, if any, to which such technological changes may affect the work performed by included employees at the plant involved. To insure technical competence and continuous improvement are linked to long-term viability, the parties will develop and implement job practice changes to obtain full utilization of the new technology to increase operational efficiency and competitiveness.

### *Training*

The Union once again voiced concern about the possibility that new, technologically impacted contract unit work will not be awarded to included employees because they are insufficiently trained to perform it. In view of the parties' interest in affording maximum opportunity for employees to progress with advancing technology, as part of the advanced discussion, the parties shall seek to identify and make available, in advance as practicable, appropriate specialized training programs so that employees will be capable of performing new or changed work normally performed by included personnel.

The UAW-Ford Technical Skills Program will continue to provide the parties with the joint opportunity to improve the technical capabilities of Ford employees ensuring that the

## NEW TECHNOLOGY

UAW-Ford work force is fully competent to function in the restructured, high-performing workplaces. The parties at plant, division, and national levels may identify training needs that would enhance employees' capabilities to work with new technology, and where appropriate, may jointly request UAW-Ford National Education, Training and Development Program funding under the guidelines established by the Joint Governing Body.

Emphasis will continue to be placed on evaluating the effect of technological developments on apprenticeship curricula. The parties recognize the desirability that apprentices be trained for the work performed by journeymen/women in the basic skilled trades classification where new or advancing technology has had an impact on the work content of certain skilled trades classifications. The Company will continue apprentice training on solid state, numerical, tape and/or computer controlled machines, where applicable.

The parties agree the National Joint Apprenticeship Committee shall examine recommendations of the National Committee on Technological Progress as well as those made by Local Unions for the purpose of updating and revising shop training as appropriate. Revised training, and appropriate training in "programming", will be applicable to apprentices on recognized bargaining unit work if such work is normally and regularly performed by journeymen/women (or work for which journeymen/women are being trained by the Company to perform) in the basic skilled trades classification in the plant where the training schedule is being used.

The foregoing does not limit or in any way reduce the responsibility of the National Joint Apprenticeship Committee to make changes in the training course content of apprenticeship curricula, as necessary and appropriate, subject to and in accordance with provisions of the Apprenticeship Standards.

Education and training programs, approved and sponsored by the Joint Governing Body of the Education, Development and Training Program, supporting national and local initiatives such as technical readiness training and generic technical literacy applications may be used to support new technology introduction. The technical readiness program

## **NEW TECHNOLOGY**

was developed to prepare employees for their introduction to new technology and the associated job opportunities it presents. It is particularly useful for employees who would like to become candidates for the Apprentice Program. This jointly funded program has been extended, where practical, to all locations.

### *Dispute Resolution*

The following paragraphs set forth a means of resolving disputes concerning particular problems occasioned by advancing technology.

Where the initial introduction of new or advanced technology at a plant location occasions a question of whether:

- 1) certain new work should be assigned to included employees,
- 2) affects the job responsibilities of included employees or
- 3) otherwise impacts the scope of the bargaining unit.

Local management and the Unit Committee will attempt to resolve the matter without resorting to the Grievance Procedure. The Company will cooperate in the Unit Committee's investigation and evaluation of impact issues raised due to the introduction of new or advanced technology. Comments by the Unit Committee will be carefully evaluated by the local Management in accordance with the Company's policy relative to the assignment of work which comes within the scope and content of that normally assigned to included employees at the plant location. If the issue remains unresolved, it may be introduced into the Second Stage of the Grievance Procedure as provided in Article VII, Sections 1-8 of the Agreement.



**NEW TECHNOLOGY**

At each plant location the plant Human Resources Manager and a committeeperson appointed by the Union from its regular allocation will be responsible for administering the Program locally.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**PRODUCT DEVELOPMENT AND TRANSFORMATION**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Product Development and Transformation

During these negotiations, the parties discussed various issues related to product development and product transformation. Both the Company and the Union recognize that future jobs depend on, among other things, continuing investments in product development. Shifting markets, changing consumer tastes, new governmental regulations, international harmonization of such requirements, and a host of other factors have a direct impact on vehicle development and manufacturing. The products manufactured and services delivered must meet evolving customer preferences and demands at a competitive price.

The Company fully understands the Union's concerns relative to investment in new products and services, and that such investments, while absolutely necessary, may not alone guarantee good future jobs. **Within the Company's decision-making criteria, when a competitive business case exists, the Company will invest in these new technologies (e.g., Hybrid Vehicles, Alternative Fuels, etc) and their major parts and components in UAW-represented Ford facilities.** New products require additional skills, spur changes in labor demand, and entail new sourcing decisions. The parties acknowledge that involving the Union at the early stages of **Global Product Development System (GPDS)** cycle is key to attaining job security while meeting the global challenges of improved quality, speed to market, product innovation, and lowering total costs. To that end, the Company has been, and continues to be, fully committed to working with the Union to seek and identify appropriate jointly developed technical training programs that will match new skill requirements with evol-

## PRODUCT DEVELOPMENT AND TRANSFORMATION

ing technologies, products and services, along with the implementation of new programs to cushion unavoidable dislocative effects of rapid product transformation and development. The Company recognizes that working together will help preserve and grow good paying jobs for all current and future UAW-represented employees at Ford Motor Company.

In preceding Agreements and during these negotiations, the parties have recognized the importance of the Union's role and involvement in the GPDS cycle and product transformation through provisions, such as the Memorandum of Understanding - Sourcing (Appendix P), which provide a mechanism for early Union involvement in the Company's plans to proceed with a new or redesigned vehicle. To that end, it is understood and reaffirmed that early during the GPDS cycle, matters such as sourcing patterns, possible changes in assembly, sub-assembly, stamping, powertrain and other component sourcing patterns, possible insourcing opportunities, and technology which may impact UAW-represented hourly employees will be reviewed with the National Ford Department in accordance with the provisions of the Memorandum of Understanding - Sourcing (Appendix P). Such early and up front involvement will allow the Union to continue to be provided with information about current and anticipated major product developments/product transformations that are having, are expected to have, or could potentially have an effect on employment levels such as projected changes in the major components for motor vehicles (e.g., shift to new propulsion technology and energy storage devices), in materials (e.g., increased use of plastics and/or aluminum in body panels, shift to aluminum castings), in assembly and design (e.g., for easier assembly/manufacturing methods and for disassembly for recycling purposes).

Further, the Union's early involvement during the GPDS process allows for discussions relative to issues such as the impact of a traditional gas-fueled internal combustion engine vehicle, and, for example, the comparable electric, hybrid electric, fuel cell, or dedicated and flexible alternative-liquid fuel vehicle with respect to major components, materials, and assembly methods. In each case, the Company will

**PRODUCT DEVELOPMENT AND TRANSFORMATION**

indicate the extent to which changes in specifications will be handled through the revamping of existing UAW-represented operations, by means of technology residing in other divisions of the Company or by outside sourcing arrangements.

Finally, it is recognized that the Memorandum of Understanding - Sourcing (Appendix P) provides an avenue for discussions as early as practicable in the GPDS cycle relative to projected production volume of new materials, components, and products, and the potential impact, if any, on UAW-represented hourly jobs.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**REVIEW OF NEW TECHNOLOGY**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Review of New Technology

During the course of the 1999 Negotiations, the parties discussed travel outside the United States for UAW represented employees involved in new technology reviews. Such travel requires advance notification by the local joint parties to the NJCHS and will include: (1) plant location, (2) purpose of the visit, (3) name and function of individuals attending the review, (4) planned date of review and (5) city and country of review.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

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**ADVANCE NOTICE OF OUTSIDE CONTRACTING  
AND EFFECTIVE CLEARING PROCEDURE**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Advance Notice of Outside Contracting and  
Effective Clearing Procedure

During the recent negotiations the Union expressed concern over the form and content of the notice to the Union of the Company's intention to let an outside contract for skilled maintenance and construction work as well as the procedure for conducting related discussions between the local parties.

This letter will confirm the parties' understanding that the Company will provide advance notice, in writing, subject to the same conditions and limitations set forth and referenced in the letter dated January 20, 1949\* , to the local union of the Company's plan to let a particular contract involving skilled maintenance and construction work. The written notice will describe the project's general nature, scope (including estimated trades and manpower involved), the approximate dates within which the work is expected to be performed and why the services of an outside contractor are being contemplated. As provided in Article IV, Section 8, Company representatives are expected to afford the Union an opportunity to comment on the Company's plans and to give appropriate weight to those comments in the light of all attendant circumstances.

Consistent with the foregoing conditions, the parties agreed that the following constitutes an effective outside contracting clearing procedure including related discussions:

1. Before letting a contract, the Plant Engineering Department will evaluate the ability of the local plant forces to handle a given project.

\* Reproduced in full beginning on page 350 of the Agreement Booklet (Volume I).

**ADVANCE NOTICE OF OUTSIDE CONTRACTING  
AND EFFECTIVE CLEARING PROCEDURE**

2. In the event the Plant Engineering Department decides it is unable to perform the work in question, the local union will be so advised and if the Union so requests, a meeting will be arranged by the Plant Industrial Relations Manager for the purpose of having advance discussion with the union as to the reasons why plant forces cannot perform the work.
3. In the event such advance discussion with the union results in the Company deciding it cannot perform any of the work or only part and the union concurs in this result, a memorandum concerning the results of the meeting will be prepared by the Company and a copy provided to the union. In addition to the written information outlined above, if part of the project is to be performed by Ford forces, that portion should be so identified in the memorandum.

It was also agreed that the parties would urge the adoption of the above procedure in all locations where a mutually acceptable outside contracting clearance procedure does not now exist.

In addition, it was agreed that in those locations either adopting the procedure outlined above or where a mutually acceptable procedure is in effect and where the local union alleges that the procedure is not being followed by the Company, the matter may be brought to the attention of Labor Relations Staff and the National Ford Department.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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**CONTRACTING OF WORK**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Contracting of Work

During the current negotiations the UAW complained that procedures set forth in Article IV, Section 8 are not being satisfactorily implemented by management in many instances.

This letter is intended to clarify the intent and purpose of this provision:

1. The "advance discussion" except where time and circumstances prevent it, will take place "prior to letting such a contract"— before any decision has been made as to whether the work should be contracted out. The "advance discussion" will include information as to "why Management is contemplating contracting out the work." It is evident that except as noted above, since Management is only "contemplating contracting out the work" when the "advance discussion" takes place, Management should not have made any decisions concerning whether or not to contract out the work before such "advance discussion" is held.
2. Management should advise the local union of the "nature, scope and approximate dates of the work to be performed and the reasons (equipment, manpower etc.), why management is contemplating contracting out the work." This information is related to the letter dated January 20, 1949, to the International Union signed by Mr. John Bugas. That letter makes reference to "peculiar skills are involved, where specialized equipment not available to Ford is required or where for other reasons economies can be realized because specialized contractors can better perform the work in question." Since any or all of these conditions may be entailed in the deter-



## CONTRACTING OF WORK

mination as to whether a particular contract should be let out or not, it is necessary that Management advise the local Union in the “advance discussion” concerning the item or items which are relevant to the decision-making.

3. If in the “advance discussion” it is clear that management is only “contemplating contracting out the work” and if in addition all the pertinent information as noted above is supplied to the local Union, then local Union representatives will be given a better opportunity “to comment on the Company’s plans” and will also give an opportunity to Management “to give appropriate weight to those comments in the light of all attendant circumstances.”

In addition the Union complained that in certain instances plant Management requested and contracted for maintenance service on leased equipment, and extended warranty arrangements or service contracts were being purchased which impacted the job security of seniority employees in skilled trades classifications. Management stated that, while Article IV, Section 8 does not limit the “fulfillment of warranty obligations by vendors”, warranty arrangements that extend beyond those customarily provided or the obtaining of service contracts are not covered by these provisions. Rather, such arrangements or service contracts covering work normally and historically performed by represented skilled trades employees are to be considered in the same manner as contracts for the performance of maintenance work and such decisions are covered by the provisions of Article IV, Section 8 of the Master Agreement. The local plant Managements will be advised accordingly.

Very truly yours,

JOHN M. SLOSAR, Director  
Union Affairs Office  
Labor Relations Staff

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**MAINTENANCE AND CONSTRUCTION WORK**

January 20, 1949

Mr. Walter P. Reuther  
President, International UAW-CIO  
411 W. Milwaukee  
Detroit 2, Michigan

Dear Mr. Reuther:

Subject: Maintenance and Construction Work

The purpose of this letter is to inform you concerning the present policy of the Ford Motor Company relating to maintenance and construction operations, as you requested in the meeting between Company and Union representatives at the Rackham Memorial Building yesterday.

Effective Monday, January 17, the policy with regard to maintenance and construction operations of the Ford Motor Company were revised in accordance with the following principles:

- (1) The department formerly identified as N-700 was abolished, all employees assigned thereto being transferred to the various maintenance units or to the newly created Construction section herein described.
- (2) Each operating division or building (examples, the Steel Division, the Motor Building) is now provided with its own maintenance department. One maintenance department is provided for Roads and Grounds, and for the miscellaneous buildings not large enough to individually support a maintenance department. These maintenance departments carry the responsibility of general maintenance work within the confines of the operating divisions or buildings. They will perform all work of a maintenance, as distinguished from construction, nature.
- (3) The Construction Section, or department, was created to function within the limits of the greater Detroit area, including Mound Road, Highland Park, Lincoln, and Rouge operations, as well as the other smaller plants in the area.

## MAINTENANCE AND CONSTRUCTION WORK

This section will perform all construction work which it is feasible for the Company to do, consistent with equipment and manpower skills available, with the limitation that outside contractors may be called upon when the volume of work required exceeds the capacity of the Construction Section. Employees assigned to this Section are those carrying sufficient service to assure a minimum of difficulty on the question of seniority rights.

- (4) Where deemed advisable, contracts will be let to outside contractors under certain conditions. Such outside assistance will be engaged where peculiar skills are involved, where specialized equipment not available at Ford is required or where for other reasons economies can be realized because specialized contractors can better perform the work in question. As indicated above, work may be contracted out on occasions when the volume of construction work precludes the possibility of its completion within time limits by the Ford construction department.

We believe the above to be a clear statement of the policy which Ford Motor Company intends to follow with regard to maintenance and construction operations. We feel, and believe you will concur, that it is impossible to enunciate this policy in more detail. Necessarily, some questions may arise from time to time regarding work which is contracted to outside concerns. On such occasions, we intend to continue the practice of informing Union representatives of our reasons for letting such contracts, as in the past. (\*). It should be noted, however, that Management must reserve the right to make the final determination as to whether work shall be done by Ford, or outside contractors. In making this determination, however, we intend always to keep the interests of Ford personnel in mind. We anticipate that in the great majority of instances it will be to the advantage

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\* As provided in the Settlement Agreement between the Company and the Union dated November 23, 1964, this is construed to mean that the Company agrees to give advance notice to the Union, where feasible, of the Company's plans for letting a particular contract; however, the question of whether or not advance notice has been or should have been given shall have no bearing on any grievance protesting Management's action in letting a particular contract.

**MAINTENANCE AND CONSTRUCTION WORK**

of the Company to use its own equipment and personnel in construction work. We intend to utilize this personnel and equipment wherever feasible.

Very truly yours,

JOHN S. BUGAS,  
Vice President  
Industrial Relations

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**MAINTENANCE WORK**

October 9, 1961

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Maintenance Work

During our current negotiations, the Union has stated that Ford Motor Company employees in the skilled construction and maintenance trades are concerned over possible plans by Ford Motor Company to contract out routine running maintenance work in its plants.

Our experience, as well as that of others, has demonstrated forcefully that there is no commonly accepted line between maintenance and construction work, and that abstract definitions attempting to draw such lines are controversial and subject to wide differences in interpretation.

For more than ten years, Ford employees in these trades have been protected against unwarranted contracting out of skilled maintenance and construction work on Company premises. This protection stems from the letter addressed to Mr. Walter P. Reuther, UAW President, by Mr. John S. Bugas, then Vice President, Industrial Relations, Ford Motor Company, of January 20, 1949, and the contractual commitments associated therewith introduced in our 1949 collective bargaining agreement and expressed in our last agreement in Section 3 of the Skilled Trades Supplement. It has been established over the years that these commitments are applicable throughout the units represented by your Union and are enforceable through the arbitration procedures provided in the Agreement. Since 1949, both the number and proportion of Ford skilled tradesmen in Company units represented by the UAW have increased substantially, the number by some 5,000, and the proportion from 15.5% in 1949 to an average of almost 19% for the last three calendar years.

**MAINTENANCE WORK**

The Company proposes the reaffirmation and the continuation of these contractual commitments for the duration of the new agreement currently being negotiated by the parties. This will guarantee to Ford skilled maintenance and construction tradesmen the continuation of their present advanced protections.

In addition, the Company hereby assures you that it has no plans to depart from its general operating practice of placing primary reliance on its own skilled maintenance tradesmen to perform the running skilled maintenance work in its plants that they historically have done.

Very truly yours,

MALCOLM L. DENISE,  
Vice President  
Labor Relations

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**OUTSIDE CONTRACTING**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Outside Contracting

During these negotiations, the Company and the Union discussed the provisions of Article IV, Section 8, Job Security and Outside Contracting, of the Collective Bargaining Agreement and associated letters, from the 1949 Bugas/Reuther letter forward, concerning the topic of outside contracting. The Union expressed its concern that the Company is not adhering to the intent of the present contractual commitments, thereby affecting the job security of UAW-represented employees. Accordingly, this letter serves to clarify and reaffirm our joint understanding regarding various procedures with respect to Advance Notification, Full Utilization, and Warranty and Service Contracts.

Advance Notification

The advance notification procedure and the establishment of regular outside contracting reviews, as provided for in the Letter of Understanding entitled Outside Contracting Reviews dated September 15, 1993 is key to ensuring that a proper review of all relevant outside contracting issues has been considered. This process provides for among other considerations that advance discussion, except where "time and circumstances" prevent it, will take place prior to a Company decision to let a particular contract (i.e., before any decision has been made as to whether the work should be contracted out). Accordingly, the parties have reaffirmed and agreed that:

## OUTSIDE CONTRACTING

1. The Company will provide advance written notification to the Union of its intent to let an outside contract and discuss in detail the nature, scope, and approximate dates of the work to be performed and the rationale (specialized equipment, peculiar skills possessed by the vendor's personnel, other economies, etc.) in accordance with the conditions and limitations set forth and referenced in the Letter of Understanding entitled Maintenance and Construction Work dated January 20, 1949.

The parties acknowledge there are legitimate reasons, such as emergencies, where the time and other circumstances prevent the required advance discussions with the Union prior to work being contracted out; however, absent legitimate reasons, the aforementioned provisions will not be used by Management solely to circumvent the contractual requirements relating to outside contracting notification.

2. The continuation of regular review meetings at the local level shall remain the appropriate forum for the parties to discuss contemplated outside contracting projects. This review process has generally been effective in resolving the vast majority of outside contracting issues since the inception of the review process in 1993. The parties agreed that the outside contracting clearing procedure outlined in the Letter of Understanding entitled Advance Notice of Outside Contracting and Effective Clearing Procedure dated October 4, 1979, will be adopted in all locations where a mutually acceptable clearance procedure does not now exist.

In order to address the concerns of the Union, the importance of the requirement of holding "advance discussions" before work is contracted out will be communicated to the appropriate parties at each location. In the event a Local Union experiences continued problems in this regard, the matter may be referred to the National Ford Department of the International Union, which may then raise it with the appropriate Division Labor Relations Manager.



## OUTSIDE CONTRACTING

3. In response to the information provided to the Union by the Company during the Outside Contracting Review Meeting, the Union will then furnish the Company with a written response commenting on the Company's plans in order to provide an opportunity for Management to give appropriate consideration to the response in light of all attendant circumstances.

### Full Utilization

During our discussions regarding outside contracting, the utilization of Ford skilled trades employees has been a matter of mutual concern. The definition of full utilization is addressed in the Letter of Understanding entitled Outside Contracting Reviews dated September 15, 1993. The parties agreed that the appropriate forum in which to address this issue is at the local level, in conjunction with the outside contracting review process. It was indicated that the definition of full utilization will vary from location to location, dependent on the circumstances of each contract, including the number of outside skilled trades personnel involved, the number of hours allocated to the project, and the extent to which outside contractors are contemplated for utilization on weekend work.

In these negotiations, the parties agreed additional consideration may bear on the definition of full utilization such as:

1. Whether the contractor will perform work on overtime during the workweek, and/or on a weekend.
2. Whether plant skilled trades forces are on layoff or in protected employee status (GEN).
3. Necessity for specialized equipment and /or contractor work skill sets or competencies that the Company may not possess.
4. The percentage of affected trades to be assigned work along with the contemplated contractor.
5. The requisite number of plant skilled trades employees available and/or willing to work overtime during the workweek and/or weekend which may be required to complete the project under review, con-

## **OUTSIDE CONTRACTING**

sistent with cost and training parameters. The parties agree the definition of “full utilization” may not necessarily be limited to working five (5) days per week, eight (8) hours per day but, also is not necessarily seven (7) days per week, twelve (12) hours per day but may extend to daily, weekend, and other overtime periods, when outside contractors are on the plant premises and performing work customarily and historically performed by UAW bargaining unit personnel.

Any alleged abuses of the aforementioned may be referred to the UAW, National Ford Department and the appropriate Division Labor Relations Manager.

Although no one of these considerations is necessarily controlling, each may be instrumental in assisting the parties to determine whether the skilled trades workforce is fully utilized, as that concept relates to the decision to use an outside contractor.

### Warranty and Service Contracts

The Letter of Understanding entitled Contracting of Work dated October 14, 1984, acknowledged the Union’s concern that purchased maintenance service on leased equipment and extended warranty arrangements or service contracts impact the job security of seniority skilled trades employees. The provisions of that letter do not apply to arrangements that extend beyond those customarily provided or the obtaining of service contracts. Rather, the letter provides that warranty arrangements that extend beyond those customarily provided or the obtaining of service contracts normally and historically performed by UAW-represented skilled trades employees are to be considered in the same manner as contracts for the performance of maintenance work in accordance with Article IV, Section 8, of the Master Agreement.

In these negotiations, the parties discussed at length the problems associated with the use of warranty and service contracts. The Company assured the Union that it has no plans to depart from its general operating practice of placing

## **OUTSIDE CONTRACTING**

primary reliance on its own skilled trades workforce to perform the day-to-day maintenance work historically and routinely performed in the plants, once the warranted equipment is released for production.

In order to remain competitive on a global basis, the Company must be able to utilize warranty arrangements and/or service contracts ordinarily provided by the vendor. Proposals for extended service or warranty contracts beyond those customarily provided by the vendor will be reviewed with the Union in the same manner as contracts for the performance of maintenance work in accordance with the provisions of Article IV, Section 8, of the Master Agreement.

To further address the Union's concerns, it is agreed that any time a supplier visits a facility to perform warranty or service agreement work, as provided in the purchase agreement between the parties, the Union will be notified and an employee on that shift with the appropriate skilled trades classification will be assigned with the supplier. Additionally, in the event other employees from the same supplier are performing different warranty or service agreement work in other areas of the plant, an employee with an appropriate skilled trades classification will be assigned with the supplier.

Where the Company or Union consider particular warranty arrangement or service contracts to be of concern, the parties agree to discuss such matters through the local outside contracting review procedure with the goal of improving the employment opportunities of potentially affected employees without compromising operational flexibility and related cost efficiencies.

### Checklist

In an effort to ensure all relevant considerations have been reviewed by the Company and Union prior to letting a contract for the performance of skilled maintenance and construction work, the parties have prepared a Checklist (Exhibit) to guide the local review of potential outside contracting matters. It is expected that locations which do

## **OUTSIDE CONTRACTING**

not now have an effective advance notification process in place will use the Checklist in advance discussions with local unions. For locations that do have an effective notification procedure, the Checklist should be incorporated in the procedure. Each party should sign the Checklist, acknowledging such a review has occurred. The Checklist should be utilized as a planning tool to ensure that those relevant factors related to outside contracting are considered fully prior to a decision to let a contract involving skilled maintenance and construction work to an outside contractor.

The parties agree to include appropriate language on the Checklist to indicate failure to comply with the provisions of the Collective Bargaining Agreement with respect to outside contracting could result in a grievance protesting the contemplated outside contract, including a possible strikeable issue grievance.

Very truly yours,

DENNIS J. CIRBES, Director  
U. S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**OUTSIDE CONTRACTING**

EXHIBIT

**OUTSIDE CONTRACTING CHECKLIST**

(Factors To Be Considered Prior To Letting an Outside Contract for Skilled Maintenance and Construction Work)

During the 1996 negotiations, the Company and the Union discussed the provisions of Article IV, Section 8 of the Collective Bargaining Agreement and associated Letters of Understanding concerning the topics of Outside Contracting, Full Utilization, and Warranty and Service Contracts. The following Outside Contracting Checklist has been developed and agreed to by the parties for use at U. S. plant locations as a planning tool to ensure that relevant factors related to Outside Contracting are fully considered prior to a contract being let to an outside contractor. The parties urge the adoption of this Checklist in all locations.

Advance Notification and Clearance Procedure	
Please place a "✓" in the "Fully Considered" column after each factor is considered.	Fully Considered
1) Provide the Union with advance notification in the form of a written labor clearance prior to letting such a contract (except where time and circumstances prevent it).	
a) Describe the projects general nature and scope.	
b) Indicate the estimated trades and manpower that are required.	
c) Provide the approximate dates within which the work is expected to be performed.	
d) State why the services of an outside contractor are being contemplated.	

**OUTSIDE CONTRACTING**

Advance Notification and Clearance Procedure	
Please place a "✓" in the "Fully Considered" column after each factor is considered.	Fully Considered
2) Satisfy the conditions and limitations as set forth in the Letter of Understanding dated January 20, 1949 (Bugas Letter).	
a) Are peculiar skills involved?	
b) Is specialized equipment not available to Ford required?	
c) Are there other reasons, such as economies of scale, which can be realized because specialized contractors can better perform the work in question?	
d) Does the volume of construction work preclude the possibility of its completion within the time limits set forth by the Company?	
3) Afford the Union an opportunity to comment on the Company's plans.	
4) Consider the Union's comments in light of all attendant circumstances and give appropriate weight to those comments.	
5) Plant Engineering Department to evaluate the ability of local plant forces to handle the given project.	
6) If Plant Engineering decides it is unable to perform the work in question, advise the local Union and if the Union so requests, a meeting will be arranged by the Plant Human Resources Manager for the purpose of further advance discussion with the Union as to why plant forces cannot perform the work.	

**OUTSIDE CONTRACTING**

Advance Notification and Clearance Procedure	
Please place a "✓" in the "Fully Considered" column after each factor is considered.	Fully Considered
a) Provide the Union with a memorandum concerning the results of the meeting.	
b) If part of the project is to be performed by Ford forces, identify that portion in the memorandum.	

Full Utilization	
Please place a "✓" in the "Fully Considered" column after each factor is considered.	Fully Considered
7) Indicate if the contemplated contractor will be performing the work on straight time vs. overtime.	
8) Determine whether the contemplated work will be accomplished during the workweek or on the weekend.	
9) Identify any plant skilled trades forces on layoff or in the GEN program who could be utilized.	
10) State if there are any specialized work skill competencies that the contemplated contractor personnel possess that Company forces do not.	
11) Indicate the number of outside contractor personnel involved in the project.	
12) Determine number of skilled trades employees available/willing to work O/T required to complete project, consistent with cost and training parameters.	

**OUTSIDE CONTRACTING**

Full Utilization	
Please place a “✓” in the “Fully Considered” column after each factor is considered.	Fully Considered
13) Determine whether affected trades will be working weekend overtime.	
14) Estimate the percentage of affected trades to be assigned work alongside the contemplated contractor.	
15) Assess whether a Skilled Trades Project Coordinator may be appropriate to oversee the contemplated project.	

Warranty and Service Contracts	
Please place a “✓” in the “Fully Considered” column after each factor is considered.	Fully Considered
16) State whether a warranty has been provided in association with the purchase of equipment and indicate if the length of the warranty offered by the vendor is of standard duration as customarily provided to all customers.	
17) If extended warranty arrangements from the vendor are contemplated, notify the Union of the rationale for the extended warranty, if such arrangements cover work normally and historically performed by represented skilled trades employees.	



**OUTSIDE CONTRACTING**

Warranty and Service Contracts	
Please place a "✓" in the "Fully Considered" column after each factor is considered.	Fully Considered
18) If a service contract is contemplated, consider the service contract proposal in the same manner as contracts for the performance of skilled maintenance work normally and historically performed by represented skilled trades employees.	

Failure to comply with the provisions of the Collective Bargaining Agreement with respect to outside contracting could result in a grievance protesting the contemplated outside contract, including a possible strikeable issue grievance.

The local union may bring this matter to the attention of the appropriate Operations Labor Relations Office and the UAW National Ford Department.

Acknowledged:

\_\_\_\_\_ Date: \_\_\_\_\_  
 Company Representative

\_\_\_\_\_ Date: \_\_\_\_\_  
 Union Representative

\_\_\_\_\_

**OUTSIDE CONTRACTING**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Outside Contracting

During 2003 negotiations, the parties discussed the present outside contracting procedures. The parties recognized there are sufficient procedures identified in the Letter of Understanding dated October 9, 1999 entitled Outside Contracting, as well as the importance of adhering to said procedures. Therefore, immediately following negotiations, the Company will issue a letter to all Company locations reinforcing the provisions of the Outside Contracting letter.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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## OUTSIDE CONTRACTING REVIEWS

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Outside Contracting Reviews

During 1993 bargaining the parties discussed at length those problems associated with the outside contracting notification procedure and the Union's concerns about the full utilization of Ford skilled trades employees. In order to ensure that outside contracting, as well as other key issues, receives the attention of both our senior plant and division Management teams, the Company has recommended a process to enhance communication with both Local Unions and the National Ford Department. That process is the subject of a separate letter between the parties.

The parties agreed to establish regular reviews at the local level of contemplated outside contracting projects. The Skilled Trades Representative, or other designated representative, will participate in these reviews. Also, if the local parties deem it appropriate, the local Bargaining Chairperson can request a subcommittee composed of individuals from the appropriate trades representing the majority of the project work to attend the discussions concerning the contemplated outside contract.

These reviews give the Local Union the opportunity to express its concerns and ideas prior to the contract being let, and to comment on the potential of retaining all or part of the work in-house, that it has the ability to perform on a competitive basis, consistent with the principles set forth in Article IV, Section 8, and the Bugas letter.

These discussions will cover the elements required by the parties' understandings concerning outside contracting (including Article IV, Section 8 and letters from the 1949 Bugas/Reuther letter forward), including the utilization of Ford skilled trades employees. In addressing the issue of full utilization, the parties have discussed the fact that the defini-

**OUTSIDE CONTRACTING REVIEWS**

tion of full utilization will vary from location to location depending on the circumstances of each contract including the number of outside skilled trades personnel involved, the number of hours allocated to the project and the extent to which outside contractors are being considered for use on weekend work.

Very truly yours,

JAMES D. SHANNON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**RIGHT TO STRIKE OVER OUTSIDE CONTRACTING**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Right to Strike Over Outside Contracting

In the current negotiations, the parties discussed the provisions of Article VII, Sections 16(a), (b) (7) and 23, of the Collective Bargaining Agreement as they apply to the right to strike over issues concerning violations of the Company's express commitments set forth in the provisions of Article IV, Section 8, of the Agreement (except those commitments concerning advance notice and/or discussion relating to maintenance and construction work and new die machining, fabrication, repair, tryout and related checking fixture work). As a result of these discussions, the parties agreed that grievances covering such issues shall be handled in the following manner:

1. Such a grievance may be filed in the Second Stage of the arbitrable Grievance Procedure and if not resolved may then be appealed in the normal manner through the Fourth Stage of that procedure; provided, however, that if the Director of the National Ford Department decides otherwise and within 30 days of the date of notice of appeal to the Umpire of such grievance notifies the Labor Relations Staff of the Company, in writing, of his decision not to proceed to the Umpire, the grievance shall be referred to the Second Stage of the Special Procedure set forth in the provisions of Article VII, Section 23, of the Agreement and thereafter processed in accordance with those provisions.
2. In the Special Procedure, the disposition the Union may properly seek is to reverse the Company's decision with respect to the work protested in the grievance and require that it be assigned to the proper Company employees. In the alternative, the Union may seek to

**RIGHT TO STRIKE OVER OUTSIDE CONTRACTING**

secure an appropriate award of back pay for properly aggrieved employees. The Union may not properly seek to modify the Company's express commitments in Article IV, Section 8, of the Agreement in any way.

3. If such grievance is processed through the Fourth Stage of the arbitrable Grievance Procedure and is decided by the Umpire, his decision must be based upon the criteria which are set forth in Article IV, Section 8, of the Agreement, and if he sustains the grievance, his award shall be limited to backpay for the properly aggrieved employees who are laid off or would be laid off as a direct result of the Company's decision to contract out the disputed work.

Very truly yours,

SIDNEY F. McKENNA,  
Vice President  
Labor Relations

Concur: Ken Bannon

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**APPLICATION OF SHIPPING LABELS - PARTS DISTRIBUTION  
CENTERS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Application of Shipping Labels - Parts Distribution  
Centers

During 1999 negotiations, the parties discussed the duplicative work performed by both Company and carrier employees of applying shipping labels to outgoing parts on Parts Distribution Center shipping docks.

The Company advised the Union that as part of the Ford Customer Service Division's ongoing efforts to improve customer service, a study is underway to determine the feasibility of implementing an automated parts tracking system for emergency parts orders.

We anticipate that this will result in a new shipping label, that would meet the needs of both the carrier and the Company. When implemented, the common label will be applied by UAW-represented employees of the Company and should result in an efficient ordering system.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

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**CHAIRPERSON ACCESS TO MOMS INFORMATION**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Chairperson Access to MOMS Information**

**The effective dissemination of computerized warehouse system information is an essential element in assisting the entire warehouse team to function effectively. The issues of confidentiality and system security are also important considerations. Chairperson access to "read only" MOMS screens will be standardized across all Parts, Supply and Logistics locations. Requests for additional screen access may be raised by National Ford Department, UAW to Parts, Supply and Logistics Management for consideration.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**FCSD NETWORK REVIEW**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: FCSD Network Review**

**During 2007 negotiations, the parties discussed the operations of the Ford Customer Service Division (FCSD) distribution facilities and the variability in the network. While they agree variability will exist due to the locations of the facilities, the parties did agree to study the variability of the network.**

**Annually the parties further agree to jointly identify five (5) facilities in the network to study the business operations and practices. Should the parties agree that a practice would be of value across the network, the parties further agree to study the practice for evaluation and/or adoption in other facilities as a best practice to improve the overall performance of the network.**

**The parties will include in this review, the UAW National Ford Department, FCSD Management, FCSD Human Resources, the Local Building Managers and the Local Building Chairpersons.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**JOB ASSIGNMENTS (PARTS DEPOTS)**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Job Assignments (Parts Depots)

It is the policy of the Company to give particular consideration to the older employees in each of the Company's parts depots in making regular job assignments within their classification.

Management will be guided by factors such as physical requirements and location of work in carrying out this policy. It is not intended to give an employee another job merely because he would prefer it for subjective reasons. In addition, management is responsible for advising the union representative of any changes in job assignments. In the event the union representative is unavailable, this information should be provided after the representative becomes available.

This expression of policy should not be interpreted as establishing the principle of job preference within a classification, nor does it give any employee a right to protest his job assignment in the Grievance Procedure except as such assignment may be in violation of the terms of the Collective Bargaining Agreement.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

**MEDICAL PROCEDURES—PARTS DISTRIBUTION CENTERS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Medical Procedures—Parts Distribution Centers

During the recent negotiations, the parties discussed medical procedures in effect in the Parts Distribution Centers.

The Company will review with the local union a plan identifying the individual(s) responsible for providing access to an emergency first aid facility, in addition to assuring that Company designated personnel have received Red Cross or equivalent emergency first aid training.

In addition, local management will review with the local union the service delivered by clinics that provide non-emergency medical treatment to Parts Distribution Center employees. It is the objective of the Company to only utilize facilities that provide quality service for our employees.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office

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**MOM'S PROGRAM**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: MOM's Program

During the current negotiations, the Union expressed concern that the installation of an upgraded computer system in conjunction with the Mechanization of the Master Parts Distribution Centers Program would be used to establish work standards and gather data for purposes of disciplinary action. It was pointed out that the use of the upgraded computer equipment is to facilitate order consolidation, mechanize the recording of material movements and accomplish more efficient direction of warehouse functions. Related work assignments are currently based on the free effort concept consistent with the fair day's work for a fair day's pay principle referred to in Article V, Section 1 of the Collective Bargaining Agreement. The information accumulated and generated by this equipment will not be used to establish production standards or to initiate or support disciplinary action.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

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**NEW TECHNOLOGY – PARTS, SUPPLY AND LOGISTICS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: New Technology – Parts, Supply and  
Logistics**

**The Company and the Union discussed the utilization of technology as it relates to Parts, Supply and Logistics. The Company informed the Union that a new warehouse management system to replace the current MOMS system is under development and represents a substantial investment in the future viability of the new network.**

**As utilized in a warehouse, these systems are one of the enablers for improved processes and customer service. The Company affirms that warehouse management systems are not designed to establish production standards or to initiate or to support disciplinary action. When introduced in the United States, this system will provide a state of the art supply chain management system.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**PARTS DEPOT PROBLEMS**

October 18, 1967

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Parts Depot Problems

During the course of our negotiations the Union made several complaints concerning the Company's policy in the shipping and receiving activities. The attached communications set forth the Company's current operating instructions to the field regarding *Correction of Errors in Outbound Shipments, Enforcement of Yellow-Line Rule in Parts Depots and Parts Depot Checking Procedure—Receiving Area*. The instructions are intended to eliminate misunderstandings which may exist at the operating level and to prevent actions which may give rise to claims of violation of the rights of included employees under the Collective Bargaining Agreement.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

Attachments

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**PARTS DEPOT PROBLEMS**

ATTACHMENT

October 18, 1967

To: All Depot Managers

Subject: Correction of Errors in Outbound Shipments

In the current negotiations it has been complained by the Union that excluded plant guards and foremen are performing the work of included employees after the normal quitting time for included employees. Specifically, it has been charged that plant guards and foremen are locating stock and transporting it out the shipping dock to correct errors discovered when a shipment is being loaded.

I wish to reiterate prior instructions which forbid the performance of such work by excluded employees. When there is a shortage in an order, it will be shipped short unless an included employee is available to locate the missing item. An overage in an order will be set aside for return to stock by an included employee.

Operating Management will undertake appropriate action to insure compliance with the above.

D. F. STEARNS,  
Depot Operations Manager

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**PARTS DEPOT PROBLEMS**

ATTACHMENT

October 18, 1967

To: All Depot Managers

Subject: Enforcement of Yellow Line Rule in Parts Depots

In the current negotiations it has been brought to the Company's attention that truck drivers delivering or picking up shipments at Company parts depots do not always stay behind the yellow line. There has been no change in the Company rule which requires that outside truck drivers must not cross the yellow line except with the permission of the plant guard on duty or dock supervisor for use of restroom facilities. This rule will be enforced. In this connection steps will be taken to assure that signs are conspicuously placed in the dock area so that truck drivers fully understand the Company's rule.

D. F. STEARNS,  
Depot Operations Manager

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**PARTS DEPOT PROBLEMS**

ATTACHMENT

October 18, 1967

To: All Depot Managers

Subject: Parts Depot Checking Procedure — Receiving Area

In the current negotiations the Union has complained that Plant Protection employees are performing accuracy checking in the receiving area at the parts depot.

It has been pointed out by the Company that checking performed by Plant Protection employees, whether in the shipping area or in the receiving area, is for security purposes only. Under the currently revised procedure for the receiving area, spot checks of carton contents are to be performed simultaneously by Plant Protection and an included employee. If an accuracy error is discovered during a spot check it is to be handled by the included employee.

The above checks do not preclude the Company's right to have Plant Protection perform duplicatory checks or to examine stock at any time in any area for the purpose of investigating suspicious circumstances. Plant Protection will continue, without change, to carry on other security measures.

D. F. STEARNS,  
Depot Operations Manager

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**PARTS DISCOUNT PROGRAM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Parts Discount Program

This letter will confirm the Company's decision to **continue to** offer a parts discount program for eligible employees and retirees.

In extending this program, it is understood and agreed that the Company may at any time, unilaterally, modify, change or withdraw such plan and that it has no obligation to bargain with the Union concerning its intention to do so.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**PDC STARTING TIMES**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: PDC Starting Times

During the present negotiations, the subject of multiple starting times at the Company's Parts Distribution Centers was discussed. As was indicated during these discussions, the Mechanization of Masters (MOMs) program and the new contract carriage delivery system have altered substantially operating patterns and starting times at all distribution centers.

The increase in the number of starting times and addition of a third shift, in turn, reflect the sequential, interdependent nature of the functions being performed at each center, which are required to maintain a balanced flow of material and meet fixed carrier departure schedules. In fact, starting times are customer driven and supportive of our mutual goal of improving quality through improved order processing timing, reduction in errors, better fill rates and more user friendly documents.

The Company is cognizant of the Union's concern relating to this matter and will commit that when contemplating changes in starting times, local management will hold advanced discussions with local union representatives regarding the reasons for assigning particular starting times. Where

**PDC STARTING TIMES**

the Union expresses concern regarding the number of starting times and it is determined that changes can be accomplished consistent with the requirements discussed in this letter, appropriate action will be taken.

Very truly yours,

THOMAS M. BROWN, Director  
Union Affairs Office  
Employee Relations Staff

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**SELECTION AND TRAINING – MAINTENANCE GENERAL PLANT  
SKILLED CLASSIFICATION, PARTS DISTRIBUTION CENTERS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Selection and Training – Maintenance General  
Plant Skilled Classification, Parts Distribution  
Centers

During 1999 negotiations the parties discussed the selection and training requirements of the Maintenance General Plant Skilled classification. The parties recognized the importance of the current program in identifying qualified candidates from within and in upgrading the skills of all Maintenance General Plant Skilled employees.

The parties also discussed the assessment and selection process established in 1993 and have reached the following understanding:

- Manpower projections will be utilized to determine the number of employees to receive training.
- Employees who pass the assessment are not required to be reassessed.
- Employees who pass the assessment will be trained and selected in seniority order for temporary and full time openings within the Maintenance General Plant Skilled classification.
- Refusal of temporary assignment to Maintenance General Plant Skilled will have no impact on permanent placement.
- Jointly developed preassessment materials will continue to be made available to future assessment candidates.

**SELECTION AND TRAINING – MAINTENANCE GENERAL PLANT  
SKILLED CLASSIFICATION, PARTS DISTRIBUTION CENTERS**

The joint technical training committee comprised of Ford Customer Service Division and National Ford Department representatives will continue to monitor the progress of, and modify as required, the training, and associated materials to provide for the introduction of new technologies. Additionally, all training will be developed within the UAW-Ford Technical Skills Program Guidelines subject to the approval of the Joint Governing Body.

This program will not have any effect on the existing classification structure in the parts distribution system, nor will it have any effect on existing placement or hiring procedures.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

Note: This letter replaces the Selection and Training –  
Maintenance General Plant Skilled Classification,  
Parts Distribution Centers dated September 16, 1996.

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**SENIORITY DISPARITY - NATIONAL PARTS DISTRIBUTION  
CENTER AND DETROIT HIGH VELOCITY CENTER**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Seniority Disparity - National Parts Distribution  
Center and Detroit High Velocity Center

During these negotiations the parties discussed the potential seniority disparity between Regular Full-Time employees working at the National Parts Distribution Center versus higher seniority Protected Status employees at the new Detroit High Velocity Center. There are potentially many factors which will affect this disparity. Therefore, the parties have agreed to meet to determine the best method to resolve this issue at the conclusion of the Detroit Parts Distribution Center redeployment.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**SHIPPING PROCEDURES IN PARTS DISTRIBUTION CENTERS**

October 5, 1976

Mr. Ken Bannon, Vice President  
Director—Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Shipping Procedures in Parts Distribution Centers

During the current negotiations the parties discussed the performance of work on the shipping dock at the Parts Distribution Centers by employees of cartage companies.

In these discussions, it was explained that, since the October 1, 1961 Tail Gate Check letter describing shipping procedures in the PDCs, operational and physical changes have occurred as a result of increased dealer and distributor volume. These changes, however, have not infringed on work performed by included employees, nor have they expanded the outside truck driver job requirements. Furthermore, the Company assured the Union that outbound merchandise would continue to be loaded in accordance with those procedures and applicable tariff regulations. In the event further operational or physical changes to the shipping dock are contemplated, the Company will review such changes in advance with the local union.

Very truly yours,

ROBERT M. MIDDLEKAUFF, Director  
Labor Relations Planning Office

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**SUPPLIER DIRECT SHIP PARTS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Supplier Direct Ship Parts

During the current negotiations, the Union expressed concern with the volume of parts shipped directly to customers from suppliers (SDS). The Company stated that a variety of criteria were used to determine which parts were shipped SDS, including, but not limited to, total distribution cost, hazardous-material status, inventory requirements and customer demand. The Company noted that the Daily Parts Advantage (DPA) strategy, once effectively implemented, will enhance Ford's ability to competitively distribute selected commodities to customers through new DPA Ford facilities.

To this end, the Company and Union commit to analyze current SDS suppliers, consistent with the aforementioned criteria, to identify potential growth opportunities. Given the nature of the service-parts business, the potential impact on customer satisfaction and the unique marketing requirements of certain commodities will also be considered. Upon completion of the analysis, the Company will review its decisions and rationale with the Union. If it is established that certain work can be performed competitively, judged by the above criteria, barring unique or unforeseen circumstances, the Company will bring the work in house.

**SUPPLIER DIRECT SHIP PARTS**

Additionally, to facilitate ongoing, candid and effective communication regarding SDS, regular discussions will be held with the National Ford Department on the subject. SDS will also be reviewed during joint quarterly business reviews.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**SYNCHRONOUS FLOW PROCESS (SFP) REPLACEMENT  
PROCESS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Synchronous Flow Process (SFP)  
Replacement Process**

The parties expressed concern with certain elements of the Synchronous Flow Process (SFP) within the Ford Customer Service Division (FCSD) distribution facilities. To address these concerns, the Company informed the Union that a new process, under development, would be reviewed with the UAW-National Ford Department Servicing Representative for input and consideration by management prior to its implementation in 2008. In addition, prior to implementation the Company agrees to meet with the Unit Chairperson and Plant Manager to review the new process and obtain constructive input for potential modification.

Locally, the Unit Chairperson and the Building Manager will jointly facilitate the implementation and utilization of the new process. The local parties will engage in open, candid dialogue to ensure the process is implemented effectively, fairly and consistently, to seek opportunities to improve the process, to coordinate process improvements, and to resolve other issues that may arise. Following implementation, the new process and results should be a standing agenda item in the appropriate existing joint forum.

At the Division level, operations management also will hold regular ongoing meetings with the UAW-National Ford Department Servicing Representative to review the application and results of the new process within FCSD. These meetings will focus on resolving open issues, identifying opportunities, and monitoring improvements to the new process.

**SYNCHRONOUS FLOW PROCESS (SFP) REPLACEMENT  
PROCESS**

**The Company affirms the new process will not be used to establish production standards or to initiate or support disciplinary actions. Rather, the new process is recognized as a tool to effectively manage work flow and promote the long-term health and viability of the business.**

**The parties agree the new process will monitor work group operating metrics and enable group discussion about improving business operations.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**This letter replaces the Synchronous Flow Process letter (dated September 15, 2003)**

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**TAILGATE CHECK**

October 1, 1961

Mr. E. Prato, Chairman  
National Ford Negotiating Committee  
International Union, UAW  
8000 East Jefferson  
Detroit 14, Michigan

Dear Mr. Prato:

Subject: Tailgate Check

Attached for your information is an Outline of Principal Changes Planned in Parts Depot Arrangements and Shipping Procedures which the Company intends to utilize at this time in the Ford Division Parts Depots in substitution for the present "tailgate" check. Included in the changes are:

1. Pre-checks of the cartons and bulk stock items to be performed simultaneously by Plant Protection and an included employee when they are performed.
2. Spot checks to be performed simultaneously by Plant Protection and an included employee when they are performed.

The above checks do not preclude the Company's right to have Plant Protection examine stock at any time in any area for the purpose of investigating suspicious circumstances.

The hourly employees who are regularly assigned to checking functions under the operating procedures described in the attachment will be classified as Shipping Checkers.

**TAILGATE CHECK**

The Company anticipates that the revised procedures will require some period of time to install. As rapidly as plans and procedures can be made for a particular depot, the Company plans to put them into effect with a target date of January 1, 1962 for installation in all depots.

Very truly yours,

SIDNEY F. McKENNA, Manager  
Labor Relations Administration  
Department B

Attachment

cc: Mr. Robert Kirby  
Mr. Stanley Rowe

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## TAILGATE CHECK

### ATTACHMENT

#### **OUTLINE OF PRINCIPAL CHANGES PLANNED IN PARTS DEPOT ARRANGEMENTS AND SHIPPING PROCEDURES**

- I. The revised operating procedures in the shipping dock area will call for a few physical changes and/or rearrangements at some or all depot locations in order to achieve a uniform application of the principles involved in new procedures. Examples of the changes include:
  - . . . At some locations, provision is to be made for racks, cribbing, shelves or similar storage facilities adjacent to the restricted tailgate area on the shipping dock to accommodate dealer “will-call” orders awaiting pick-up.
  - . . . At locations where such identifications are not now utilized, dollies or hand-pushed trucks used in the order consolidation or shipping dock area are to be equipped with permanent identification (probably numbers and provision for additional changeable markings for truck line name and/or dealer name) to permit ready identification of orders on the shipping dock.
  - . . . At a few locations where not already done, a specific restricted area on the shipping dock will be designated—an area in which completed orders are marshalled for shipment and in which truck drivers operate in fulfilling their responsibilities under tariff provisions to load outbound merchandise.
  - . . . At some locations, rearrangements of cribbing, racks or erection of barriers, etc. may be required to facilitate the flow or control of traffic in the shipping dock area.
- II. The currently used “tailgate” check performed by Plant Protection on “will-call” and on outbound freight shipment via common or contract carrier (checking number of cartons and bulk stock items against shipping documents as merchandise is being loaded) is to be discontinued. Substituted for the check at the tailgate will be a system of pre-checking, described later, under which the

## TAILGATE CHECK

accuracy checking functions by hourly personnel and the security checking functions of Plant Protection will be performed simultaneously.

- III. The currently used carton-content checks performed exclusively by Plant Protection personnel (opening and examining, for security reasons, of items in cartonized bin stock awaiting shipment) is to be discontinued.

Substituted therefore will be a combination check for accuracy and security performed simultaneously by an hourly employee and a Plant Protection employee.

- IV. A general description of revised procedures for outbound shipments:

*Outbound via common or contract carrier:*

- a. A Plant Protection employee and an hourly employee would be stationed in the consolidation areas where bin and bulk stock is consolidated into completed orders. Together, the Shipping Checker and the Plant Protection man would check simultaneously orders for accuracy and security.
- b. An order, completed and pre-checked, thus will have been consolidated on a dolly (or dollies) properly identified by a number and/or truck line symbol. This dolly is then pushed by an hourly employee from the consolidation area to a proper location in the restricted area of the shipping dock (or immediately adjacent to the restricted area when traffic conditions require a temporary holding area). No further checking would be required at the tailgate and, the truck driver (or "lumper" where appropriate) would merely be directed to Dolly X and/or Y in the restricted area and told that this was the shipment for him to load.

*Outbound via dealer "will call":*

The procedure for "will call" orders would be approximately the same as for freight shipments except that after the order has been consolidated on a dolly and pre-checked, similar to (a) and (b) above, the "will call order" would be moved by an hourly employee into the "will call" area of the shipping dock and, where appropriate, placed into spaces in shelves or racks or cribbing,



## TAILGATE CHECK

etc.—probably marked with the dealer’s name—located in the “will call” area of the shipping dock. In the case of larger amounts of bulk stock, the identified dolly, or dollies, of bulk stock would be moved by an hourly employee from the nearby bulk stock marshalling area to a position in proximity to the dealer “will call” area.

When the “will call” driver arrives, he would be directed to his order by Plant Protection. The driver would load his material.

### General —

1. A Plant Protection man (other than the one assigned to the pre-checking activity in the consolidation area) will be on duty on the Shipping Dock area to perform such functions as:
  - . . . Maintain general surveillance on the shipping dock and assure that packages in pre-checked orders are not removed or switched by unauthorized persons.
  - . . . Maintain control over all drivers coming to the shipping dock area, direct incoming drivers to their dollies (or dealer “will call” racks) in the restricted area and provide them with shipping documents against which the drivers check their own shipments as they load.
  - . . . Refer, and refer only, to a supervisor any claim made by truck drivers that they are short cartons or bulk items covered by shipping documents—shortages discovered by the driver (or “lumper”) himself. Likewise, refer to a supervisor any claims of shortage or inaccuracies discovered by a “will call” driver. Corrections on the above discrepancies will be made by included employees.
  - . . . Request, through a supervisor, the opening of aisles or the handling of other stock movement problems which might be required to facilitate an orderly flow of traffic on the shipping dock.
2. Since (a) all pre-checking operations (b) all piece-count checking operations are to be performed simultaneously by an hourly employee and a Plant Protection employee, it is proper for the Company to keep records of, and initiate action to correct, any discrepancies discovered.

### **TAILGATE CHECK**

Records of a non-security nature, i.e. discrepancies, overages, shortages or inaccuracies, will be recorded by included personnel.

3. In any instances that Plant Protection alone examines stock for security purposes, no record will be made and no action will be initiated to correct discrepancies of an accuracy character. Where security discrepancies are encountered, the Plant Protection man would be required to report same on Form 2509.
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**USE OF PALLET JACKS ON PARTS DISTRIBUTION CENTER  
SHIPPING DOCKS BY CONTRACT CARRIER PERSONNEL**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Use of Pallet Jacks on Parts Distribution Center  
Shipping Docks by Contract Carrier Personnel

During these negotiations, the parties discussed the use of any pallet jacks by contract carriers on the shipping docks at some Parts Distribution Centers. Both parties recognized that the issue is complex because of the varied local practices and the need to deliver parts efficiently to our customers.

In recognition of these concerns, the Company agreed that the current practice of contract carriers using pallet jacks will be restricted to those Parts Distribution Centers where the practice presently exists. In the interim, the practice will not be expanded to the remaining Parts Distribution Centers.

In those Parts Distribution Centers where contract carriers presently use pallet jacks, the local parties will discuss how best to eliminate the practice in shipping dock areas. Both employee needs and customer service should be considered. Failing to reach a local understanding on this issue within 120 days of the effective date of the Master Agreement, the local parties may refer the issue to the UAW, National Ford Department and the Human Resources Business Operations, Ford Customer Service Division for resolution.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

**WAREHOUSE TECHNICIAN CLASSIFICATION**

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

October 7, 1990

Dear Mr. Lofton:

Subject: Warehouse Technician Classification

This will confirm our understanding reached during these negotiations that effective on the Effective Date, but prior to any base rate adjustment provided by the 1990 Collective Bargaining Agreement, the rate for the Warehouse Technician classification in the wage schedules for the Detroit, New York, and U. S. Parts Distribution Centers shall be increased to \$14.31. Furthermore, the base rate of an employee who entered the Warehouse Technician classification on or after September 5, 1990 will be increased to the new rate for the classification on the Effective Date.

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**WORK ASSIGNMENTS IN PARTS DISTRIBUTION  
CENTERS AND PARTS DEPOTS**

October 5, 1976

Mr. Bannon, Vice President  
Director—Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Work Assignments in Parts Distribution Centers  
and Parts Depots

During the current negotiations, the Union alleged that, in certain Parts Distribution Centers and Tractor Supply Depots, Management quotes to some employees the average number of line items picked and that this data is then used as established production standards.

Operations in the Parts Distribution Centers and Tractor Supply Depots are not covered by production standards nor is it the Company's intent to use the above referenced data as established production standards. Instead, work assignments at these locations are currently based on the free effort concept consistent with the fair day's work for a fair day's pay principle referred to in Article V, Section 1, of the parties' Agreement.

Very truly yours,

ROBERT M. MIDDLEKAUFF, Director  
Labor Relations Planning Office

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**MANUFACTURING OPERATIONS QUALITY OPERATING  
SYSTEM (QOS) SUPPORT PROCESS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: **Manufacturing** Operations Quality Operating  
System (QOS) Support Process

**Manufacturing** Operations (**Powertrain, Assembly, Stamping**) will continue to deploy the QOS Support Process as defined in the May 22, 2001 letter from Ron Gettelfinger and Roman Krygier for the term of this agreement.

Please be aware that staffing levels to support this process may vary, based on customer demand, production volumes and schedules, shift patterns, and general business conditions.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

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**QUALITY SYSTEMS ACCESS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Quality Systems Access

As part of the settlement of the 1999 Ford-UAW National Agreement, the Local Unit Quality Representatives will be granted access to the following quality data bases:

- Q-1 (as part of the Divisional Quality Web sites)
- ISO 9000/14000 (as part of the Divisional Quality web sites)
- AWS (Analytical Warranty Systems)
- QWR (Quarterly Warranty Report)
- Divisional Quality Web sites
- All in-plant quality data bases at their location
- MPPS (Manufacturing Planning Process System)

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

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**QUALITY TARGETED TRAINING**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Quality Targeted Training**

**The Manufacturing Skills Standards Council (MSSC) has been contracted to assess the effectiveness of Quality Targeted Training. Upon completion of their assessment, the UAW-Ford National Quality Committee will evaluate their recommendations, and review with the Quality Improvement Steering Committee to develop strategies for future training needs.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**QUALITY UPGRADE PROGRAM**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Quality Upgrade Program

During the course of negotiations, there was considerable discussion concerning the Quality Upgrade Program in Vehicle Operations. The parties recognize the positive effect of the program on quality. The Union, while affirming its dedication to programs which improve product quality, raised concerns with the administration of the Upgrade Program at certain locations.

In response to those concerns, the Company confirms that quality upgrader employees will not be used to perform functions normally assigned to supervisors, to perform the core skills of a skilled tradesperson, or to perform repair work from an Inspection Traveler Card, or other electronic devices designed to replace the Inspection Traveler Card, e.g. datamytes or quality recording headsets.

Moreover, at the local Union's request, local management will amend the appropriate occupational grouping agreement to allow employees classified Repair who are affected by a reduction in force to exercise seniority against quality upgrader employees.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

Note: This letter replaces the following letter:  
Quality Upgrade Program, October 14, 1984

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**ADDITIONAL HEALTH AND SAFETY REPRESENTATIVES FOR  
THREE CREW OPERATIONS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Additional Health and Safety  
Representatives for Three Crew Operations**

**During 2007 negotiations, the parties discussed at length the Union's ability to deliver critical support and representation in the area of Health and Safety for manufacturing facilities that utilize a Three Crew Operating Pattern.**

**In recognition of this concern, the Company agrees to provide an additional Health and Safety Representative for manufacturing facilities who operate under a Three Crew arrangement. This incremental representative will not be allocated to facilities that have made prior agreements to provide health and safety coverage for their Three Crew Operating Pattern. The parties also recognize that if the manufacturing operation reverts back to a Traditional Operating Pattern, the additional Health and Safety Representative(s) Positions would be eliminated.**

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**APPOINTED REPRESENTATION AT CERTAIN ASSEMBLY  
PLANTS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Appointed Representation at Certain Assembly  
Plants

During present negotiations, the Union expressed concern about providing adequate appointed representation in certain situations. Accordingly, the Company and Union agree that special provisions will apply at Kansas City Assembly, Kentucky Truck Plant, and Lorain Assembly on weekend situations when one assembly system is operating while the other assembly system is not operating.

Consistent with Article VI, Section 13 (b)(3), Appointed representatives will be allocated the average amount of overtime as that to which elected representatives, excluding the chairperson, are entitled for Saturdays, Sundays, and holidays. However, when only one system is operating at these locations, the weekend overtime allocation for appointed representatives will be supplemented, as described below, to provide assurance that one representative from each appointed function is scheduled to work per day.

The supplement will be determined by subtracting the formula amount from forty-eight (48) hours (determined by multiplying 6 representatives by 8 hours). These supplemented hours must only be used by properly appointed representatives, and the hours are not to be "banked".

**APPOINTED REPRESENTATION AT CERTAIN ASSEMBLY  
PLANTS**

The appointed functions include Benefits, Employee Support Services Program, Health & Safety, Quality, Employee Resource Coordinators, and Production Standards, GEN, and Sourcing. The parties recognize that nothing in this Letter of Understanding modifies the remaining provisions of Article VI and related provisions.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

Concur: Ernest Lofton

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**EMPLOYEE RESOURCE COORDINATOR**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Employee Resource Coordinator**

**In recognition of the evolution of the Employee Involvement process and the roles of the former EI Facilitators and Coordinators, these positions were re-titled Employee Resource Coordinators (ERC) in March 1992. This new name was intended to reflect the broad roles that these support personnel may have in serving as resource persons, consultants, and leaders in a wide variety of local joint efforts directed toward increasing teamwork, involving employees in the business, affecting organizational change, and other similar joint work processes.**

**Employee Resources Coordinator:  
Position Characteristics**

- **Hourly Employee Resource Coordinator positions are not part of the negotiated representation structure.**
- **Employee Resource Coordinator positions are jointly authorized by the Local Continuous Improvement Forum as identified in Appendix J. The Local Continuous Improvement Forum will identify specific performance expectations. Employee Resource Coordinators are appointed or removed by the Vice President and Director of the UAW National Ford Department. No Employee Resource Coordinator shall function as such until the Company has been advised of such appointment.**

#### EMPLOYEE RESOURCE COORDINATOR

- **The person(s) appointed to the position must have a strong belief in and commitment to continuous improvement. They must:**
  - **Relate effectively with Union and management representatives at all levels;**
  - **Possess knowledge of facility operations and personnel resources;**
  - **Demonstrate effective communication skills; and**
  - **Readily acquire appropriate organizational, interpersonal, presentation, and problem-solving skills/techniques.**
- **Employee Resource Coordinators may be required to adjust their work schedules to accomplish the functions of the position.**
- **The professional development of local Employee Resource Coordinators will continue.**
- **ERCs will be required to take selected core training courses. Failure to complete such training could result in their removal from the Employee Resource Coordinator position by the National Ford Department. When all required training is completed, a certificate will be issued by the National Continuous Improvement Forum (NCIF) demonstrating that the Employee Resource Coordinator is fully qualified.**
- **Employees removed from Employee Resource Coordinator positions will return in line with their seniority to their classification.**
- **Overtime for full-time Employee Resource Coordinators will be determined in the same manner as for the full-time Health and Safety, Benefits, ESSP Representatives, and Quality Representatives.**
- **Hourly Employee Resource Coordinators shall be entitled to receive consideration for promotional or non-promotional opportunities under the provisions of Article IV, Section 2(a) or (b) of this Agreement, except promotional opportunities to apprenticeable Appendix F classifications. Local arrangements**

## EMPLOYEE RESOURCE COORDINATOR

permitting promotions within apprenticeable Appendix F classifications are permitted.

- During periods of temporary layoff as defined by Article VIII, Section 21, Unit Employee Resource Coordinators will be considered as unit Committeepersons, and their entitlement to be on Company time will be determined in accordance with the provisions of Article VI, Section 13(d).
- Employee Resource Coordinators will remain in their respective Units while on Company time.

### Employee Resource Coordinators: Deployment

It was agreed that Units with more than one Employee Resource Coordinator will be reduced to one ERC. The reduction of incumbent Employee Resource Coordinators at these Units will be achieved through attrition. It is understood that when an incumbent surplus ERC departs the position from these Units, there will not be a replacement.

### Employee Resource Coordinators:

#### Roles and Responsibilities

When performing position responsibilities, Employee Resource Coordinators generally will work jointly with and receive direction and guidance from the Local Forum. Employee Resource Coordinators may be utilized as a resource for any process or program that fits the needs of that Unit, including work group training, train-the-trainer and ad hoc committees.

The duties of Employee Resource Coordinators may be revised, expanded, or contracted as determined by the Local Continuous Improvement Forum (LCIF). Typical duties will include, but are not limited to:

- Assuring that there is good communication about participative processes, decision-making, teamwork, and other joint efforts among Management, Local Union leadership and the workforce.
- Assisting in conducting, administering, and evaluating local training programs focusing on employee participation, the operation of work groups, and other joint efforts.

**EMPLOYEE RESOURCE COORDINATOR**

- **Serving as a resource person in the development of work groups and various other local joint efforts and participative processes. Work with work groups to deliver all safety, quality, delivery, cost, morale, and environmental business metrics.**
- **Facilitating communications among and within work groups and other members of the workforce, assuring work groups have the necessary information to deliver all business metrics.**
- **Providing necessary coaching and mentoring to employees, work groups, and Union and Management Leadership to create a more participative work culture.**
- **Fostering "systems thinking" by developing communications networks with Employee Resource Coordinators and others in customer facilities, supplier facilities, and other Company facilities producing similar products.**
- **Serving as a resource to work groups in the problem resolution process.**
- **Communicating with the LCIF, Local Union leadership, and the NCIF about projects and activities, and providing mandatory quarterly status reports on progress, problems encountered, and other relevant matters.**
- **Administering the Local New Employee Orientation program.**
- **Facilitate and prepare the agenda for local joint meetings as requested.**
- **Assume the Education Training Coordinator responsibilities.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**EMPLOYEE RESOURCE COORDINATOR REDUCTIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Employee Resource Coordinator Reductions**

**During 2007 negotiations, the overall subject of union representation was discussed in the context of continued population decline, resulting from market share and capacity reductions. This economic condition has resulted in locations with limited employee populations.**

**The role of the Employee Resource Coordinator has been minimized, and it is agreed to eliminate the position at six bargaining Units. The reduction of these ERC positions at the six Units, where there is presently one ERC, will be accomplished through attrition. It is understood that there will not be a replacement when the incumbent Employee Resource Coordinator departs the position.**

**The six Units that will be reducing the incumbent ERC based on this Letter of Understanding are Tool & Die Unit, Transportation Unit, New Model Program Development Center (NMPDC), Walton Hills Stamping Plant, Woodhaven Forge and Michigan Proving Grounds.**

**EMPLOYEE RESOURCE COORDINATOR REDUCTIONS**

**If any of the designated Units increase their respective population above the 600 employee threshold, the Unit will be able to retain the incumbent ERC or replace the ERC consistent with the provisions outlined in the 2007 Letter of Understanding titled Employee Resource Coordinator.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**FCSD BENEFITS REPRESENTATION**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: FCSD Benefits Representation**

**During the course of the 2007 negotiations, the parties looked for competitive solutions to address the benefits representation issues at FCSD Distribution Centers. Because of the complex issues and significant training requirements required to be a successful benefits representative it was agreed that a single UAW Benefits Representative, appointed by the Vice President and Director of the UAW-National Ford Department, will serve as such for all FCSD locations except those with full-time benefit representation.**

**This representative will be entitled to function in this position for up to 50 hours per week. This position is not authorized to work weekends or holidays. It is further agreed that this representative will not be impacted by temporary layoffs at any one facility. Because of the complexities associated with this position, temporary replacements for this position are not authorized and benefit issues, during periods of absence for this representative, will be handled through the National Employee Services Center. A Toll Free Phone Number will be established and distributed to all FCSD facilities to provide access to this representative. This number will be exclusively for FCSD UAW**

**FCSD BENEFITS REPRESENTATION**

**employees. This representative will be given access to all information presently provided to benefits representatives.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**LETTER OF UNDERSTANDING DEALING  
WITH REPRESENTATION OVERTIME**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Letter of Understanding Dealing with  
Representation Overtime

This will confirm the parties understanding reached in the 1993 negotiations that the provisions of Article VI, Section 12(c), 13(b) and (e) of the new Agreement supersede and supplant other agreements to the contrary, including the following letters of understanding:

- Overtime Provisions Applicable to Full- and Part-Time Representatives (Hanlon to Yokich, September 17, 1987).
- Overtime and TLO Provisions Applicable to Chairperson in Units of 125 to 150 employees (Middlekauff to Bannon, October 4, 1979).
- Overtime Entitlement-Unit Health and Safety Representatives and Unit Benefit Plans Representatives (Hanlon to Forchione, August 2, 1977).

Very truly yours,

JAMES D. SHANNON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**LETTERS OF UNDERSTANDING  
DEALING WITH REPRESENTATION**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Letters of Understanding Dealing with  
Representation

In order to improve the organization of various letters of understanding, the parties agreed to remove from the published Letters of Understanding, Volume IV, the letters listed below dealing with representation. The parties also agreed that such letters continue in effect.

- Additional Health and Safety Representatives dated October 31, 1973
- Duties of Full-Time Chairperson During Temporary Lay-offs dated October 4, 1979
- Limitation on the Addition of a Health and Safety Representative and Benefit Representative for Units Between 600 and 1,000 Employees Already Having Such Representation dated October 4, 1979
- Grievance Procedure - First Stage dated October 14, 1984

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**LOCAL QUALITY REPRESENTATIVE**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Local Quality Representative

Consistent with Appendix Q to the Collective Bargaining Agreement, the UAW-Ford Memorandum of Understanding on the "Best-in-Class" Quality Program, this letter will confirm the Company's willingness to recognize one Quality Representative in each unit. When the regular Quality Representative is absent from the plant attending seminars, training sessions, or conferences sponsored by the UAW-Ford National Quality Committee, or is on his or her own time during periods when he or she is entitled to act as a representative, the Company will recognize an alternate Quality Representative. Such representatives and alternates will be appointed by the National Ford Department Director, taking into consideration qualified candidates recommended by the Local Union.

The parties recognize the desirability of selecting qualified candidates having knowledge and experience with plant quality processes and systems. It also is recognized that such candidates should have a strong interest in quality and must be able to: (1) work effectively with Union and Management representatives as well as other employees; (2) communicate clearly, both orally and in writing; and (3) readily acquire the organizational, interpersonal and other skills necessary for the position.

The National Ford Department Director shall advise the Company's Human Resources Staff in writing of the names of the appointed Quality Representatives and alternates and the unit to which each is assigned. No individual will function as such until the Company has been so advised.

In units of 600 or more employees, the local Quality Representative shall be full-time; in smaller units the local Quality

#### **LOCAL QUALITY REPRESENTATIVE**

Representative shall be part-time as needed by mutual agreement locally.

The functions and responsibilities of the Quality Representative are limited to matters pertaining to the UAW-Ford "Best-in-Class" Quality Program Memorandum of Understanding, including the following:

- Participating on the local joint quality committee or otherwise working with Company representatives designated by Management to handle joint quality initiatives.
- Coordinating the resolution of local quality committee matters and reporting the results to the co-chairs of the local quality committee between scheduled meetings.
- Assisting in the resolution of product quality related concerns utilizing the Quality Concern Resolution Process.
- Participating in the development and implementation of local strategies to achieve plant quality performance objectives, including Q1, Quality Systems Recertification, ISO/QS 9000, TQE efforts and customer satisfaction.
- Assisting in the preparation of quality performance information and related material to be shared with UAW-represented employees to enhance their understanding and support of plant quality initiatives.
- Assisting in job-related quality education and training efforts, including encouraging participation and making recommendations concerning such efforts.
- Maintaining communication with the UAW-Ford National Quality Committee, including the submission of monthly reports relating pertinent quality information and any significant quality issues, and attending meetings as required by the UAW-Ford National Quality Committee.
- Performing other functions associated with joint quality initiatives as may be required from time to time by mutual agreement of the Company and the Union.

Newly appointed Unit Quality Representatives and alternates will be required to enroll in and complete prescribed orientation, education and training programs deemed necessary by the parties to qualify them to perform their functions properly.



#### **LOCAL QUALITY REPRESENTATIVE**

The UAW-Ford National Quality Committee will continue to conduct at the UAW-Ford National Education, Development and Training Center, a one-week orientation, education and training program for newly appointed Unit Quality Representatives; an abridged version of this program for alternate representatives has been developed by the National Quality Committee. In addition, this Committee also will consider with the operations, divisions and plants future ongoing education and training needs and develop programs to meet those needs as required. Topics to be covered in the initial and ongoing education and training will include:

- UAW-Ford “Best-In-Class” Quality Program, including structure and functions.
- Briefings on related matters and concepts, including such things as Ford Mission, Values, and Guiding Principles; Q1; Quality Systems Recertification; ISO/QS 9000; TOE; etc.
- Quality measurements and problem solving, interpersonal and other skills.

Present and newly appointed Quality Representatives will be required to enroll in and be certified to a level of competence in an education curriculum which satisfies the disciplines of a quality professional. This curriculum and appropriate competency criteria will be developed by the UAW-Ford National Quality Committee.

Full-time Quality Representatives will have the same obligations as other special union representatives as described in Article VI, Sections 8, 9 and 10 of the Agreement. Additionally, they will be covered by the provisions of Article VI, Section 14 of the Agreement.

Overtime for full-time Quality Representatives will be determined in the same manner as for the full-time Unit Health and Safety, Benefits, or Employee Assistance Plan representative in those units having such representatives; however, overtime worked will be for local quality matters only.

**LOCAL QUALITY REPRESENTATIVE**

It is understood that this 1996 letter of understanding replaces and supplants the November 29, 1988, February 7, 1989, and October 7, 1990 letters of understanding on Local Quality Liaison positions and is not to be construed as adding an additional representative beyond the appointments made pursuant to these understandings. It further is understood that the assignment arrangements set forth in the February 7, 1989 understanding for the National and Detroit Parts Distribution Centers will continue to apply for Quality Representation coverage purposes.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ernest Lofton

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**LOCAL UNION PRESIDENTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Local Union Presidents

During the current negotiations the parties discussed the duties of the Local Union President in certain units. The Union agreed that the president's function is not typically one of grievance administration or representation, but pointed out there are certain administrative functions related to the parties' joint activities and National Agreement which can be performed by the Local Union President as its chief executive officer.

The parties further discussed and recognized the increase in Company and joint activities and the important role of Local Union Presidents in improving and advancing those activities for the mutual benefit of the Company and its employees. Local Union Presidents perform many such activities at the behest of the Company. For example, Local Union Presidents may be asked to provide significant leadership and participation contributing towards enhancing the Company's relationship with the community and its consumers (e.g. Key Contact Program, Governmental Relations, automotive and related shows and exhibits, Voluntary Blood Donor Program) and towards enhancing the Company's competitive position and the strength of its workforce (e.g. Continuous Improvement Meetings, Mutual Growth Forums, Equal Application Committees and Health and Safety Meetings).

Accordingly, the Company agreed that in units of 500 or more employees where the Local Union President is an employee and is not the Chairperson, such president will be paid his/her regular straight-time rate for up to forty (40) hours per week Monday through Friday, and up to ten (10) additional hours at time and one-half premium pay per week, Monday through Friday, excluding holidays, so long as

**LOCAL UNION PRESIDENTS**

employees in the Unit are scheduled to work on the Local Union President's shift for such hours on such days, to perform such functions and related other activities.

Such president is required to remain in the plant during regular working hours, except that he/she will be permitted to leave the plant and will be paid his/her regular rate for up to six (6) hours per day Monday through Friday to perform legitimate administrative functions. The President will notify management when leaving and returning to the plant during working hours.

Time verification procedures will be utilized to document entitlement to payments, including any premiums, for hours worked by Local Union Presidents.

Any problems associated with the implementation or administration of this letter will be reviewed by the U.S. Union Affairs Office, Labor Affairs Staff with the UAW National Ford Department.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**PRODUCTION STANDARDS REPRESENTATIVE**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Production Standards Representative

This is to confirm the Company's willingness to recognize a Production Standards Representative in each car and truck assembly plant, except for the Pilot Plant. These representatives will be over and above the contractual allotment and will be appointed by the National Ford Department Director. The functions of the Production Standards Representatives are limited to matters pertaining to Article IV, Section 4 of this Agreement and all related Letters of Understanding on the subject. The Production Standards Representatives will:

- interact with supervisors of hourly employees, industrial engineering representatives, other Union representatives and production operators to investigate and resolve production standards complaints or disputes pursuant to Article VII, Section 23(a)(1).
- participate in the review of work assignments in accordance with the Procedure for Review of Work Assignment Letter of Understanding dated December 7, 1970.

Such representative will have the same duty to remain in the unit, report to the supervisor, and be on Company time as other special Union representatives as described in Article VI, Sections 8, 9, and 10. Additionally, they will be covered by the provisions of Article VI, Section 14 of the Agreement.

**PRODUCTION STANDARDS REPRESENTATIVE**

It is understood that this additional representative will not be added at those assembly plants already having a Production Standards Representative over and above the contractual allotment.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**REPRESENTATION**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Representation

This is to confirm the Company's willingness to recognize an additional Employee Assistance Representative appointed by the National Ford Department Director for the Lorain Assembly Plant. This appointment is in recognition of the present total hourly on-roll population of UAW-represented employees at that location.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**REPRESENTATION**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Representation

During these negotiations, the parties discussed the number, type and responsibilities of representatives in local bargaining units. The parties agreed that the duties and responsibilities of contract and joint programs administration have increased substantially—both in terms of complexity and importance. The parties are committed to working together in a spirit of cooperation to maintain and improve the effectiveness of the joint programs as well as the administration of the various other provisions of the Ford-UAW Agreement. Therefore, in an effort to address these matters, the Company and the Union have agreed to provide additional full-time representatives, some of which will be elected and some appointed as specified by the National Ford Department, in accordance with the following schedule:

<u>Unit Population</u>	<u>Number of Additional Representatives</u>
4,000 and above	5
2,500 - 3,999	4
1,000 - 2,499	3
600 - 999	2
100 - 599	1

These representatives will be incremental to the regular and special allocation otherwise provided for in Article VI of the Agreement and related letters of understanding. Changes in the population resulting in adjustments to the representation structure will be covered by Article VI, Section 7 of the Agreement.



## REPRESENTATION

The appointed representatives, if any, will be assigned to Benefits, Health and Safety, Quality and/or Employee Support Services as determined by the local union, and subject to approval by the Director of the National Ford Department.

These appointed representatives will have the same functions and obligations as other special Union representatives as described in Article VI, Sections 8, 9 and 10 of the Agreement and letters of understanding and memorandums specific to their assigned positions. Additionally, they will be covered by the provisions of Article VI, Section 14 of the Agreement.

The additional elected representatives, if any, shall function in accordance with and be governed by all relevant provisions of the Agreement pertaining to their assignments.

Problems related to the local implementation of the provisions of this letter may be referred by either party to the UAW, National Ford Department and the Company's Union Affairs Office for resolution.

Very truly yours,

JACK HALL, Executive Director  
Labor Relations and  
Employee Development  
Employee Relations Staff

Concur: Ernest Lofton

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**REPRESENTATION ADJUSTMENT FOR RESTRUCTURING**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Representation Adjustment for  
Restructuring**

During the course of 2007 negotiations, the parties discussed the impact that the Company's restructuring is having on the Union's ability to deliver critical support and representation for its membership. This issue is particularly acute in the areas of Benefits, Health & Safety and elected representation.

The Union emphasized the impact this issue is having at manufacturing Units whose population has or will drop below the 600-employee threshold, whereby full-time appointed representatives would be reduced in accordance with the provisions of Article VI of the Collective Bargaining Agreement (CBA). In recognition of these concerns, the Company agrees to allow bargaining Units whose population has fallen below 600 employees, but remains above 399 employees the right to combine their two part-time elected committeepersons into one full-time position. Additionally, these same Units have the authorization to retain one of their representatives that normally would have been reduced when the employee threshold fell below 600 employees. This position will be authorized and recognized upon request from the local union. The Units, with population between 400 and 599 employees, that elect to retain one of their representatives, as authorized by this letter, will be required to eliminate all of their Employee Resource Coordinators through attrition. This agreement is not applicable to Units that have local agreements to provide incremental representation.

**REPRESENTATION ADJUSTMENT FOR RESTRUCTURING**

Any Unit impacted by this letter may also choose to realign their authorized appointed representation to better serve the membership's needs, e.g., a full-time Job Security Representative could be converted to an equivalent full-time Appointed Representative. It is understood that any conversion would require written notification to Labor Affairs Staff and appointment of the candidate by the Vice President and Director of the UAW, National Ford Department.

It was also recognized that future market conditions could result in some of the identified Units increasing their population above the minimum threshold for appointed representatives. If any of the designated Units increase their respective population above the 600-employee threshold, this provision will no longer be applicable and the rules and timing governing the addition of Union representatives outlined in Article VI of the CBA will apply. Conversely, should the represented population fall below 400 employees, the retained representative would be removed in accordance with the rules established in Article VI of the CBA. Prior to implementation of this agreement, the representation structure of each Unit with population between 400 and 599 employees should be at the authorized level.

Very truly yours,

**BILL DIRKSEN,**  
Executive Director  
U.S. Labor Affairs

Concur: Bob King

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**REPRESENTATION FOR FCSD LOCATIONS WITH  
POPULATIONS LESS THAN 150**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Representation for FCSD Locations with  
Populations Less Than 150

During the course of these negotiations, the parties discussed various union concerns about representation at FCSD locations with populations less than 150.

The new language in Article VI, Section 3(a) and (b) resolves those issues. Further, the parties recognize that FCSD locations are excluded from the provisions of the Letter of Understanding entitled; "Representation," dated October 7, 1990, from Jack Hall to Ernest Lofton until the population reaches 150. Should the population of a FCSD location reach 150, the provisions of the aforementioned letter will apply.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**STRATEGIC INVOLVEMENT REPRESENTATIVES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Strategic Involvement Representatives**

**During the course of the 2007 negotiations the parties discussed at length the changing dynamics of our business. One area of particular focus during these negotiations was in the area of strategic involvement of UAW-represented employees. The parties agreed that we could jointly benefit from more up front involvement on a broad range of issues including: Health and Safety, Quality, Sourcing, Skilled Trades Utilization, and Supplier Support Initiatives.**

**In recognition of these mutual interests the parties agreed to create 8 positions that will be assigned to support these efforts. The parties have agreed that these positions will be assigned accordingly: three (3) Future Product Sourcing (as referenced in the 2007 L.O.U. Sourcing – UAW Future Product Sourcing Alignment); three (3) Skilled Trades Development and Restructuring (as referenced in the 2007 L.O.U. entitled Skilled Trades Governance); and two (2) for Special Supplier Support Initiatives--to improve supplier productivity/costs, quality, Health and Safety and Workplace Culture issues.**

**They will perform services for the Company by acting as liaisons between the organization they service and the Union, as well as perform services for both parties by reviewing and reporting on program strategies that have a direct impact on the products we build and programs that impact their fellow employees. These positions will be funded by the UAW – Ford Joint Programs and will be selected by the Vice President and Director UAW, National Ford Department.**

**STRATEGIC INVOLVEMENT REPRESENTATIVES**

**These positions will be reviewed again during the 2011 negotiations to ensure the need for continuation and/or proper alignment.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**UNION REPRESENTATIVES' OVERTIME**

January 11, 1995

Mr. Gerald Bantom  
Administrative Assistant to  
Vice President Ernest Lofton  
UAW, National Ford Department  
Solidarity House  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Union Representatives' Overtime

Article VI, Section 13(b) of the Collective Bargaining Agreement describes the process for determining the weekly allocation of overtime hours for union representatives. It provides that the local chairperson be notified by the Company of the overtime allocation and that the chairperson establish the daily work schedule for the unit committee.

This will confirm the parties' understanding that these provisions contemplate that insofar as practical such overtime opportunities would be rotated by the chairperson among the representatives, depending upon their specific representation functions and the representation requirements in the unit, with the objective of equalization within reasonable limits over a period of time (e.g., quarterly or semi-annually).

In this regard, complaints that representative overtime opportunities are not being fairly distributed may be brought to the attention of the UAW National Ford Department and the U. S. Union Affairs Office, Ford Automotive Operations, Employee Relations, for review and resolution as the national parties deem appropriate.

Very truly yours,

P. A. DUBENSKY, Director  
U. S. Union Affairs Office  
Ford Automotive Operations  
Employee Relations

Concur: Gerald Bantom

**SALE OF OPERATIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Sale of Operations

During these negotiations, the Union requested the Company to agree that any sale of an operation on an ongoing basis would require the buyer to assume the **2007** Collective Bargaining Agreement. We agree to do so in the case of any such sale during the term of the **2007** Collective Bargaining Agreement.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**TRANSFER OF OPERATIONS**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Transfer of Operations

During these negotiations the parties discussed situations in which the Company offered employees the opportunity to transfer with their operation pursuant to Article VIII, Section 24(b) of the Agreement.

The parties recognized there were occasions when the number of employees determined by the Company to be eligible to transfer exceeded the number of eligible employees electing to transfer. Further, the parties understand that, in such situations, the Company will offer other qualified employees at the releasing location the opportunity to transfer with the operations. Such employees who are offered and accept transfers with the operations will have their seniority determined at the new plant in accordance with Article VIII, Section 24(b).

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**EXTENSION OF SENIORITY RECALL RIGHTS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Extension of Seniority Recall Rights

This will confirm the parties' understanding that, notwithstanding the provisions of Article VIII, Section 5(6) of the Collective Bargaining Agreement, laid-off employees who had not broken seniority as of the effective date shall retain their seniority recall rights through the term of the new Agreement.

Very truly yours,

SUSAN C. NUTSON, Director  
Labor Affairs Planning  
Labor Affairs

Concur: Gerald D. Bantom

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**INSPECTOR — TOOLING AND LAYOUT SENIORITY**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Inspector — Tooling and Layout Seniority

This will confirm that effective with the effective date of the new Collective Bargaining Agreement, notwithstanding the provisions of paragraph 2 of the Agreement - Inspector - Tooling and Layout, dated July 21, 1975, employees who fulfill the requirements of the Inspector - Tooling and Layout - New classification shall, upon reclassification to Inspector - Tooling and Layout, be given date-of-entry seniority in such classification equivalent to eight years prior to the date of such reclassification, but in no case earlier than the initial date of reclassification or hire as an Inspector - Tooling and Layout - New.

This new method of determining Inspector - Tooling and Layout seniority shall not serve to create a seniority disadvantage with respect to other employees currently on that classification who completed the requirements of the Agreement—Inspector - Tooling and Layout and established date-of-entry seniority on the basis of paragraph 2 of that Agreement providing for date-of-entry seniority four years prior to their reclassification. In cases where the new method of determining seniority would disadvantage such incumbents, the local parties will establish mutually agreeable date-of-entry seniority dates for those to be reclassified Inspector - Tooling and Layout that avoid such disadvantage.

**INSPECTOR — TOOLING AND LAYOUT SENIORITY**

It further is agreed that the Company shall assume no liability for back pay claims or any other matters as the result of the provisions for a new method of determining seniority and for local adjustments to avoid disadvantaging incumbents as set forth in this letter, and the only redress that may be sought shall be seniority corrections in the records of such individuals who may be called to the attention of the Company by the Union.

Very truly yours,

JOHN M. SLOSAR, Director  
Union Affairs Office  
Labor Relations Staff

Concur: Stephen P. Yokich

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**REHIRE PROVISIONS FOR CERTAIN EMPLOYEES**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Rehire Provisions for Certain Employees

This will confirm the parties' understanding that, the provisions of Article VIII to the contrary notwithstanding, laid off employees having one or more years of seniority at the time of layoff, who, pursuant to Article VIII, Section 5(7), either have broken seniority during the term of the 1979 or 1982 Collective Bargaining Agreement and subsequently are rehired during the term of this Agreement, shall, upon completion of their probationary period, receive additional seniority credit equivalent to that acquired as of the last day of work prior to breaking seniority for the purpose only of determining wage, COLA and vacation entitlements provided in Article IX of the Agreement.

Additionally, such employee shall be paid a hiring-in rate determined by Article IX, Section 2(d) Hiring-In Rates of the Agreement between the Company and the Union dated October 4, 1979 or Article IX, Section 2(b) of the 1982 Agreement between the Company and Union dated February 13, 1982 based on the number of weeks of employment completed prior to the last day worked before breaking seniority.

**REHIRE PROVISIONS FOR CERTAIN EMPLOYEES**

It is further understood that vacation eligibility and entitlement shall be determined in accordance with Article IX, Sections 24 and 25(a) and (b) of the new Agreement, but using the new Company seniority date to determine "years of seniority" beginning with the vacation eligibility date (June 1 or December 1, as determined by the new Company seniority date) immediately following attainment of seniority after rehire.

Very truly yours,

JOHN M. SLOSAR, Director  
Union Affairs Office  
Labor Relations Staff

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**RETENTION OF SENIORITY RECALL RIGHTS**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Retention of Seniority Recall Rights

During the recently concluded negotiations the Union expressed to the Company its concern about the retention of seniority recall rights of an employee who is recalled from seniority layoff and is unable to work because of injury or illness.

The Company informed the Union that, administratively, it intends to continue changing the employment status of such employee from seniority layoff to medical layoff. At the same time, the Company advised the Union of its intention, beginning with the Effective Date, to determine when the seniority of such employee would be broken pursuant to either continuing seniority protection under the terms of Article VIII, Section 5(7), or commencing seniority protection under the terms of Article VIII, Section 30. Further, that at the date of medical layoff, his seniority protection would be governed by that Article and Section providing the longer period of protection.

The parties recognize that nothing in this Letter of Understanding modifies the employee's obligation to return to work as soon as he is able to do so, nor does it affect his obligation to justify all time lost due to medical reasons.

Very truly yours,

JOHN M. SLOSAR, Director  
Union Affairs Office  
Labor Relations Staff

**SENIORITY IMBALANCES**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Seniority Imbalances

Throughout the recent negotiations, there was a great deal of discussion regarding seniority as a form of job protection. The Union expressed particular concern for higher seniority employees who are on layoff while lower seniority employees in the same unit are working as a result of the normal application, in a reduction in force, of the seniority provisions of the Collective Bargaining Agreement.

During those discussions, the Company pointed out the complexity, the disruption to the plant, the problem of replacing employees on critical jobs as well as the extremely high costs inherent in attempting to completely level within a unit such seniority imbalances. All are major concerns to the Company. However, while the Company is concerned about containing costs and maintaining quality, it also recognizes the importance of seniority as a form of job protection and the Union's desire to eliminate seniority imbalances.

Accordingly, in plants where seniority imbalances may from time to time exist and the local union so requests, the local parties shall adopt procedures to eliminate the imbalances within 30 days. It is recognized it is in the mutual interest of the parties to ensure quality of operations is maintained and there may be occasions when the lack of a qualified more senior employee for an operation will not permit correcting a seniority imbalance within the prescribed period. Accordingly, it is further agreed the local parties are empowered to adopt mutually acceptable arrangements to accommodate this circumstance.



**SENIORITY IMBALANCES**

Nothing in this letter of understanding is meant to preclude the Company from exercising its options under Article VIII, Section 27 of the Collective Bargaining Agreement.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Labor Relations Staff

Concur: Stephen P. Yokich

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**SKILLED/NONSKILLED SENIORITY**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Skilled/Nonskilled Seniority

During the recent negotiations, the parties discussed the seniority status of an employee with basic skilled seniority at his original plant, but without nonskilled seniority, who is placed in or transferred to another plant on a nonskilled classification. The Company informed the Union that beginning with the Effective Date such employee would be deemed to have basic skilled seniority at the original plant and basic nonskilled seniority at the new plant each of which would be considered his basic seniority for purposes of applying Article VIII, Section 1(b) of the Agreement. The plant seniority date of such employee in the new plant will be his Transfer Leveling Seniority Date pursuant to the provisions of Article VIII, Section 1(c) of the Agreement.

Very truly yours,

JOHN M. SLOSAR, Director  
Union Affairs Office  
Labor Relations Staff

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**TRANSFER LEVELING SENIORITY TIEBREAKER**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Transfer Leveling Seniority Tiebreaker

During the course of these negotiations, the parties discussed Article VIII, Section 1(c) of the Agreement as it applies to skilled trades employees who are preferentially placed in another plant on a skilled classification that is different than the skilled classification from which they are laid off.

It was agreed that, notwithstanding the provisions of Article VIII, Section 1(c), in such instances where the employee's new skilled classification either consists of duties closely similar to his prior skilled classification, or is an apprenticeable classification with classroom and shop training closely similar to his prior apprenticeable skilled classification, the employee's original unit Appendix F date-of-entry seniority will be used for seniority tiebreaking purposes.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Labor Relations Staff

Concur: Stephen P. Yokich

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**SOURCING - ACCESS TO PRODUCT DEVELOPMENT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Sourcing - Access to Product Development

During the course of these negotiations, discussions took place concerning the role of the Product Development activity, particularly with respect to the sourcing process.

To address the Union's concern in this regard, the Company will provide an orientation meeting with senior Ford Product Development management within 60 days of the Effective Date of the Agreement. The purpose of the meeting will be to identify employees within the Product Development organization who will serve as contacts in their area of expertise with the National Ford Department. An organization chart showing areas of responsibility for Vehicle Line Directors, Chief Program Engineers, Product Managers, and other key personnel will be presented and updated on an annual basis.

In addition, in order to develop a more effective communication process, the Company will arrange annual meetings between senior Product Development management and UAW National Ford Department sourcing representatives to review information related to vehicle product plans, major program milestone dates, vehicle program objectives, plant

**SOURCING - ACCESS TO PRODUCT DEVELOPMENT**

loading, and supplier sourcing concerns. Between these annual meetings, major changes to vehicle product plans affecting UAW-Ford plants will be communicated to the UAW National Ford Department.

Very truly yours,

MARTIN J. MULLOY,  
Executive Director  
North American Labor Affairs

Concur: Gerald D. Bantom

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**SOURCING - ADMINISTRATIVE PROCEDURES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Sourcing - Administrative Procedures

During these negotiations, the parties discussed at great length the necessity for simplifying and reaffirming the administration of the Memorandum of Understanding - Sourcing (Appendix P). The parties recognized that a simplified process, with clearly defined responsibilities, is essential to the proper administration of the Memorandum.

It is also agreed that concerns relative to proper administration may be raised by either party for discussion. Modifications may be made by mutual agreement between the parties during the term of the Agreement, as then-present circumstances require.

Very truly yours,

ROBERT H. MARCIN,  
Executive Director  
Labor Affairs  
Human Resources

Concur: Ron Gettelfinger

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## **SOURCING - CONSOLIDATED LETTER OF UNDERSTANDING**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Sourcing - Consolidated Letter of Understanding

The following sourcing related understandings reflect various concerns raised by the Union during 1999 negotiations and Company responses to them as indicated below:

### **Associations**

The Union expressed interest in the Company's association with certain other automotive companies which assemble vehicles sold by Ford Motor Company, or design and source vehicles built at Ford assembly plants. The parties acknowledge these associations have resulted in additional Ford-U.S. jobs but that sourcing authority rests with these companies. Nonetheless, the Company will meet with representatives of the UAW National Ford Department upon request, to review and discuss these products and the effects they may have on UAW-represented hourly employees of the Company. When appropriate, other automotive companies may be invited to participate in such meetings.

### **Coordination of Sourcing Evaluations**

The Union described difficulties being experienced by local job security representatives when they attempt to investigate and evaluate notices of proposed sourcing actions.

The Company acknowledges and commits that these matters should be viewed as a high priority by both parties. Therefore, in order to facilitate the sourcing evaluation process and respond to the Union's concerns, the Company will assign coordination responsibility and authority to the facility's Labor Relations Supervisor or the Plant Manager's designee. Such responsibilities may include identifying the

## **SOURCING - CONSOLIDATED LETTER OF UNDERSTANDING**

appropriate management personnel to respond to Union inquiries on a timely basis, and the scheduling of meetings, as required.

At those facilities without Labor Relations Supervisors, the Company has assigned this coordination responsibility to the Human Resources Manager.

### **Make/Buy Issues**

The Union emphasized the need to be involved upstream in the sourcing decision-making process and the importance of good communication regarding these matters at the local and national levels.

The Company pointed out a number of examples where the existing process provides such input and communication. Program Overviews, written notice to the Union advising of market tests, and opportunities for the Union to submit counterproposals are but a few examples.

The Company reaffirms that the plants and/or divisions will discuss and review all sourcing matters including make/buy issues in existing forums that the parties deem appropriate.

### **Prototype Sourcing**

The Union requested a more effective communication process with respect to the sourcing of prototypes, which the Union believes would result in greater job security for its members.

In an effort to address these concerns and improve the sourcing notification process to the local union, this will confirm the Company's willingness to meet quarterly. Such meetings will be convened, at the request of the local Chairperson (Local 245, Local 931), to discuss the status of current and planned prototype builds and any circumstance(s) that may have an effect on that status.

Attendees at these meetings may include, as appropriate, local management and union representatives from the New Model Programs Development Center, Engine Manufacturing Development Operations, international representatives



**SOURCING - CONSOLIDATED LETTER OF UNDERSTANDING**

of the National Ford Department, and management representatives from Vehicle Operations, Research and Engineering and Labor Affairs.

Very truly yours,

ROBERT H. MARCIN,  
Executive Director  
Labor Affairs  
Human Resources

Concur: Ron Gettelfinger

\_\_\_\_\_  
Note: This letter replaces the following letters:

- Associations, September 16, 1996
- Coordination of Sourcing Evaluations, September 16, 1996
- Make/Buy Issues, September 16, 1996
- Prototype Sourcing, September 16, 1996

**SOURCING - INDEPENDENT CONSULTANT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Sourcing - Independent Consultant

During these negotiations, the parties discussed the issue of having an independent consultant participate in reviewing financial information developed by joint Company activities and contained in the Standardized Financial Form that accompanies outsourcing notifications related to cost.

To that end, it is hereby agreed that, when required, the parties will jointly select an independent accounting firm that will be contracted to provide a consultant. The consultant will be responsible for reviewing all financial data contained in the Standardized Financial Form and expressing opinions related to the validity of the information. The consultant may be utilized at any time from the issuance of the Request for Quotation until the end of the sourcing notification process.

The parties recognized that hiring a consultant would be on an exception basis, and paying all expenses related to his/her professional fees would be subject to the approval of the Joint Governing Body of the National Programs Center for each occasion.

Very truly yours,

MARTIN J. MULLOY,  
Executive Director  
North American Labor Affairs

Concur: Gerald D. Bantom

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**SOURCING – ON-GOING AND QUARTERLY COMMUNICATION  
MEETINGS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Sourcing – On-Going and Quarterly  
Communication Meetings**

**During these negotiations, the parties discussed the Union's request for regular access to the Purchasing organization to better understand present and future product program sourcing patterns and related decisions.**

**To this end, the Company agreed that it would schedule weekly meetings between the Vice President and Director of the UAW, National Ford Department and the Vice President of Labor Affairs. On a bi-weekly basis, the Executive Director of the Americas Purchasing will participate in these meetings for the purpose of discussing sourcing and supplier-related issues.**

**Additionally, quarterly meetings will be established to review future sourcing strategies, as well as changes in manufacturing processes, that transcend product programs and may result in changes to the Company's make/buy decisions.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**Note: This letter replaces Sourcing – Access to Purchasing, September 15, 2003**

**SOURCING - STANDARDIZED FINANCIAL FORM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Sourcing - Standardized Financial Form

During these negotiations, the Union expressed its concern about not being provided adequate and relevant financial information to understand fully the rationale supporting outsourcing decisions affecting plants covered by the Ford-UAW Collective Bargaining Agreement.

This is to advise you that the Company will continue to provide a standardized financial form which will provide relevant information, such as per unit variable and **incremental costs**; Time Adjusted Rate of Return, i.e. TARR; **associated Job Security Program (JSP) costs**; an investment summary; and explain calculations of pertinent data (such as material usage, labor content and cash flow).

In using this financial form the Company intends to work with the UAW National Ford Department's Sourcing activity. The form will reflect information helpful in understanding such proposals as well as appropriate consideration of related costs in the financial evaluation, both with and without the sourcing action.

Modifications to the form may be made by mutual agreement between the parties during the term of the Agreement as required.

Very truly yours,

BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs

Concur: **Bob King**

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**SOURCING – CREDIT FOR FACILITY EFFICIENCIES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Sourcing – Credit for Facility Efficiencies**

**During these negotiations, the parties discussed the issue of reflecting jointly identified efficiencies in the cost analysis associated with the sourcing of components/operations at a facility.**

**This letter confirms that such cost efficiencies agreed to by the parties, e.g., Competitive Operating Agreements and Continuous Improvement actions, that are directly tied to the component/operation within the facility and have a commitment as well as a requisite implementation plan that meet agreed-upon timing, will be taken into account by the Company when determining the business case of the component/operation under review.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**SOURCING-TRAINING**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Sourcing-Training**

**During these negotiations, the parties discussed the issue of updating and enhancing the present sourcing website to provide employees a better understanding and working knowledge of the sourcing provisions of the UAW-Ford Collective Bargaining Agreement.**

**This letter is to serve as confirmation of the parties' agreement to make the transition to "Phase II" in the development of the present sourcing website to include interactive training modules dedicated to a targeted audience of Union and Company employees whose responsibility it is to properly manage and administer the sourcing processes.**

**Following completion of 2007 negotiations, the parties will meet to discuss the development and implementation of a tracking system to identify the initial targeted audience and monitor changes to it to ensure inclusion of all appropriate program participants.**

**SOURCING-TRAINING**

**Barring any unique or unforeseen circumstances,  
Phase II of the sourcing website will be in place no  
later than the first full year of the 2007 Agreement.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**Note: This letter replaces Sourcing – Training, Sep-  
tember 15, 2003**

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**SOURCING – UPDATES TO COMPANY RETURN ON  
INVESTMENT RATES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Sourcing – Updates to Company Return on  
Investment Rates**

During these negotiations, the parties discussed the Union's claim of fluctuating or inconsistent return-on-investment rates used by the Company when determining investment priorities.

Accordingly, the Company agreed that a senior member of Finance management will meet annually with the Vice President and Director of the UAW, National Ford Department, or his designee, to discuss financial issues that impact sourcing. Included in such meeting will be a discussion of the established Time Adjusted Rate of Return (TARR) hurdle rate that the Company agrees to keep consistent throughout the Company for cost-related sourcing actions.

It is understood that, between annual meetings, the TARR hurdle rate may change based upon prevailing business conditions. In such case, the Company will notify the Union in advance and discuss the change prior to it being implemented.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**SUPPLIER SELECTION POLICY**

October 9, 1999

Stephen P. Yokich, President  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Supplier Selection Policy

This letter is pursuant to your inquiry regarding Ford Motor Company's policy on supplier selection.

The Company's decision to select or remove a particular supplier is based on numerous criteria, applied in conformance with legal requirements. It is definitely not Ford Motor Company's policy or practice to remove a product from a supplier because that supplier's employees have chosen to join the UAW.

As you know, Ford has a positive and constructive relationship with the UAW, and we encourage our suppliers to strive for similarly constructive relationships with representatives of their employees.

Ford also notes that many of our suppliers have recognized the UAW based on a showing of majority support among the employees by means of a "card check" certified by a neutral third party. While use of such a procedure is entirely up to the individual supplier, Ford does not in any way discourage our suppliers from using such peaceful means of determining employee sentiment.

Should you have any questions with respect to this matter, please call.

Very truly yours,

C.E. MAZZORIN, Group VP  
Purchasing & Ford of Mexico  
Purchasing

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**ADMINISTRATION OF TEMPORARY  
PART-TIME EMPLOYEE AGREEMENT**

October 5, 1976

Mr. Ken Bannon, Vice President  
Director—Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Administration of Temporary Part-Time  
Employee Agreement

In current negotiations the Union alleged that the agreement governing the use of temporary part-time employees had been misused in certain plants.

This letter will confirm the understanding reached that if the local union feels there are problems concerning the administration of the Temporary Part-Time Employee Agreement, the Plant Manager and Industrial Relations Manager will meet with the Unit Chairman, at his request, at a mutually agreeable time in an attempt to resolve the matter.

Very truly yours,

SIDNEY F. McKENNA,  
Vice President  
Labor Relations

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**EMPLOYMENT CONSIDERATION - FORMER TEMPORARY  
PART-TIME EMPLOYEES AND TEMPORARY FULL-TIME  
EMPLOYEES**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Employment Consideration - Former Temporary  
Part-Time Employees and Temporary Full-Time  
Employees

During these negotiations, the Company informed the Union that it has been the Company's practice when hiring at a plant to give consideration to the employment applications of former temporary full-time employees and temporary part-time employees of the plant who make application for permanent full-time employment. The Company also advised the Union of its intent to continue this practice.

Very truly yours,

W. J. FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**INSURANCE COVERAGE FOR TEMPORARY PART-TIME  
EMPLOYEES AND THE AFFECTS OF MOVING BETWEEN  
TEMPORARY PART-TIME AND TEMPORARY FULL-TIME STATUS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Insurance Coverage for Temporary Part-Time  
Employees and the Affects of Moving Between  
Temporary Part-Time and Temporary Full-Time  
Status

During these negotiations the parties expressed mutual interest in assuring Temporary Part-Time employee eligibility for health care coverage was not adversely affected by movement between Temporary Part-Time and Temporary Full-Time status.

It was agree that Temporary Part-Time employees who are laid off or voluntarily quit exclusively for the purposes of moving to Temporary Full-Time status or vice versa will not have their service date be subject to recalculation for purposes of health care coverage as cited in Appendix K.11 (A&B) and 12. Upon ratification of the Agreement, the parties will meet to establish appropriate guidelines.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**LOCAL TPT COORDINATOR**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Local TPT Coordinator

During the course of negotiations, the Union alleged that temporary part-time employees, in some locations, were being utilized improperly.

As a further action to minimizing the possibility of this occurring, each location using temporary part-time employees will designate a coordinator in the employment office to administer the assignment and utilization of temporary part-time employees. The local union will be informed of the name of the coordinator. He will provide to the Union on a regular basis the number of temporary part-time employees utilized at the plant.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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**NOTIFICATION OF INTENT TO HIRE TEMPORARY  
PART-TIME (TPT) EMPLOYEES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Notification of Intent to Hire Temporary  
Part-Time (TPT) Employees

During these negotiations, the parties discussed problems that have arisen at certain locations with respect to hiring and scheduling of Temporary Part-Time (TPT) employees (employees normally scheduled to work **any two days per week** as provided for in Appendix K).

A procedure for notifying the National Ford Department when TPTs are to be hired has been established:

- Following notification to the Local Union, the Division Labor Relations Office will be responsible for notifying the respective National Ford Department Servicing Representative and a Job Security and Sourcing Representative, in advance of hiring TPTs.
- As part of the notification process, the National Ford Department will be advised of the operational need for TPTs, the number of TPTs required, and the expected length of the assignment.
- **Requests for Temporary Part-Time employees shall be made in writing to the National Parties for mutual approval.**

**NOTIFICATION OF INTENT TO HIRE TEMPORARY  
PART-TIME (TPT) EMPLOYEES**

**The Company reaffirmed that these TPT employees are not to be employed to avoid hiring to fill permanent positions. The Company will suspend the use of TPT employees in accordance with this agreement at any location where the National Parties determine the location is using these TPT employees to avoid hiring to fill permanent positions.**

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**TPT EXPERIENCE NOT CONSIDERED FOR PROMOTIONS**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: TPT Experience Not Considered for Promotions

During recent negotiations, the Union expressed concern about full-time employees being granted promotional preference because of job experience gained while a temporary part-time employee. This will confirm our understanding that should a temporary part-time employee become a full-time employee, the job experience gained on any temporary assignment shall not be considered toward a promotional opportunity.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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**CHRISTMAS BONUS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Christmas Bonus

During the present negotiations, the parties agreed to provide each eligible employee with a Christmas Bonus as outlined below:

- A. In **2007, 2008, 2009, and 2010**, a Christmas Bonus payment, in the amounts defined in item C. below, will be included with other earnings received for the pay period in which December 1st falls.
- B. An eligible employee is defined as:
  1. one who has seniority as of the following eligibility dates:  
Monday, November **19, 2007**,  
Monday, November **17, 2008**,  
Monday, November **16, 2009**,  
Monday, November **15, 2010**, respectively, and
  2. who has worked at least thirteen (13) pay periods in the fifty-two (52) pay periods immediately preceding the pay period in which each eligibility date falls (the Christmas Bonus eligibility year).
- C. Each eligible employee will receive a Christmas Bonus payment in the amount reflected in the following schedule:

<b>Pay Periods Worked</b>	<b>Christmas Bonus Amount</b>
26 or More	\$600
20 through 25	\$450
13 through 19	\$300

## CHRISTMAS BONUS

- D. In determining the number of pay periods worked in each Christmas Bonus Eligibility year, employees will be credited with one (1) pay period worked if the employee:
1. performed some work for the Company,
  2. received some jury duty pay, vacation pay, bereavement pay, holiday pay or short-term military duty pay from the Company, or
  3. received Workers' Compensation payments while on an approved medical leave of absence due to a compensable injury or occupational disease provided:
    - a. The employee would have otherwise been scheduled to work during such complete calendar week(s); and
    - b. The employee is actively at work during at least one complete calendar week (5 scheduled working days) during the Christmas Bonus eligibility year.
- E. An employee who retires during the Christmas Bonus eligibility year and who, but for such retirement, would have had seniority as of the designated eligibility date, will qualify for a Christmas Bonus in accordance with C. above, if otherwise eligible.
- F. An employee who dies during the Christmas Bonus eligibility year, if otherwise eligible, will have a Christmas Bonus payment calculated pursuant to C. above. Such Christmas Bonus will be paid to the estate or, if permitted by local law, to the next of kin.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**CLARIFICATION OF HOLIDAY PAY ELIGIBILITY POLICY**

February 13, 1982

Mr. Dan Forchione  
Administrative Assistant to Donald F. Ephlin  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Forchione:

Subject: Clarification of Holiday Pay Eligibility Policy

This is to confirm Company policy to not use an employee's absence from a properly scheduled work assignment on one holiday to disqualify that employee, if otherwise eligible, for holiday pay for an adjacent holiday under the eligibility rule provided in Article IX, Section 22(a)(3), of the Ford-UAW Collective Bargaining Agreement, i.e., ". . . must have worked the last scheduled working day prior to and the next scheduled working day after . . ." For example, when both "Thanksgiving" and "the day after Thanksgiving" are properly scheduled days of work for an otherwise eligible employee, absence on either day will not serve to disqualify the employee from receiving holiday pay for the remaining day. You were also advised that the above policy has no effect on other administrative policy or contractual provisions related to holidays.

Very truly yours,

JOHN E. REESE, Director  
Union Affairs Office  
Labor Relations Staff

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CONSIDERATION OF SPECIAL SEPARATION PROGRAMS

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Consideration of Special Separation  
Programs**

During these negotiations the Company and Union discussed various special separation programs to provide incentives for employees who are not yet eligible for a thirty-and-out retirement benefit due to a break in service. The parties recognize that these employees may be unable to accept special separation or retirement programs because of lower pension credited service.

The parties jointly reviewed and evaluated various new programs that could provide sufficient financial incentives to motivate these employees to retire including the partial fill in of missing credited service. After considerable analysis and discussion it was determined that the Company could not commit to the implementation of these programs at this time for various reasons including cost.

Should the need to further develop programs to create opportunities for employees to retire, credited service fill in programs may be considered depending on the business needs in the future.

Very truly yours,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

**COST-OF-LIVING ALLOWANCE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Cost-of-Living Allowance

This letter is to confirm certain agreements reached by Ford Motor Company and the International Union, UAW, regarding the calculation and transfer of the cost-of-living allowance pursuant to Article IX, Section 4, of the **2007** UAW-Ford Collective Bargaining Agreement.

*Cost-of-Living Calculation (CPI-W, 1982-84=100, United States City Average, All Items Less Medical Care)*

For Cost-of-Living Allowance adjustments effective on December **3, 2007**, and ending with the adjustment effective June **6, 2011**, the table in Article IX, Section 4(d)(2), will provide for 1¢ adjustments in the cost-of-living allowance sequentially, for each 0.08, 0.08, 0.08, 0.08, 0.08 and 0.09 change in the Three-Month Average Index, and so forth, with that sequence being repeated thereafter in the table.

*Differences of Opinion on Calculation*

If the Union claims that the Company's calculations in any particular instance were not made in accordance with the terms of this Letter of Understanding it may refer the matter to the Umpire under the Fourth Stage of the Grievance Procedure as set forth in Article VII.

Employees covered by the hiring-in rate provisions in Article IX, Section 2 (d) of the **2003** UAW-Ford Collective Bargaining Agreement on the Effective Date will have the full amount of the cost-of-living allowance under Article IX, Section 4 (f) of the Collective Bargaining Agreement (**\$2.03**) transferred to their base wage rates on the Effective Date even though this will raise their base rate above the

**COST-OF-LIVING ALLOWANCE**

appropriate percentage of the negotiated classification rate of the job to which they are assigned based on the number of weeks of employment completed as provided in Article IX, Section 2(c) of the Collective Bargaining Agreement. When they complete one hundred fifty-six (156) weeks of employment such employees will receive an increase to the negotiated classification rate of the job to which they are assigned as prescribed in Article IX, Section 2(d)(vi) in the **2007** Collective Bargaining Agreement.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

Attachment

Note: This letter replaces the following letter:

- Cost-of-Living Allowance, September 15, 1993
-

**COST-OF-LIVING ALLOWANCE**

ATTACHMENT

**ENGINEERING METHOD OF ROUNDING  
RE: THREE-MONTH AVERAGE  
CONSUMER PRICE INDEX**

The following rules of rounding shall apply to the determination of the Three-Month Average Consumer Price Index:

1. If the leftmost of the digits discarded is less than 5, the preceding digit is not affected. For example, when rounding to **five** digits, **130.564** becomes **130.56**.
  2. If the leftmost of the digits discarded is greater than 5, or is 5 followed by digits not all of which are zero, the preceding digit is increased by one. For example, when rounding to **five** digits, 130.557 becomes **130.56**.
  3. If the leftmost of the digits discarded is 5, followed by zeros, the preceding digit is increased by one if it is odd and remains unchanged if it is even. The number is thus rounded in such a manner that the last digit retained is even. For example, when rounding to **five** digits, **130.5550** becomes **130.56** and **130.5650** becomes **130.56**.
-

**DAILY OVERTIME PREMIUM FOR HOURS IN  
EXCESS OF 24 CONSECUTIVE HOURS**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Daily Overtime Premium for Hours In Excess of  
24 Consecutive Hours

During the current negotiations, the subject of an employee working for a continuous period of more than twenty-four (24) consecutive hours where the employee is ineligible for daily overtime premium for the hours worked in excess of the twenty-four (24) continuous hours was discussed by the Company and the Union.

Hereinafter, in such case where an employee may work for a continuous period of more than twenty-four (24) consecutive hours, those hours in excess of the twenty-four (24) consecutive hours will be paid at the time and one-half premium, unless such hours would otherwise be paid at a higher premium pursuant to the provisions of Article IX, Sections 11 through 14 of the Collective Bargaining Agreement.

Any such hours (in excess of twenty-four (24) consecutive hours) for which the time and one-half premium has been paid pursuant to this memorandum shall be included in determining whether any premium payment shall be made for any other hour or part thereof.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff



**DIRECT DEPOSIT OF HOURLY EMPLOYEES' NET PAYCHECKS**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Direct Deposit of Hourly Employees' Net  
Paychecks

During 1993 bargaining, the parties reviewed the feasibility of providing direct deposit of hourly employees' net paychecks to participating banks and financial institutions of their choice. The parties also identified certain administrative issues associated with expanding direct deposit of hourly employees' net paychecks that require further consideration by the parties.

This will confirm that the parties have agreed to initiate a joint study of the issues associated with direct deposit. The study will begin as soon as practicable following negotiations and will include pilot programs beginning in the First Quarter of 1994, at locations determined by the national parties.

Following completion and review of the pilot programs, the national parties will determine the appropriate process for expanding the program to the balance of the hourly workforce.

Very truly yours,

LAWRENCE E. PERCZAK, Director  
Forward Planning Office  
Employee Relations Staff

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**FEDERAL INCOME TAX WITHHOLDING**

September 16, 1996

Mr. Ernest Lofton,  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Federal Income Tax Withholding

This will describe the methods to be used by Payroll Services in regard to withholding of Federal income tax from employee's wages attributable to grievance awards, vacation pay and pay in lieu of vacation from employee's wages.

Grievance awards in excess of \$500.00, but involving periods less than one calendar year, will be treated as supplemental wages and income tax withholding will be calculated using the Federal income tax regulations regarding supplemental earnings.

Likewise, pay in lieu of vacation also will be treated as supplemental wages and income tax withholding will be withheld using the Federal income tax regulations regarding supplemental earnings.

It should be noted that the tax withholding referenced above only covers the Federal withholding amount. An amount for FICA taxes and state or local income taxes, where applicable, will be in addition to the amount withheld for Federal income tax.

Grievance awards which are less than \$500.00, will be aggregated with the regular payroll and the income tax withholding will be calculated on the total amount.

If a grievance award is made for a period of more than one calendar year, the income tax withholding will be calculated as if the payment were for a single annual period. Thus, in such situations, Payroll Services will use the annual percentage table to calculate the income tax withholding for such awards. This method would be the same as considering the award as having been paid equally over the preceding 52 weeks.

#### **FEDERAL INCOME TAX WITHHOLDING**

For vacation payments made for time away from work, such payments will continue to be treated as a regular wage payment; i.e., income tax withholding will be calculated as if the vacation payment represented a regular weekly wage payment.

The above methods are dictated by Federal Income Tax Regulations. Therefore, any change or amendment to such Regulations will, of necessity, have to be reviewed for compliance with the above changes.

Formal procedures to effect these changes are being communicated to Payroll Services by separate letter, with instructions to make these changes as soon as practical.

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

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**FUTURE PLANS FOR CLEVELAND ENGINE PLANT 2**

**November 03, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Future Plans for Cleveland Engine Plant 2**

**During these negotiations, Ford and the UAW discussed the future of the Cleveland Engine Plant 2 and the parties' mutual interest in identifying potential future product for the plant. The Union expressed a strong desire to review future diesel engines for passenger vehicles, vans and/or small trucks. The UAW and Ford agree to work aggressively together to identify possible future product opportunities for the plant.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**FUTURE PLANS FOR RAWSONVILLE**

**November 03, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Future Plans for Rawsonville**

**During these negotiations, Ford and the UAW discussed the future of the Rawsonville Plant and the parties' mutual interest in identifying potential future work opportunities for the plant; examples may include sequencing, kitting, and reman alternators, as well as incremental volume on air intake systems, coil on plug, carbon canisters and starters. The National Parties agree to work aggressively together to identify possible future product opportunities for the plant.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**FUTURE PLANS FOR STERLING AXLE PLANT**

**November 03, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Future Plans for Sterling Axle Plant**

**During these negotiations, Ford and the UAW recognized the competitive challenges facing the domestic auto industry in general and the axle business in particular. The Union expressed a strong desire to identify potential future work opportunities for Sterling Axle Plant. To that end, the Company has committed to work with the Union to aggressively identify possible future product opportunities for the plant.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**GRIEVANCE BACK PAY AWARDS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Grievance Back Pay Awards

This letter will serve to consolidate and confirm the present and past understandings agreed to by the parties with regard to grievance back pay awards.

- During the course of national negotiations, the Union expressed concern over alleged delays involved in the receipt of grievance back pay awards. This is to advise you that all plant Labor Relations Offices have been directed to insure the appropriate Past Period Adjustment TWOS task or Grievance Payment Authorization Forms, when required, are prepared concurrent with the dispositioning of the grievance involved. Upon request, a copy of the TWOS Past Period Adjustment Report of grievance payment data transmitted to payroll or a copy of the Grievance Payment Authorization Form will be provided to the Building Chairperson or a Unit Committeeperson at the time the grievance dispositions are presented to the Union.

Also upon request, the grievance payment portion of the Hourly Payroll Adjustment Report will be provided to indicate issuance of the back pay award to the employee.

- Article VII, Section 24(b) provides that back pay awards will be paid within thirty days of such award except where the work involved makes it impractical. Although the Company is not aware of any problems or abuses with regard to the administration of this provision, the Company reaffirmed to the Union it is in the parties' mutual interest that back pay awards be paid in conformity with this provision.

**GRIEVANCE BACK PAY AWARDS**

Should problems develop with the administration of this provision at specific Company locations and upon request by the local union, appropriate representatives from the National Ford Department may meet with representatives from Labor Affairs to discuss the problem in an attempt to formulate corrective action.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**HOLIDAY HOURS CONVERSION OPTION**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Holiday Hours Conversion Option

During the current negotiations, the parties discussed the dual receipt of eligible holiday and vacation pay by an employee when a full week (40 hours) of vacation is taken in which a holiday(s) occurs.

Notwithstanding the provision of Article IX, Section 22(f), this will confirm our understanding that when a holiday(s) as defined in Article IX, Section 22(a), excluding those holidays comprising the Christmas holiday period, occurs during a full week of approved vacation, an employee may elect to convert the holiday(s) hours for which he is eligible to equivalent hours of excused absence allowance to be scheduled under the terms of Article IX, Section 25(c). Such converted hours will be in addition to those excused absence allowance hours for which he is otherwise eligible.

It further is understood that to be eligible for this conversion, an employee must make his election to convert in writing using a locally provided form during the second week prior to the start of the approved vacation period during which such holiday(s) occurs.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**HOLIDAY PAY AS PART OF DISCIPLINARY PENALTY**

February 13, 1982

Mr. Donald F. Ephlin, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Ephlin:

Subject: Holiday Pay as Part of Disciplinary Penalty

This confirms our understanding regarding the situation where the duration of an impending disciplinary layoff would encompass or abut a holiday.

Loss of holiday pay will not be included as part of the disciplinary penalty assessed. However, to be eligible for such holiday pay, the employee must meet the holiday pay eligibility provisions of Article IX, Section 22 of the Collective Bargaining Agreement, except the requirement of otherwise being scheduled to work on such day, had it not been observed a holiday.

Nothing herein shall be deemed to alter the Company's rights under Article IV, Section 3 of the Collective Bargaining Agreement as it involves imposing discipline.

Very truly yours,

JOHN E. REESE, Director  
Union Affairs Office  
Labor Relations Staff

**OVERTIME**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Overtime

During the 1990 negotiations, the parties discussed both the Union's and the Company's concerns about the scheduling of overtime work.

On the one hand, the Company recognized the legitimacy of the Union's concern that production not be scheduled on a sustained basis on overtime rather than recalling laid off employees or hiring new employees. On the other hand, the Union recognized that the scheduling of overtime serves an essential purpose in many situations in order to meet temporary or seasonal increases in sales, at new model start-up, and to make up for production lost due to factors beyond the parties' control, such as interruptions in the supply of parts. Also, the parties recognize the need for overtime on vital tooling and maintenance projects which often must be accomplished quickly on tight time schedules in order to avoid interruptions or delays in production and layoffs of production employees.

As a result of these discussions, the parties agreed to establish a procedure for regularly reviewing overtime work schedules. This review will be accomplished between representatives of the Company and the National Ford Department, International Union, UAW and will be designed to focus on those plants and facilities that establish a pattern of high overtime scheduling on a sustained basis. The review is intended to assure that overtime work is not scheduled at a plant on an ongoing basis in cases where there are practical and economical alternatives. The alternatives to overtime considered by the parties may include manpower increases, innovative shift arrangements, or improvements or additions to the plant's equipment which could eliminate a bottleneck;

**OVERTIME**

or the parties may conclude that the reasons for the overtime are temporary or unavoidable and that there are no practical or economical alternatives.

The purpose of this review procedure is to assure a timely and thorough review of overtime work schedules and provide for a balanced consideration of the interests of both parties.

Very truly yours,

JACK HALL, Executive Director  
Labor Relations and  
Employee Development  
Employee Relations Staff

Concur: Ernest Lofton

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**OVERTIME SCHEDULING**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Overtime Scheduling

During the current negotiations the Union has expressed concern over the overtime schedules being worked in various plants while there are employees on indefinite layoff from those plants. The Company recognizes that extensive overtime schedules are a condition that is disconcerting and perplexing to persons on indefinite layoff who view the overtime as depriving them of work they otherwise might perform.

The parties also recognize that vehicle manufacture and assembly is a highly integrated process and that overtime work is an inherent, unavoidable element of the process. However, to assure that avoidable overtime work may be identified, local management will meet with the local union to examine existing and proposed overtime schedules and consider the feasibility of modifying those schedules by the recall of laid off seniority employees from that plant. As an ongoing objective, the parties pledged their joint efforts to reduce scheduled overtime by up to two hours. It is agreed that such efforts must recognize the need to achieve required levels of production in a manner which maintains the quality of the product, the competitiveness of the operation, the demands of the marketplace and the job security of employees.

**OVERTIME SCHEDULING**

If the local union at a plant where employees are on layoff believes that plant is working avoidable overtime, it may refer the matter to the National Ford Department for discussion with representatives of the appropriate operating Division.

Very truly yours,

JOHN M. SLOSAR, Director  
Union Affairs Office  
Labor Relations Staff

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**PAYMENT OF SHIFT PREMIUM DURING IN-PLANT TRAINING**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Payment of Shift Premium During In-Plant  
Training

During these negotiations, the parties agreed that notwithstanding the provisions of Article IX, Section 6 of the Agreement, if employees are required to attend in-plant training to upgrade their skills in their classification on a shift other than they would normally work, such employees will be paid the shift premium normally paid for their regularly assigned shift during the period they are attending such training.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

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**PAYROLL DEDUCTION AND SPECIAL INTEREST RATE —  
FORD MOTOR CREDIT COMPANY CONTRACTS**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Payroll Deduction and Special Interest Rate —  
Ford Motor Credit Company Contracts

This is to advise you that effective April 1, 1988, active hourly employees will be permitted to repay loans to Ford Motor Credit Company through payroll deductions.

Further, the special or preferred interest rate currently available through Ford Credit and participating dealers also shall be made available to hourly employees and retirees effective April 1, 1988.

In extending the special interest rate, it is understood and agreed that the Company may at any time unilaterally modify, change or withdraw this feature and that it shall have no obligation to bargain concerning its intention to do so.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**PAYROLL MATTERS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Payroll Matters

This letter will confirm the understanding reached during these negotiations relating to the following payroll matter:

*Vacation Pay Release*

- (1) The Company will release an employees' vacation pay check on Thursday prior to a scheduled vacation of 40 hours or more, assuming the check is at the plant — the check will not be redated.
- (2) To receive the vacation pay check on Thursday, the employee must make the request, in writing, using a locally provided form, at the time the vacation request is processed.
- (3) The parties agree if a plant experiences higher than normal absenteeism on the following day (Friday), after initial counseling of the employees and discussion of the issues with the Unit Chairperson and the National Ford Department, the early release of vacation pay checks will be discontinued at a plant.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**PAYROLL MEETING**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Payroll Meeting

During these negotiations, the Union voiced concerns about certain hourly payroll matters. The Company reassured the Union that it places as much importance on the proper payment of its employees as does the Union. In an effort to address employees' concerns, designated representatives from Payroll Services, the National Ford Department and the U.S. Union Affairs Office will meet at mutually agreeable times to address issues of mutual concern regarding hourly payroll administration. Such issues may include, but are not limited to:

- monthly Union and SUB dues deducted from employee's paycheck;
- the number of weeks of employment an employee has completed printed on employee's paycheck for those employees covered by Article IX, Section 2 (c) Hiring-In Rates;
- year-to-date totals for deductions printed on each employee's paycheck;
- paycheck distribution methods during holiday periods; and
- expansion of direct deposit program for hourly employees.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

**RATE DISPUTES INVOLVING HOURLY CLASSIFICATIONS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Rate Disputes Involving Hourly Classifications

During the course of these negotiations, the parties discussed the proper process for resolving rate disputes involving hourly classifications. The parties agreed that the grievance procedure is the proper avenue to address those issues. Disputes for rates on new jobs are properly filed through the special procedure of Article VII, Section 23, all other rate disputes are properly filed through the regular grievance procedure of Article VII. The parties reaffirm their commitment to expeditiously resolve rate disputes and recognize the relevant provisions of the grievance procedure, when administered properly, allows for timely processing of grievances.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

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**SEVEN-DAY STARTING TIMES**

October 17, 1967

Mr. Nelson W. Samp, Assistant Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Samp:

Subject: Seven-Day Starting Times

Pursuant to our understanding reached in current negotiations, the following principles shall be applicable with respect to Paragraphs 1 and 2 of Article IX, Section 13 of the new Collective Bargaining Agreement:

1. A day shall be the 24-hour period commencing with the starting time of the No. 1 (midnight) shift.
2. All hours of a continuous period of work of less than two full shifts (16 hours) that begin one day and end the next day shall be considered as having been worked on the No. 3 (afternoon) shift if the employee's starting time is prior to 7 p.m., and shall be considered as having been worked on the No. 1 (midnight) shift if the employee's starting time is at or after 7 p.m.
3. When an employee works a full (8 hours) No. 3 (afternoon) shift schedule and is held over and works a full (8 hours) No. 1 (midnight) shift schedule, the second full shift of eight hours shall be considered a separate day of work.

Very truly yours,

ROBERT M. MIDDLEKAUFF, Manager  
Wage & Manpower Planning Department  
Labor Relations Staff

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**SHORT-TERM MILITARY DUTY PAY — PERSONAL  
LEAVE DURING VACATION SHUTDOWN PERIOD**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Short-Term Military Duty Pay—Personal  
Leave During Vacation Shutdown Period

During the current negotiations, the parties discussed situations where an employee is required to perform annual military training duty during all or part of a plant vacation shutdown. In such situations, the employee receives vacation pay for which he is eligible, unreduced by military earnings.

During these discussions, the Company indicated its intention to make available to employees who would otherwise have been eligible to receive short-term military duty pay (except that for such vacation shutdown period they were not scheduled to work), a personal leave of absence of such duration not to exceed the employee's vacation entitlement, or the period of annual military training duty, whichever is lesser. Such personal leave of absence must be taken within the employee's current vacation eligibility period and will be issued upon presentation of evidence of having performed military training duty, pursuant to the provisions of Article VIII, Section 29(a) of the Collective Bargaining Agreement.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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**TWIN CITIES ASSEMBLY PLANT – RANGER ASSEMBLY  
EXTENSION**

**November 03, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Twin Cities Assembly Plant – Ranger  
Assembly Extension**

**During these negotiations, at the Union’s suggestion, the Company examined the business case for extending assembly of the current Ranger at the Twin Cities Assembly Plant through August 2009. During these discussions, the Parties agreed to the following provisions associated with this product extension:**

- 1. Temporary employees will continue to be assigned to support production at the facility through September 30, 2009.**
- 2. In the event that temporary employees continue to be assigned to the plant beyond this date, the Parties have agreed to convert these employees to permanent status.**
- 3. After September 30, 2009, temporary employees at Twin Cities Assembly Plant will be provided preferential hiring consideration for available openings at other U.S. Ford facilities under the terms of the National Agreement. Temporary employees transferring to another facility will be ineligible for Moving Allowance Benefits.**

**TWIN CITIES ASSEMBLY PLANT – RANGER ASSEMBLY  
EXTENSION**

- 4. Employees who accepted a separation package and subsequently returned to work as a temporary employee at the Twin Cities Assembly Plant are not eligible for the provisions of this agreement.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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UP FRONT LUMP SUM PAYMENT

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Up Front Lump Sum Payment

During the present negotiations, the parties agreed to provide an up front lump sum payment of \$3,000 to each **eligible** employee in return for the membership ratification thereof.

**Eligible employees are defined as those who are represented by the Union and whose status with the Company on the effective date of this Agreement is one of the following:**

- **Active (including Long-Term Temporary) employees**
- **In protected status**
- **On temporary lay-off**
- **On pre-retirement leave**
- **On leave pursuant to Family and Medical Leave Act**
- **On leave of absence beginning not earlier than ninety (90) days prior to the date of this agreement.**

**In addition, should the UAW-National Ford Department raise any questions of equity in application regarding specific employees, the Company agrees to meet with the Union on such cases to review the facts.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**VACATION ELIGIBILITY - AAI SERVICES EMPLOYEES**

July 28, 1997

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Vacation Eligibility - AAI Services Employees

This letter is to confirm the parties agreement that Active AAI Employees who transferred to AAI Services on the Transition Date (March 24, 1997) shall have June 1 or December 1 vacation eligibility based upon their date of hire at AAI and consistent with the UAW-Ford CBA.

It also is understood that the vacation allowance will be adjusted for 1997 for those AAI Services Employees who were initially assigned December 1 eligibility and are re-assigned June 1 eligibility. The adjustment shall be based on the amount of vacation each employee used from January 1, 1997 and the amount of vacation to which each employee is entitled based on June 1, 1997 eligibility. Any issues resulting from these adjustments shall be resolved by the Transition Team established in the Transition Agreement dated February 28, 1997.

Very truly yours,

ROBERT H. MARCIN, Director  
U.S. Union Affairs Office

Concur: Ernest Lofton

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**VACATION SCHEDULING**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Vacation Scheduling

Article IX, Section 25(b) of the Collective Bargaining Agreement recognizes the importance of providing vacation time off in a manner that maintains efficiency of operations while giving due consideration to the desires of employees. It also provides that in the event a plant is scheduled for a vacation shutdown, the Union will be notified by April 1 as to the specific shutdown period and which employees have been selected to work during such shutdown.

The duration of the shutdown will be not more than two weeks. Exceptions to this limitation can be made only by mutual agreement between the local management and the local union involved.

This will confirm that should the Company determine after April 1 that an employee scheduled to work during the shutdown is no longer needed, if the employee does not desire to be on vacation during the shutdown period, he/she will be placed on layoff during that period.

Very truly yours,

THOMAS M. BROWN, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

Note: This letter replaces the following letters:

- Vacation Scheduling, September 17, 1987
- Vacation Shutdown Limitation, February 13, 1982

**1-800 TELEPHONE NUMBERS FOR UAW BENEFIT PLANS  
REPRESENTATIVES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: 1-800 Telephone Numbers for UAW Benefit Plans  
Representatives

During these negotiations, the Union requested 1-800 telephone numbers for the UAW Benefit Plans Representatives at Ford Motor Company facilities.

The Company agreed, that upon written request by the Local Chairperson to the Plant Human Resources Manager, it would install one (1) 1-800 telephone number in the Plant Union offices for the UAW Benefit Plans Representative. It is understood that the 1-800 telephone number is intended for the purpose of conducting benefits-related business with active and retired Ford Motor Company employees. At all times, the Company reserves the right to periodically audit use and to immediately remove the service upon awareness of inappropriate usage.

Very truly yours,

MARTIN J. MULLOY,  
Executive Director  
North American Labor Affairs

Concur: Gerald D. Bantom

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**A AND X VEHICLE PURCHASE PLANS**

**November 3, 2007**

To: Plant and Depot Human Resources Managers  
UAW Local Presidents  
Unit Chairpersons

Cc: Plant and Depot Managers

Subject: A and X Vehicle Purchase Plans

During the course of the 2007 negotiations, the Union and the Company discussed, on a number of occasions, the importance of the A and X-Plans to both the employees and to the Ford Motor Company. **This letter will reaffirm that the usage of the A and X Vehicle Purchase Plans affords our employees the best possible vehicle discount.** The parties consistently agreed that our employees are the best ambassadors for the sale of Ford, Lincoln and Mercury vehicles.

During our **previous** discussions, attention focused on the opportunity that Company and Union leadership have to encourage our employees to utilize their full allotment of A and X-Plan PINs. **To that end, the parties agreed to** develop promotional messages addressed to all employees stressing the importance of seeking out potential customers, especially those driving competitive products. In addition, **the parties also developed** programs that would recognize employees who use their full A and X-Plan allotment within the constraints of Policy Letter A-109. There are many creative ways to encourage our employees to use their PINs while at the same time remaining within the provisions of the program and Company policy. **Beyond these local programs, the national parties agree to investigate potential joint marketing programs and explore incentive options for retirees who utilize their full complement of A or X plan PINs.**

As you know, the Company often gives favorable consideration to extending additional PINs to those employees who have used their full allotment. With this in mind, you are encouraged to develop a local communication reminding employees that they can submit a request for additional PIN numbers, after having used their full yearly allotment. In

#### A AND X VEHICLE PURCHASE PLANS

order to prevent abuse, the management and control of the approval process are handled centrally at Vehicle Programs and approval may be obtained by calling 1-800-348-7709.

Determination of eligibility to participate in the A and X-Plans is at the sole discretion of the Company. **(Details on program rules, including eligibility (e.g., active full-time hourly employees; hourly retirees; surviving spouses; TPT's; hourly employees on layoff, for the first 12 months of the layoff; hourly employees taking a separation package; members of the immediate family of the above; etc) can be found on the A/X/Z Plan administration web page: [www.axz.ford.com](http://www.axz.ford.com)).** Violation of any of the Plan provisions outlined in the New Vehicle Purchase Plan policy will result in disciplinary action and the privilege to participate may be withdrawn or suspended as a result. The Company reserves the right to unilaterally modify or discontinue the Plans at any time.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING AT  
THREE CREW SCHEDULE LOCATIONS - ALTERING THE  
SCHEDULE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Addendum to the Memorandum of Understanding  
at Three Crew Schedule Locations - Altering the  
Schedule

During the course of these negotiations, the parties discussed occasions when it may be in their best interest to alter the work schedule at Three Crew operating pattern locations, resulting in the movement of a scheduled work day to another more convenient period, particularly surrounding holiday weekends.

It is understood that the local parties may agree to such changes, provided they do not result in a decrease in productivity or capacity.

Should the local parties be unable to agree on altering the schedule within thirty days of the date of the proposed change, the issue may be referred to the Division Human Resources Office and the National Ford Department for assistance.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs  
Labor Affairs

**ADDENDUM: THREE CREW SCHEDULES - BEREAVEMENT PAY**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Addendum: Three Crew Schedules - Bereavement  
Pay

During the course of these negotiations, the parties discussed the impact of bereavement on employees assigned to the Three Crew operating pattern, currently in use at the Michigan Truck and Kentucky Truck facilities.

The parties agree to amend the provisions of Paragraph 3, Section (b) (1) of the Alternative Work Schedules - Michigan Truck Plant Memorandum dated August 16, 1994 and Paragraph 3, Section (b) (1) of the Alternative Work Schedules - Kentucky Truck Plant Memorandum dated September 8, 1997 so that regular days off and paid holidays are excluded from the determination of the next three (3) or five (5) regularly scheduled days of work following the death of a qualifying immediate family member.

The parties further agree that the provision in Article IX, Section 19 to excuse an employee for up to five (5) regularly scheduled days of work in the event of the death of a current spouse, parent, child or stepchild, which is applied to Michigan Truck and Kentucky Truck Plants by letter from R. H. Marcin to Gerald Bantom dated December 15, 1997 provides eligible employees on Three Crew schedules up to forty (40) hours of bereavement pay in those instances.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs  
Labor Affairs

**ADDENDUM TO THREE CREW AGREEMENT - MICHIGAN TRUCK  
AND KENTUCKY TRUCK PLANTS - OPERATING SCHEDULES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Addendum to Three Crew Agreement - Michigan  
Truck and Kentucky Truck Plants - Operating  
Schedules

During the course of these negotiations, the parties discussed the scheduling of hours at the Michigan Truck and Kentucky Truck Plants.

The parties acknowledge that alternative work schedules were implemented at both locations to facilitate increases in production capacity to meet customer demand for high volume products. As a result, the normal production schedule is ten hours per production crew and the parties acknowledge that production from this schedule must be met.

In the event of unforeseen circumstances that interfere with production, such as but not limited to breakdowns, absenteeism, or other unexpected events, the parties may agree to cost effective means of meeting production schedules. It was agreed that the Company may schedule mandatory production hours up to 10.7 hours per crew to meet ten hour production schedules. It is understood that scheduled production hours beyond 10.7 per crew require mutual agreement of local union and management.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs  
Labor Affairs



**ADMINISTRATION OF ARTICLE VIII, SECTION 27**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Administration of Article VIII, Section 27

During the recent negotiations, the parties discussed the application of the provisions of Article VIII, Section 27.

The attached revised administrative letter\* sets forth the Company's instructions to the Human Resources activities advising judicious application of the Company's discretion and not to invoke the provision to retain employees when a disparity in seniority of more than two years exists.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

\* Administrative letter reprinted in full on page 905.

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**ADVANCING OR DELAYING THE LUNCH TIME OF EMPLOYEES**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Advancing or Delaying the Lunch Time of  
Employees

During the present negotiations, the Company and Union discussed the subject of advancing or delaying the lunch time of employees.

The parties reaffirm the provisions of Article X, Section 6 concerning the advancing or delaying of employees' lunch period.

Difficulties with this issue should be addressed by the Unit Chairperson and Human Resources Manager. Upon request of either party, the matter may be referred to the National Ford Department and Labor Affairs.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

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**ALTERNATE OPERATING PRACTICES - VAN DYKE AND  
SHARONVILLE PLANTS**

July 24, 1997

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Alternate Operating Practices - Van Dyke and  
Sharonville Plants

Under the provisions of Appendix I of the Ford-UAW Collective Bargaining Agreement, the parties have agreed to establish a Two-Shift, Three-Crew/Manufacturing Team Operating System to invest in the future of the Van Dyke and Sharonville Plants, and potentially in other operations when appropriate. This memorandum sets forth the goals, general design features, and the parties' agreement as to the application or waiver of certain provisions of the Ford-UAW Collective Bargaining Agreement (Agreement) to accommodate implementation of the System.

The new operating system is being developed to better empower the work force, enabling higher quality and more cost effective production of the new FN Transaxle, and for potential application in other operations when appropriate. The overall goals of the new system are to establish a 120 hours per week operating pattern capable of running equipment 20 hours per day, six days per week, with an Overall Equipment Effectiveness (OEE) of 80% of optimum for machine operations, and 95% of optimum for assembly operations. General design features include:

- A two shift, three crew, 120 hour per week shift pattern;
- Manufacturing Teams (MT's) comprised of trade and non-trade employees who perform production, maintenance, quality, material handling and cleaning functions to achieve, safety, quality, cost and schedule operating objectives; work assignment practices within the MT's will include the CRAFTT concept for skilled trade personnel,

**ALTERNATE OPERATING PRACTICES - VAN DYKE AND SHARONVILLE PLANTS**

and will be limited only by an employee's ability to perform the work safely; a working leader will be assigned from among the members of each MT; membership of each MT must be stable for the MT to be effective;

- Utilization, only as required, of other skilled trades specialists not assigned to the MT.

The parties have agreed to the application or waiver of certain provisions of the Ford-UAW Collective Bargaining Agreement as described herein to accommodate the implementation of alternate work schedules at the Van Dyke and Sharonville Plants, effective July 24, 1997.

1. The alternate work schedules authorized by determination of the National Job Security, Operational Effectiveness and Sourcing Committee, pursuant to the Ford-UAW Agreement and for the purpose of this memorandum, are as follows:
  - (a) A shift pattern (Exhibit 1) consisting of two 10-hour shifts, Monday through Saturday, using three crews (A,B, and C) of employees, with each crew working four days per week, with Saturday as a normal work day.
  - (b) Optional utilization, as required, of other skilled trades assigned to "zone maintenance outposts", who are available to assist MT's at the team's request. The regular work schedules traditionally recognized by the Agreement would be used for this circumstance.
2. Employees will be selected for FN operations on a voluntary basis locally or, absent sufficient numbers of local volunteers, obtained through the placement hierarchy provisions of the Ford-UAW Agreement, including new hires as required.
3. Notwithstanding the existing provisions of the Ford-UAW Agreement, it is agreed that the following will apply during the time the alternate work schedules are in effect:
  - (a) Appendix H, Memorandum of Understanding on Voluntary Overtime and other related provisions of the Agreement governing voluntary overtime will be waived and not apply.
  - (b) Employees regularly assigned to the 10-hour daily schedules described in Exhibit 1 will:

**ALTERNATE OPERATING PRACTICES - VAN DYKE AND SHARONVILLE PLANTS**

- (1) Be eligible for bereavement pay of up to 10 straight-time hours, depending on their schedule, for each regularly scheduled workday, to a maximum of five days based on Article IX, Section 19 provisions. It is understood that paid holidays and other days the employee is not scheduled to work will be included in determining the bereavement period.
  - (2) Have their daily jury duty pay and short-term military duty pay eligibility determined on the basis of up to 10 straight-time hours, depending on their regular schedule.
  - (3) Use their vacation entitlement in increments of 40 hours for each week of vacation and their excused absence allowance in increments of five straight-time hours for "half" days and 10 straight-time hours for "whole" days, depending on their regularly scheduled hours for the specific day.
- (c) The provisions of the Agreement covering EDTP funding for overtime hours worked in excess of five percent of straight time hours worked shall not apply to time worked by employees following the two-shift, three crew schedules described herein.
- (d) Employees regularly assigned to the 10-hour daily schedules described in Exhibit 1 will have their holiday pay determined on the basis of:
- (1) Eight straight-time hours for each holiday falling on a day when they would not otherwise be scheduled to work; or
  - (2) Ten straight-time hours for each holiday falling on a day when they would otherwise have been scheduled to work, except for such specified holiday; provided however, that holiday pay for the full week of holidays between Christmas and New Year shall not exceed 40 straight-time hours of pay.
- (e) Employee assigned to Crew C, who regularly change shifts during the week, will be paid a five percent afternoon shift premium for all regularly scheduled hours of work.

**ALTERNATE OPERATING PRACTICES - VAN DYKE AND SHARONVILLE PLANTS**

- (f) The provisions of Article IX, Section 22 (a)(3)(ii) of the Agreement, if otherwise applicable, will be waived and not apply for the Saturday's immediately preceding and immediately following the Christmas holiday period.
4. In the event the alternate work schedules described in Exhibit 1 would affect and require changes in the administration of other wage or benefit payment practices, the parties agree that such changes shall maintain the original intent of those practices to the extent practical, but shall not increase their cost to the Company in comparison to their application to work schedules traditionally recognized by the Agreement.
  5. Local agreements affected by the alternate work schedules described in this memorandum shall be interpreted in such a manner to make them consistent with the terms of this memorandum. Either party may refer specific unresolved local issues to the UAW National Ford Department and the Company's U.S. Union Affairs Office for resolution.

Finally, it is understood that this memorandum does not limit in any way management's rights to schedule and determine the working hours of employees pursuant to the Ford-UAW Agreement. In that regard, however, if it becomes necessary for the Company to discontinue the alternate work schedules or the Manufacturing Team concept described herein, the regular work schedules traditionally recognized by the Agreement would be reinstated. Moreover, in the event problems arise relative to the disposition and placement of redundant personnel under the GEN provisions of the Agreement, such problems will be subject to discussion and resolution by the parties in a mutually satisfactory manner.

Very truly yours,

THOMAS M. BROWN, Executive Director  
Labor Affairs  
Human Resources

Concur: Ernest Lofton  
Attachment-Exhibit 1

**ALTERNATE OPERATING PRACTICES - VAN DYKE AND SHARONVILLE PLANTS**

**EXHIBIT I**

**1st Week Production Schedule**

Shift	Monday	Tuesday	Wednes- day	Thursday	Friday	Saturday	Sunday
Day Shift	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew C 5:00 am to 3:30 pm (10 Hours)	Crew C 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	No Schedule
Afternoon Shift	Crew B 3:30 pm to 2:00 am (10 Hours)	Crew B 3:30 pm to 2:00 am (10 Hours)	Crew B 3:30 pm to 2:00 am (10 Hours)	Crew B 3:30 pm to 2:00 am (10 Hours)	Crew C 3:30 pm to 2:00 am (10 Hours)	Crew C 3:30 pm to 2:00 am (10 Hours)	No Schedule

**2nd Week Production Schedule**

Shift	Monday	Tuesday	Wednes- day	Thursday	Friday	Saturday	Sunday
Day Shift	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew C 5:00 am to 3:30 pm (10 Hours)	Crew C 5:00 am to 3:30 pm (10 Hours)	No Schedule
Afternoon Shift	Crew C 3:30 pm to 2:00 am (10 Hours)	Crew A 3:30 pm to 2:00 am (10 Hours)	Crew C 3:30 pm to 2:00 am (10 Hours)	Crew C 3:30 pm to 2:00 am (10 Hours)	Crew A 3:30 pm to 2:00 am (10 Hours)	Crew A 3:30 pm to 2:00 am (10 Hours)	No Schedule

**3rd Week Production Schedule**

Shift	Monday	Tuesday	Wednes- day	Thursday	Friday	Saturday	Sunday
Day Shift	Crew C 5:00 am to 3:30 pm (10 Hours)	Crew C 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	Crew A 5:00 am to 3:30 pm (10 Hours)	No Schedule
Afternoon Shift	Crew B 3:30 pm to 2:00 am (10 Hours)	Crew B 3:30 pm to 2:00 am (10 Hours)	Crew C 3:30 pm to 2:00 am (10 Hours)	Crew C 3:30 pm to 2:00 am (10 Hours)	Crew B A 3:30 pm to 2:00 am (10 Hours)	Crew B 3:30 pm to 2:00 am (10 Hours)	No Schedule

\*Cycle repeats every three weeks.

## **ALTERNATIVE WORK SCHEDULES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Alternative Work Schedules

During the course of the current negotiations, the parties discussed at length the emergence and application of alternative work schedules, the business cases underlying their enactment, their impact upon the workforce and the parties' relationship, and the positive results derived from continuing such innovative and advantageous programs in the future.

Both parties acknowledged the mutual benefits derived from such programs to date and recognized the need to explore work schedules in the future that are uniquely designed to respond to challenges and opportunities in the market place and to gain a competitive advantage for the Company and its employees. These benefits include, but are not necessarily limited to the following: increased employment levels, greater job security, enhanced plant viability, shorter work weeks/more free time, expanded production capability, improved asset utilization, increased profitability, and focused responsiveness to consumer demand and expectations.

In addressing the benefits and need for such alternative work schedules in the future, the parties also recognized that the circumstances giving rise to these schedules will differ substantially and may require creative solutions which are unique to particular operations or responsive to rapidly changing consumer expectations, competitor initiatives and employee preferences. To this end, the parties have pledged to carefully review the business requirements involved in each situation, the impact such schedules may have upon existent contractual provisions, and the impact upon the employees' welfare and family considerations to ensure mutually beneficial results. In crafting alternative work schedule



#### **ALTERNATIVE WORK SCHEDULES**

agreements the parties recognize that, while individual segments of an alternative work schedule agreement may differ from the provisions of the master agreement, the agreement as a whole generally should neither advantage nor disadvantage either party as compared to a traditional schedule. In the event that the local parties agree that a particular alternative work schedule fulfills and properly balances these objectives, and in order to facilitate the changes required, it may be necessary to change certain provisions of the parties' Agreement, supplemental agreements, and appropriate local agreements at specified locations. It is understood that such changes would not be effective unless agreed to by the local Company and Union and approved in writing by both the Labor Affairs of the Company and the National Ford Department of the Union, consistent with Article X, Section 8 of the parties' Collective Bargaining Agreement.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs  
Labor Affairs

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**ALTERNATIVE WORK SCHEDULES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214  
Dear Mr. King:**

Subject: **Alternative Work Schedules**

During the course of **2007** negotiations, the parties discussed ways to expand employment opportunities and the Company's manufacturing and assembly capacity, including adding flexibility through variable work schedules and patterns to meet changing market demands. In this regard, the parties have agreed to **continue the implementation** of alternate work schedules **where practicable**.

**The following alternative work schedule agreements have been reviewed by both Labor Affairs of the Company and the National Ford Department of the Union and are provided as examples of approved alternative work schedule agreements:**

- **Dearborn Diversified Manufacturing Plant – Skilled Trades Four Crew, Two Shift Agreement**
- **Dearborn Truck Plant - Three Crew Agreement**
- **Kentucky Truck Plant - Hybrid Three Crew Agreement**
- **Michigan Truck Plant – Four - 10 Hour Shift Agreement**
- **Powertrain Operations - Four Crew, Two Shift Agreement**

**An alternative work schedule may be developed locally should the local parties determine that the above listed agreements do not address the particular circumstances or needs of the parties.**

**ALTERNATIVE WORK SCHEDULES**

**Approval in writing is required from both Labor Affairs Office of the Company and the National Ford Department of the Union, consistent with Appendix J, Section D of the Collective Bargaining Agreement prior to implementing any Alternative Work Schedule including examples stated above or locally developed agreements.**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**AMERICANS WITH DISABILITIES ACT OF 1990 (ADA)**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Americans with Disabilities Act of 1990 (ADA)

During 1993 negotiations the parties discussed their respective obligations with respect to the Americans with Disabilities Act of 1990 (ADA). The Collective Bargaining Agreement contains language committing the parties not to discriminate against employees with disabilities.

The Company is willing to work with the Union to ensure both parties can carry out their respective obligations under ADA. The UAW-Ford National Joint Equality and Diversity Committee provides a forum in which the parties can exchange views and information in this regard as well as on other matters relative to maintaining a nondiscriminatory workplace.

Very truly yours,

JOE W. LAYMON,  
Vice President  
Corporate Human Resources  
Human Resources

Concur: Gerald D. Bantom

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**APPLICATION OF STATISTICAL TECHNIQUES**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Application of Statistical Techniques

During the course of 1987 negotiations the parties discussed the issues concerning the application of statistical problem resolution techniques (generally known as "Management-by-Facts") to monitor processes and operations in car and truck assembly plants. It is recognized that utilization of such techniques contributes to continuous improvement in product quality and process reliability which are of mutual benefit to the parties. At the same time, the Union expressed concern about the process used by local management to select bargaining unit employees assigned full-time to the "Management-by-Facts" program and the appropriateness of their wage rates based on the tasks performed.

The Company is sensitive to the concerns expressed by the Union on this subject. Accordingly, it is agreed that within forty-five (45) days of the Effective Date of the new agreement a representative of the Company's Wage Administration Section and a representative of the National Ford Department will review the tasks performed by such employees. Thereafter, the appropriate representatives of the Company's Employee Relations Staff and the National Ford Department will meet to resolve the issues related to (1) whether or not the assignment to employees of certain

**APPLICATION OF STATISTICAL TECHNIQUES**

statistical problem resolution techniques requires an adjustment to their wage rate and, if adjustment is necessary, what wage rate is appropriate and (2) the selection process of the employees assigned such tasks.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**AUTO ALLIANCE INTERNATIONAL (AAI) EMPLOYEES**

October 1, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Auto Alliance International (AAI) Employees

This is to confirm our discussions concerning the Company's proposal to bring AAI hourly employees under the terms of the 1996 UAW-Ford Master Agreement.

It is the Company's present intention that the AAI hourly employees will become employees of a Ford Motor Company subsidiary whose sole purpose will be to supply labor to AAI or its successor company. In that event, any subject to appropriate ratification by AAI hourly employees, such employees would be covered under the terms of the 1996 UAW-Ford Master Agreement and any new local agreement. We plan to complete the restructuring process and the transfer of employees on or about January 1, 1997.

Prior to such event, it is understood that the Union, the Company and AAI will agree how to effect an orderly transition between the present AAI collective bargaining agreement and the 1996 UAW-Ford Master Agreement as to the subject matters covered thereunder.

THOMAS M. BROWN, Executive Director  
Labor Affairs  
Human Resources

Concur: Ernest Lofton

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**A/X/Z VEHICLE DISCOUNT PLAN DATA ACCESS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: A/X/Z Vehicle Discount Plan Data Access**

**During 2007 negotiations the parties had numerous discussions pertaining to hourly employees' utilization of the A/X/Z vehicle discount plans.**

**To assist in furthering these marketing efforts, as well as to help forestall any abuse, the Vehicle Programs Manager and/or their designee shall provide the Vice President and Director UAW-National Ford Department and/or their designee who has pre-existing access to corporate system read only access to the A/X and Z Plan Ambassador Program website. In addition, starting February 2008, a monthly report which details hourly employee and hourly retiree program usage consisting of employee name; location; A-plan used and remaining; X-plan used and remaining; name of buyer; vehicle purchased; and dealer making sale. The parties agree that this data is to be used exclusively for supporting the utilization of the vehicle purchase programs and will take all steps necessary to protect the confidentiality of the information within all corporate data management and privacy procedures.**

**Determination of eligibility to participate in the A and X-Plans is at the sole discretion of the Company. (Details on program rules, including eligibility can be found on the A/X/Z Plan administration web page: [www.axz.ford.com](http://www.axz.ford.com)). Violation of any of the Plan provisions outlined in the New Vehicle Purchase Plan**



**A/X/Z VEHICLE DISCOUNT PLAN DATA ACCESS**

**policy will result in disciplinary action and the privilege to participate may be withdrawn or suspended as a result. The Company reserves the right to unilaterally modify or discontinue the Plans at any time.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**A/Z PLAN AMBASSADOR PROGRAM AWARDS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: A/Z Plan Ambassador Program Awards**

**During these negotiations the parties discussed the Ford A/Z Plan Ambassador and the Ambassador Inner Circle program. The program offers awards to employees who reach certain milestones for utilization of the A and Z plan benefits. These awards will remain U.S. Made Products.**

**The details of this program can be found on the A/X/Z plan system web page ([www.axz.ford.com](http://www.axz.ford.com)).**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**BEREAVEMENT APPLICATION**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Bereavement Application

This letter will serve to confirm the understandings reached in previous negotiations and the current negotiations concerning the application of the bereavement pay provisions of Article IX, Section 19 of the Collective Bargaining Agreement, in the following instances:

- An employee who is notified of the death of an immediate family member and meets the eligibility criteria for bereavement pay during a week(s) in which the employee is on a previously scheduled and approved vacation, may request equivalent hours of excused absence allowance for each day (8 hours) up to three (3) (or five (5) in the case of the death of an employee's current spouse, parent, child, stepchild, or in the case of multiple deaths of members of the employee's immediate family), total in lieu of bereavement pay for which the employee otherwise would be eligible, except for the employee's non-work status during such vacation week(s). Such requested hours will be in addition to those excused absence allowance hours for which the employee otherwise is eligible and are to be scheduled under the terms of Article IX, Section 25(c) of the Agreement.
- An employee who, in conjunction with approved absence due to bereavement, requests limited additional time off for the disposition of financial, administrative or legal matters associated with the death of an immediate family member as defined in Article IX, Section 19 of the Agreement, should be given consideration for additional time off (up to two (2) days) as unpaid personal time or excused absence allowance. It is further understood that the request must be in advance and the time off, itself, should not negatively impact operations.

#### **BEREAVEMENT APPLICATION**

- Employees will be eligible for bereavement pay in cases where the body of an immediate family member, as defined in Article IX, Section 19 of the Agreement, is cremated, provided the employee attends a bona fide memorial service at a funeral home or a place of worship in the same community at the time of cremation.
- When an employee's immediate family member who resides in a country overseas dies, the employee will be eligible for bereavement pay in accordance with the provisions of Article IX, Section 19 of the Agreement, provided the employee furnishes local Management with documentation reflecting that the employee attended a bona fide memorial service held at a funeral home or an acknowledged place of worship within ten (10) calendar days of the date of death in the overseas location.
- Representatives of the UAW National Ford Department and representatives of Labor Affairs may discuss the disqualification of certain employees from bereavement pay due to the unique circumstances associated with the death of an immediate family member to determine on a case-by-case basis the possibility of providing bereavement pay to those otherwise ineligible employees.
- In cases where an employee's spouse of five (5) years or longer predeceases an immediate parent of that spouse, and provided the employee has not remarried, the employee will be eligible for bereavement payment pursuant to the provisions of Article IX, Section 19 of the Agreement, in the event of the death of a parent of that former spouse.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

Concur: Ron Gettelfinger

Note: Additional information on bereavement pay administration is printed in full on page 906.

**BIRTH DATES OF EMPLOYEES**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Birth Dates of Employees

This confirms our understanding about the Company providing the local Union the birth date of employees on the record of dues deduction.

The local Union will receive and retain birth date information in confidence and will disclose it only to those officials of the Union whose duties require them to have such information.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**BUSINESS LEADERSHIP INITIATIVE (BLI) CLARIFICATION**

October 9, 1999

Mr. David A. Curson  
Administrative Assistant to Ron Gettelfinger  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Curson:

Subject: Business Leadership Initiative (BLI) Clarification

During the course of recent National Negotiations with the UAW, the parties discussed issues regarding the implementation of Business Leadership Initiative (BLI) at some locations, particularly as it impacts the assignment of work and the scheduling of skilled trades employees. The Union is concerned that some locations have misunderstood the intent of BLI, resulting in arbitrary overtime restrictions, changes in preventative maintenance programs, and sourcing of project work to outside contractors.

Operating management has clarified that BLI is not intended to set a "blanket" limit on overtime contrary to good business sense. While opportunities to improve the efficiency or effectiveness of preventative maintenance should be pursued, such initiatives are not intended to prohibit the assignment of skilled work to skilled trades that they normally and customarily perform.

Concerns in this area not resolved at the local level should be referred to the Company's Labor Affairs Office.

Very truly yours,  
DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: David A. Curson

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**CHANGES TO MEDICAL POLICIES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Changes to Medical Policies**

**During 2007 negotiations the parties had numerous discussions pertaining to how the Company addresses changes to Company medical policies, including the Family Medical Leave Act (FMLA) and the Union's request for notification of any anticipated changes to those guidelines.**

**The Company advised the Union that corporate medical guidelines will be applied appropriately at all locations and that when changes to Medical Policies, FMLA Guidelines, or Workers Compensation practices are made they will be communicated prior to implementation, as appropriate, to the National Ford Department and the Hourly Employees affected by the change(s).**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**CHANGING STARTING TIMES**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Changing Starting Times

During the current negotiations, the Company and the Union discussed the subject of changing starting times.

As indicated, starting times are established to accommodate the interdependent and sequential nature of assembly, manufacturing, and support operations, to maintain a balanced flow of parts and materials through various operations, and to adapt to changing operating conditions. Because of these and other factors, changes in starting times are inevitable to provide for the efficient utilization of manpower and the achievement of operating requirements.

However, based upon the Union's expressed concern, local management will establish a process within 60 days after the effective date to provide the local Union advance notice, and the reason, when permanent changes to departmental starting times are contemplated.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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CHRISTMAS-NEW YEAR'S HOLIDAY PERIOD

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Christmas-New Year's Holiday Period

This is to confirm our understanding concerning the Christmas holiday periods provided under our 2007 National Agreement.

The new agreement is intended to continue the concept of an unbroken Christmas Holiday Period from the day before Christmas through New Year's Day (inclusive); a period that encompasses two weekends. Accordingly, the Christmas Holiday Period will contain two weekends and **seven** holidays in the first year, two weekends and **eight** holidays in the second year, two weekends and **seven** holidays in the third year, and two weekends and six holidays in the fourth year.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

Concur: **Bob King**

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**CLARIFICATION — ARTICLE VIII, SECTION 31**

September 20, 1958

International Union, United Automobile,  
Aircraft and Agricultural Implement  
Workers of America, UAW  
8000 East Jefferson  
Detroit, Michigan

Dear Sirs:

Subject: Clarification—Article VIII, Section 31

With respect to the three-day written advance notice requirement as provided for under Article VIII, Section 31 of the Agreement, it is recognized that such notice requirement may, under certain unusual circumstances be impossible to fulfill.

Therefore, if upon occasion, advance notice of three working days is impossible, that requirement shall be lessened by local Plant Management, provided, however, that the purpose of the Leave is expressly for normal Union business.

Very truly yours,

FORD MOTOR COMPANY  
MALCOLM L. DENISE  
General Industrial Relations Manager  
Labor Relations

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**COMPLIANCE WITH THE FAMILY AND  
MEDICAL LEAVE ACT OF 1993**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Compliance with the Family and Medical Leave  
Act of 1993

During these negotiations, the parties discussed the Family and Medical Leave Act (FMLA) of 1993. The Company assured the Union that it will continue to comply with the provisions of the FMLA.

As part of its compliance, the Company has established a new category of unpaid leave called "FMLA Leave." In some instances, FMLA Leaves will be concurrent with leaves of absence covered by Article VIII, Sections 29 and 30, of the Collective Bargaining Agreement. Accordingly, in those cases where the employee is eligible for leave under the Ford-UAW Collective Bargaining Agreement and the leave also qualifies under the FMLA, the Company intends to comply with the requirements of the FMLA as well as the separate provisions of the Collective Bargaining Agreement regarding covered leaves of absence.

Pursuant to the Company's present plan for compliance with the FMLA, the Company's rights under the Act have been modified to:

- Provide that an employee on FMLA Leave will continue to accumulate seniority in the same manner as the employee also would be eligible under Article VIII, Section 29 or 30, as appropriate;
- Permit but not require employees to substitute vacation and/or excused absence allowance for unpaid FMLA Leave;
- Provide that employees who are married to each other will be each entitled to a maximum of 12 weeks of qualifying leave under the Act;

**COMPLIANCE WITH THE FAMILY AND  
MEDICAL LEAVE ACT OF 1993**

- Provide that, when a third opinion is necessary under the medical certification and dispute resolution sections of the FMLA, the neutral provider will be selected jointly by the Company and the Union from a list, provided by the appropriate local or state professional medical association, of board-certified specialists in the field of medicine in which the point of controversy exists;
- Continue Company-paid Group Life, Accidental Death and Dismemberment, and Disability Insurance during all FMLA Leaves that are not also Ford-UAW Medical Leaves as if such leaves were Ford-UAW Personal Leaves of Absence.

In addition, the Company's plan for compliance would:

- Beginning with the Effective Date of this Agreement, not automatically designate and apply absence time that is compensated under the Accident and Sickness Insurance provisions of the Group Life and Disability Insurance Program against an eligible employee's FMLA entitlement, unless requested by the employee;
- Continue to use, initially, a calendar year as the 12-month period of the leave entitlement;
- Continue to require repayment of the cost of health care coverage provided during the leave from employees who fail to return from FMLA Leave to the extent permitted by law.

As the Department of Labor issues regulations regarding this Act, the Company may make changes in its compliance plans to reflect changes in regulations and/or subsequent court decisions and the gaining of additional administrative experience but without reducing leaves provided by the Collective Bargaining Agreement.

Problems related to the implementation of this letter may be discussed by representatives of the UAW, National Ford Department, and the Company's Labor Affairs.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

Concur: Ron Gettelfinger

**COMPUTER ACCESS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Computer Access**

**During the course of these negotiations, the parties have discussed the need to provide union representatives access to information necessary for the proper representation of employees. In addition, the parties discussed the privacy issues associated with corporate computer systems and the responsibility associated with the access to that data.**

**The parties agreed that Umpire Opinions, the Collective Bargaining Agreement, Letters of Understanding, and the creation of the Grievance Forms will be computerized for the local parties. Unit Committeepersons will be given access to this computerized information through computers accessible to committeepersons in in-plant union offices.**

**The parties further agreed to grant the following union representatives read-only access to the following Time and Work Order Systems Tasks (TWOS):**

- Local Union Presidents, Local Unit Chairpersons, Local Bargaining Committee Representatives, Local Benefits Representatives, and Local ESSP Representatives:**
  - H121, view Estimated Overtime Hours Week-To-Date**
  - H129, view Hours to be Paid**
  - H445, view Vacation/Paid Personal Hours Available**
  - H279, View Week-To-Date Hours Worked/Absent**
  - H432, view Employee Disciplinary Information**

#### COMPUTER ACCESS

- H160, view Absence History by Employee.
- Committee-persons through a computer accessible in in-plant Union offices:
  - H160, view Absence History by Employee
  - H432, view Employee Disciplinary Information
  - H279, view Week-To-Date Hours Worked/Absent

The Union agrees that the data provided are to be used exclusively for the purpose of administering the Collective Bargaining Agreement and will take all the necessary steps to protect confidentiality of the information within all corporate data management and privacy procedures. Any violations of this provision will be handled as appropriate, this may include access restriction and/or discipline up to and including termination.

In response to the parties' shared concerns over safeguarding employees data, the Company has instituted a system for assigning random ID numbers to all employees; eliminated the usage of social security numbers as an identifier of an employee's record and remains committed to ensuring that proper safeguards are established and maintained.

The parties further agreed that upon request from the Local Plant Chairperson, the Local HR department will provide the local Union with an alpha and classification listing of all employees on the active employment roll. In addition, the Local HR department will provide the Local Union Chairperson a copy of the J381, Overtime Hours by Plant Unit Report printout upon request.

**COMPUTER ACCESS**

**Excluding incremental computers, upon approval of the Joint Governing Body, all costs related to hardware, software, installation, maintenance, user training, program/security administration and development or modification of information systems will be paid from the Education, Development and Training Program funds.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**This letter replaces:**

**Computer Access for Administration of Agreement  
(Sept 15, 2003)**

**Alpha and Classification Listing (Sept 16, 1996)**

**Employee Data Privacy (Sept 15, 2003)**

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**COMPUTER SYSTEMS ACCESS FOR UAW REPRESENTATIVES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Computer Systems Access for UAW  
Representatives

During the course of these negotiations, the parties discussed the importance of certain International Union representatives having access to certain Corporate databases containing information pertinent to the accomplishment of their responsibilities.

The Company recognizes the potential for efficiencies that may be gained by expanding certain access to different Corporate data systems. At the same time, it must be recognized that the widespread availability of e-mail and the public Internet, increases the possibilities for the misuse or improper control of the Company's proprietary information. As such, the Company must ensure that access is limited to those individuals with a demonstrated business need related to primary job functions. Furthermore, to protect the Company's intellectual properties, the handling of such data must comply with security policies and procedures, and regulations governing the public disclosure of this information. To meet these standards it is essential that the Company database business owner has reviewed and approved any access. Inappropriate access or misuse of data related to the Ford Motor Company can lead to potential unauthorized disclosure of data, which could cause reputational damage, compromise the competitive position of the Ford Motor Company, create potential violations of consumer privacy protection, and could result in financial harm to the Company.

Consistent with the guidelines listed above, and within 30 days following the Effective Date of this Agreement, UAW and Company representatives from the Joint Programs,



#### **COMPUTER SYSTEMS ACCESS FOR UAW REPRESENTATIVES**

along with representatives from the Company's Information Technology organization will form a committee to complete a feasibility study and to develop an action plan for expanding the access of certain International Union representatives to certain Company databases.

Following this joint study, it is understood that access will only be granted to specific Corporate systems on the basis of demonstrated business relevance. Prior to the granting of any such access, the parties discussed and agree to develop a mutually acceptable indemnification provision from the UAW to the Company.

In all instances, the granting of access will conform to the Company's Corporate Information Management Policy (Policy Letter Number 20), which includes, but is not limited to, proper information management and retention standards. At all times, the Company reserves the right to periodically reevaluate access, audit usage, and to remove access rights immediately upon awareness of inappropriate access and/or usage. Furthermore, should access be granted, UAW representatives must comply with regulations governing the public disclosure of the Company's proprietary information. Additionally, representatives must recognize the need to protect and limit the Company's exposure and potential liabilities that may result from the improper, inaccurate, or inconsistent use of information.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**CONCERN-DIFFERENCES OF OPINION BETWEEN PHYSICIANS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Concern-Differences of Opinion Between  
Physicians

During these negotiations, the Union raised a concern about the impartiality of the procedure by which differences of opinion between an employee's personal physician and the Company's plant physician are resolved by referring the employee to an outside consultant for examination. This will confirm that the Company is committed to assuring that the present referral procedure continues to resolve differences in medical opinions in a fair and equitable manner.

In order to address the concern of the Union, the Company's commitment will be communicated to the appropriate Human Resources personnel at each Company location. In addition, any outside consultant used will be advised of the procedure and the importance of rendering an impartial recommendation.

In the event a Local Union believes that it experiences unusual problems in this regard, the matter may first be referred to the local Human Resources Department. If necessary, the matter can then be referred to the appropriate divisional and National Ford Department representatives which may then raise it with the Company's Labor Affairs for resolution.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

**CORPORATE GOVERNANCE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Corporate Governance**

**During the 2007 Negotiations, the Company and the Union held extensive discussions over the Company's current business state and the future direction of both the Company and the global auto industry. The Union expressed concern regarding critical Company decisions. The parties recognize there are many common interests in the issues the Company is facing. To that end, the parties agree to have the Vice President and Director of the UAW-Ford Department and/or a designee as a member of the Manufacturing Operating Committee (MFG OCM) chaired by the Vice President of Manufacturing.**

**The parties agree to review and evaluate these forums at the request of either party.**

**Very truly yours,**

**MARTIN J. MULLOY,  
Vice President  
Labor Affairs**

**Concur: Bob King**

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**DEFINITION OF BARGAINING UNIT AT  
RESEARCH AND ENGINEERING CENTER**

September 25, 1964

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Definition of Bargaining Unit at Research and  
Engineering Center

Discussion in the current national negotiations with the UAW have highlighted the desirability of a definition of the Bargaining Unit as it presently exists at the Research and Engineering Center, consistent with the general provisions of Article I, Section 1 of the Agreement.

Therefore, in supplementation of Article I, Section 1 of the Agreement, as applied to the Research and Engineering Center, a joint committee of Company and Union representatives shall be established. This committee shall be composed of four Company representatives, one of whom shall be from the Central Labor Relations Staff, and four Union representatives, one of whom shall be from the National Ford Department. Meetings will commence as soon as is practicable following the completion of negotiations and at such time thereafter as agreed to by the parties.

It shall be the function of the committee to discuss and explore work assignment practices at the Center in order to formulate guidelines for the assignment of included employees. It will not be an objective of the committee to alter, either enlarging or diminishing, the composition of the Bargaining Unit. And nothing in this letter is intended to preclude the Umpire from ruling on included-excluded disputes in grievances appealed to the Fourth Stage of the Grievance Procedure by the Union pursuant to the Agreement.

The Company reiterates that it has no intention of altering the composition of the Bargaining Unit by reassigning work to excluded employees that has been performed traditionally and exclusively by employees represented by the UAW at the Center. The Company will continue to abide by Umpire

**DEFINITION OF BARGAINING UNIT AT  
RESEARCH AND ENGINEERING CENTER**

decisions, or letters of understanding, or other criteria that have been recognized in the past pertaining to such work assignment practices.

In order to assist the committee in the achievement of its objective, the regular Umpire, at the request of the parties, shall be designated as Chairman of the committee and shall attend and participate in the discussions of the committee. It shall be the Umpire's function, and his authority shall be limited to, guiding the discussions and offering advice and counsel to the committee. The Umpire shall have no authority to render decisions on any matter in dispute before the committee. All decisions shall be made by mutual agreement of the parties.

Your concurrence in the above may be indicated by signing the duplicate of this letter and returning it to this office.

Very truly yours,

MALCOLM L. DENISE,  
Vice President  
Labor Relations

Concur: Ken Bannon

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**DISASTER RELIEF**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Disaster Relief

During these negotiations, the parties discussed the importance of Ford employees and UAW members participating in relief operations in the event of local community disasters, to the extent individuals are qualified and certified as to their expertise. Locally, the parties have provided assistance, equipment, and volunteers to disaster relief operations.

This letter confirms that the Company at the local level will continue to support those agencies involved in disaster relief assistance. In order to emphasize our commitment, the Company will attempt to grant employees, properly certified and qualified in disaster relief assistance, a personal leave of absence (Article VIII, Section 29), to participate in disaster relief operations of an authorized agency upon request of such agency and the local Union, provided there is no adverse impact on the operations involved.

Any issues or concerns that may arise concerning the local handling of this matter may be brought to the UAW, National Ford Department and Labor Affairs of the Company.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

**EMPLOYEE MAILING LISTS**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Employee Mailing Lists

The Company shall furnish to the International Union each February and August during the term of the 1979 Collective Bargaining Agreement on magnetic tapes for Electronic Data Processing supplied by the Union the following information on all employees covered by the Agreement on the active employment rolls of the Company:

- Social Security Number
- Name
- Address
- Accounting Location Code
- Department Number
- Skilled Code
- Birth Date
- Ford Service Date
- Plant Seniority Date
- Incentive Status

The following data will be furnished in a like manner on all retirees under the Ford-UAW Retirement Plan:

- Social Security Number
- Name
- Address
- Accounting Location Code
- Birth Date

**EMPLOYEE MAILING LISTS**

The Union will take adequate measures to insure that such information is treated in a confidential manner and is disclosed only to those Union officials whose duties require this information.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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**EMPLOYEES CALLED TO DUTY WITH RESERVE FORCES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Employees Called to Duty with Reserve Forces

Ford Motor Company recognizes that our employees are an essential element of the Reserve Forces of the United States. Presently, when such employees are called to long-term active duty, they will be released for such duty.

During these negotiations, the Company and Union discussed the personal hardships employees may face when called to active duty, particularly on short notice. The Company assured the Union it will give full consideration to requests from Reservists for time off needed to take care of personal affairs when they are called to long-term active duty.

**The Company further assured the Union it will also give full consideration to requests from third shift employees for time off on the Friday shift immediately preceding weekend military duty with a Saturday morning report date provided the employee provides advance notice.**

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**EQUALITY OF SACRIFICE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Equality of Sacrifice**

**During 2007 negotiations the parties had numerous discussions pertaining to the principle of “Equality of Sacrifice” and the Company’s management principle of “One Company, One Plan”. The Union also expressed concern that the salaried workforce contribute equally to those wage and benefit adjustments necessary to achieve mutual growth and job security. The Company is committed to both of these principles and recognized that all employees should share in the contributions necessary during this difficult period. While the Company does not negotiate the wages and benefits for non-represented employees, it has assured the Union that sacrifices by the UAW-represented employees are reflected in the pay and benefit practices of all non-represented employees.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**EXTENSION OF B-PLAN ELIGIBILITY TO HOURLY EMPLOYEES  
AND RETIREES IN SOUTHEASTERN MICHIGAN**

January 6, 1997

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Extension of B-Plan Eligibility To Hourly  
Employees and Retirees in Southeastern Michigan

This is to inform you of the Company's intent to extend B-Plan to hourly employees and retirees in Southeastern Michigan. It is anticipated that this program will be made available during the calendar year 1997. Hourly employees and retirees may purchase up to two (2) used vehicles per calendar year from the Employee Resale Lot. Eligibility is limited to the employee or retiree. Specific details regarding program implementation and guidelines will be communicated prior to its implementation. We believe that in extending B-Plan privileges to hourly employees and retirees a longstanding employee desire for access to Company used vehicles has been addressed.

It is understood and agreed the Company may at any time unilaterally modify, change, or withdraw such plan and it shall have no obligation to bargain with the Union concerning its intention to do so.

Very truly yours,

ROBERT O. KRAMER,  
Vice President  
Human Resources

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**FAMILY DAYS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Family Days

During these negotiations, the parties recognized those unique needs that may arise within an employee's family. It was agreed that eligible employees shall receive up to two Family Days during the term of this agreement as follows:

- Employees with seniority or who attain seniority on or before December 31, **2007** shall receive two (2) Family Days on January 1, **2008**.
- Employees who attain seniority on or after January 1, **2008** through December 31, **2009** shall receive two (2) Family Days on the first day of the month following the date they attain seniority.
- Employees who attain seniority on or after January 1, **2010** through the expiration date of the agreement shall receive one (1) Family Day on the first day of the month following the date they attain seniority.

Employees returning to the hourly rolls, will be entitled to Family Days as outlined above.

Eligible employees will request a Family Day at least forty-eight (48) hours in advance, and supervisors are encouraged to release employees provided there will be no adverse impact on the operations.

**FAMILY DAYS**

Eligible employees will be paid up to eight (8) hours' pay for each Family Day taken. Pay will be computed in the same manner as specified in Article IX, Section 24 (i) of the Collective Bargaining Agreement. There will be no pay in lieu for unused Family Days.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**FCSD PS&L UNIQUE BUSINESS CHALLENGES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: FCSD PS&L Unique Business Challenges**

**During these negotiations the parties discussed Ford Customer Service Division's (FCSD) parts distribution network; the value of the service parts business; and the unique competitive climate in which they operate. The parties also discussed the overall performance of the network and the variability in performance between facilities and the impact on customer satisfaction. In recognition of these issues, the parties agreed that:**

- A positive relationship is based on mutual respect and open constructive communication. Therefore, within 30 days of ratification of the 2007 Collective Bargaining Agreement, FCSD Management and UAW National Ford Department will meet to discuss mutual concerns regarding culture and relationships in the parts distribution facilities and ways to improve efficiency and productivity.**
- Additionally, the warehousing work at the National PDC will be moved to a yet to be determined location within the geographic boundaries of UAW Region 1A and the existing facility will be closed.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**FORD EXTENDED SERVICE PLANS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Ford Extended Service Plans

This letter will confirm the Company's decision to **continue** an employee/retiree discount on Ford Extended Service Plans purchased for personal vehicles at Ford or Lincoln-Mercury dealerships.

In extending this program, it is understood and agreed that the Company may at any time, unilaterally, modify, change or withdraw such plan and that it has no obligation to bargain with the Union concerning its intention to do so.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**FORD TRANSFORMATIONAL COUNCIL**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Ford Transformational Council**

**It is agreed that the Vice President UAW-National Ford  
Department will serve on the Ford Motor Company  
Transformational Council.**

**Very truly yours,**

**JOE W. LAYMON,  
Group Vice President  
Human Resources and  
Labor Affairs**

**Concur: Bob King**

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**GENDER NEUTRALITY**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Gender Neutrality**

**During these negotiations, the parties discussed at length the importance of gender equality.**

**The parties acknowledge that all terms in this agreement are gender neutral and shall apply to either sex.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**HOURLY FORD EMPLOYEES ASSIGNED TO ACH LOCATIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Hourly Ford Employees Assigned to ACH  
Locations**

**This letter is to confirm that those hourly Ford employees currently assigned to the ACH, LLC locations recognized as Contract Unit employees pursuant to Article I, Section 1(a) of the 2003 UAW-Ford National Agreement are employees in the Contract Unit under this Agreement. Hourly Ford employees assigned to ACH, LLC locations on the effective date of the 2007 UAW-Ford National Agreement will be Contract Unit employees as of that date.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**IMPROVED COMMUNICATIONS - PLANT TOOLING**

October 9, 1999

Mr. David A. Curson  
Administrative Assistant to Ron Gettelfinger  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Curson:

Subject: Improved Communications - Plant Tooling

During these negotiations, the Union expressed the need to improve communications regarding plant tooling purchased at the Division level in Vehicle Operations for installation at the plant. After numerous discussions, it was agreed that the parties would meet with Vehicle Operations Human Resources Department to improve communications in this area.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: David A. Curson

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**INDEMNITY CLAUSE**

**November 3, 2007**

**Mr. Martin J. Mulloy  
Vice President  
Labor Affairs  
Ford Motor Company  
The American Road  
Dearborn, Michigan 48121-1899**

Re: Idemnity Clause

Dear Mr. **Mulloy**:

This letter is to confirm our understanding and agreement reached today that the Union shall indemnify and hold harmless the Company for any sums paid by the Company to any person or persons (1) as a result of any final order or judgment of any court or administrative agency in favor of such person; or (2) with the consent of the Union, when the claim for said sum arises out of action taken by the Company in accordance with the provisions of Article II or Article III of the Collective Bargaining Agreement between Ford Motor Company and the Union entered into today, or in reliance of any list, notice or assignment furnished by the Union to the Company under any such provisions, or by the Company or Trustee of the Ford-UAW Supplemental Unemployment Benefit Plan Fund in connection with the deduction of Union dues from regular Supplemental Unemployment Benefits.

Sincerely yours,

**MR. BOB KING,  
Vice President and Director  
UAW, National Ford Department**

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**INFORMATION TO THE LOCAL UNIONS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Information to the Local Unions

During these negotiations the parties discussed various issues related to union dues deductions. This letter consolidates and confirms the understandings agreed to by the parties in previous negotiations and the present negotiations with respect to the following matters:

*Union Dues Deduction Reporting*

- (1) The Company will provide the President and the Financial Secretary of local unions with information concerning the following hourly personnel activity: accessions; terminations; transfers to hourly from salary; and transfers to salary from hourly. Such information will be provided on a weekly basis, as soon as practicable after the end of each respective week, unless such information is presently being provided on a more frequent basis.
- (2) The Company will advise the Local Union Financial Secretaries of the identity and former location of rehired and reinstated employees who were at a different location and in a different Local Union when last employed by the Company. Additionally, the Financial Secretaries of Local Unions may contact the local Human Resources Manager or designated representative to obtain the reason for employee absences when monthly dues were not deducted in a given month.

**INFORMATION TO THE LOCAL UNIONS**

- (3) With respect to Union Dues Deductions: (1) the Company will include a code indicating the reason for absences in the record furnished the Financial Secretaries of Local Unions concerning those employees for whom no deductions are made; and, (2) the Company will furnish on diskette or magnetic tape (until all Local Unions convert to diskette) all regular dues deduction, initiation fee, and SUB dues deduction data on a semi-monthly basis, to any Local Union which requests that this method be used.
- (4) The Company will remit all sums deducted from pay to the Financial Secretaries of the Local Unions pursuant to Article III, Section 6, using the present method or via electronic transfer to the Local Unions financial institution. It is understood that the Financial Secretaries of the Local Unions will notify the Company of their desire to have deductions electronically transferred. This change will be effective within ninety (90) days following notification to the Company. If electronic transfer is selected, the payment will be made within two (2) to three (3) days after the first pay period in each month.

*Unclaimed Pay*

Each Local Union will be furnished a listing of employees who are being notified that they have paychecks which have been unclaimed for thirty (30) days. This listing will be provided at least monthly.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**JURY DUTY PAY**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Jury Duty Pay

This will confirm understandings reached in previous negotiations concerning the eligibility requirements for jury duty pay:

1. An employee is eligible only if summoned or subpoenaed. However, in locations where a summons or subpoena system is not followed by the court authorities, the plant management and local union involved will be expected to develop a suitable alternative as proof that the employee was required to perform jury duty.
2. Where an employee is selected to serve on a jury and reports for service but is not required to serve, the employee is eligible for payment. If the employee performs jury duty for only part of a day (or loses part of a day in reporting for jury service even though not required to serve) and thus loses wages, the employee is eligible for jury duty payment.
3. It will not be necessary for an employee to complete jury duty service before applying for jury duty pay from the Company. Where necessary arrangements can be made with the appropriate jury commission, an eligible employee may request to be paid on a weekly basis, provided the employee submits weekly to the Company evidence

**JURY DUTY PAY**

from the respective court of the days served for which a specified daily jury duty fee will subsequently be received.

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

Note: This letter replaces the following letters:

- Jury Duty Pay Eligibility, September, 1958
- Jury Duty Pay, December 1, 1964



**LOCAL COMMUNICATIONS REGARDING HANDLING DEFECTIVE  
OR DAMAGED MATERIAL**

September 15, 2003

Mr. Gerald Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Local Communications Regarding Handling  
Defective or Damaged Material

Following the effective date of this agreement, all Ford facilities will communicate and reinforce local and corporate procedures for properly containing and disposing of defective or damaged materials.

The process to accomplish this objective will be as follows:

- Facility managers will review subject procedures with members of local management to include floor supervisors
- The Local UAW-Ford Quality Committees will use effective methods to communicate and reinforce the subject procedures to the entire workforce (e.g. single point lessons, employee communication meetings, work group meetings, State of the Facility meetings, local training sessions, etc.)

Detailed instructions for the subject communications process will be provided by the UAW-Ford National Quality Committee.

Very truly yours,

TIM P. HARTMANN, Director  
Union Relations  
Labor Affairs

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**LOCAL MEDICAL REVIEW**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Local Medical Review**

**During these negotiations, the parties discussed the sensitivity of medical issues including local medical facilities and the confidentiality of employee medical records. The parties agree that an employee's medical records are private and should be treated as such.**

**Any concerns regarding the local medical facility may be raised by the local chairperson with the local Human Resources Manager.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**LUNCH AND RELIEF PRACTICES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Lunch and Relief Practices**

**During these negotiations, the parties discussed at length the lunch and relief practices for hourly employees. Specifically, the Union expressed a concern with certain locations continually asking employees to work through their designated lunch and/or relief periods.**

**On occasion, there are abnormal, unusual, or even emergency situations that require the Company to exercise this option. However, the Company acknowledges this is not a preferred practice, and is in agreement that employees should normally take their breaks at designated times.**

**In response to the Union's concerns, the Company agrees that complaints of this practice being abused at a specific location may be brought to the attention of the Division Human Resources Office and the National Ford Department, where the problem will be resolved.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**LUNCH PERIODS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Lunch Periods

During these negotiations the Union expressed concern that some assembly plants occasionally work employees through lunch.

The Company reaffirms the provisions of Article X, Section 6 of the Collective Bargaining Agreement. However, to maintain production requirements some employees may on occasion work rather than take a lunch. The Company agrees this will not be done without the employee's consent.

This provision is not intended to prohibit the Company from altering an employee's scheduled lunch period, pursuant to the provisions of Article X, Section 6(b).

Any concerns regarding this issue may be raised by the unit Chairperson with the Production Manager and/or Human Resources Manager for resolution.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

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**MAJOR PLANT REARRANGEMENTS—LOCAL AGREEMENTS**

December 7, 1970

Mr. Ken Bannon, Vice President  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Major Plant Rearrangements—Local Agreements

During the course of the present negotiations, the International Union raised the potential problem of major plant rearrangement and its possible impact on local agreements covering bargaining unit employees.

The Union specifically expressed concern over the impact such major rearrangements could have on local overtime, shift preference and occupational group agreements.

Where there are such major changes in facilities, both parties agree that it is in their mutual interest to review the potential impact on local agreements with the objective of minimizing misunderstandings and reducing or eliminating possible disputes as far in advance of the event as practicable. Accordingly, the Company will discuss such situations with the National Ford Department as far in advance as practicable.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

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**MEDICAL TREATMENT TIME OUTSIDE  
EMPLOYEES' NORMAL WORKING HOURS**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Medical Treatment Time Outside Employees'  
Normal Working Hours

During 1993 bargaining, the Union expressed concern that, in some locations, employees who suffer compensable work injuries are being scheduled, on occasion, by the plant medical facility for medical treatment outside their normal working hours.

Subsequent to negotiations, plant medical facilities will be advised to make every reasonable effort to schedule employees' recurring medical appointments with due regard for the convenience of such employees. In regard to these scheduling issues, plant medical facilities should consider not only the employee's convenience but also the availability of treatment facilities and medical specialists, as well as the exigencies of plant operations.

The parties agreed that, in those instances in which the Local Union believes that appropriate consideration has not been made by the local medical facility in scheduling such appointments, the matter may be brought to the attention of the location's Employee Relations Manager for resolution.

Very truly yours,

LAWRENCE E. PERCZAK, Director  
Forward Planning Office  
Employee Relations Staff

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**MULTIPLE STARTING TIMES**

October 5, 1976

Mr. Ken Bannon, Vice President  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Multiple Starting Times

During the current negotiations, the subject of multiple starting times at various locations was discussed by the Company and the Union.

As was indicated during these discussions, the number of starting times at individual Company locations is predicated primarily upon the interdependent and sequential nature of the various assembly, manufacturing, and related supportive operations. Similarly, warehousing operations also require various starting times to maintain a balanced flow of parts and material. Additionally, it was noted that various operating conditions along with the necessity for proper utilization of facilities, as well as such cost implications as overtime, are factors which must be considered in making determinations with respect to various starting times. Accordingly, starting times are established to accommodate these various needs and to provide for the efficient utilization of manpower to ensure achievement of operating requirements.

However, cognizant of the Union's expressed concern relating to this topic, local management will discuss with local union representatives the reasons for assigning particular starting times, and where it is determined that the number of starting times can be reduced consistent with the requirements referred to above, the Company will take appropriate action.

Very truly yours,

ROBERT M. MIDDLEKAUFF, Director  
Labor Relations Planning Office

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**NEUTRALITY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Neutrality

We have had previous discussion with you regarding the Union's efforts to organize non-represented hourly employees elsewhere in Ford Motor Company. The commitments in this letter cover all hourly employees in all facilities operated in the U.S. by Ford Motor Company, or any affiliate or subsidiary of Ford Motor Company.

Ford Motor Company on behalf of itself and its subsidiaries and affiliates, also agrees not to enter into any joint venture, sale of assets, stock sale or other transaction or business combination regarding U.S. manufacturing operations unless it has discussed with the purchaser or resulting entity the benefits of voluntarily adopting this Agreement.

Ford and its subsidiaries and affiliates respect their employees' rights regarding union representation. Ford has a positive and constructive relationship with the UAW as well as its many other unions. Ford and its subsidiaries and affiliates are committed that they will remain neutral during a UAW organizing campaign directed at hourly employees in facilities of Ford or its affiliates or subsidiaries. Ford also recognizes that employees are permitted to express their views and opinions regarding union representation, provided their actions are lawful and conducted in accordance with Company lawful policies.



## NEUTRALITY

Ford, on behalf of itself and its subsidiaries and affiliates, agrees to recognize the UAW as the bargaining representative of hourly employees in an appropriate unit the Union seeks to represent, upon a showing, pursuant to a card check conducted by a third party, that a majority of such employees have expressed their desire to be represented by the Union.

Ford, on behalf of itself and its subsidiaries and affiliates, agrees not to take any retaliatory actions against any of its employees, or any facility, based upon a decision of the employees to join a Union. Ford also agrees that, upon request by the Union, it will send a copy of the attached letter to the hourly employees at any U.S. facilities of Ford or any of its subsidiaries or affiliates the Union seeks to represent. We will provide the UAW with an opportunity to address such employees during a meeting to be conducted on the facilities premises during working time.

Within 30 days of the effective date of the National Agreement, Ford Motor Company will provide the UAW with a list of all U.S. manufacturing facilities operated by Ford or any of its subsidiaries or affiliates, including the location, nature of work performed, union status, and number of employees.

Further, Ford and its subsidiaries and affiliates will, if requested by the Union, give the Union limited access to such employees in non-work areas, during non-work time provided such access is not disruptive to the operations of the facility. In addition, we will provide the union, upon request, with a list of such employees, their home addresses and job classifications.

Ford and the Union agree that employees are best able to make decisions on representation when the decision is based on accurate information as opposed to inaccurate or misleading information. Ford, on behalf of itself and its U.S. subsidiaries and affiliates, agrees no agent of Ford Motor Company or any such subsidiary or affiliate will comment in a negative manner about the Union.

**NEUTRALITY**

In the event the Union is aware of any actions by Ford or a U.S. Ford affiliate or subsidiary or its agents that are viewed as anti-union, or if the Union has a concern that Ford or its subsidiaries or affiliates, or their agents, are acting in a manner that is inconsistent with this letter, the issue may be presented by the National Parties directly to the Umpire on an expedited basis in accordance with the procedures outlined in Article VII, Section 9 of the National Agreement.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**NEUTRALITY**

**COMPANY LETTERHEAD**

To: (Appropriate Corporation) Employees  
From: (Appropriate Corporation Officer)  
Subject: Employee Rights Regarding Union Representation

\_\_\_\_\_ recognizes that employees have the right to support Union representation. The Company respects these rights. The management of \_\_\_\_\_ has further agreed to accept the Ford Motor Company policy of neutrality during a UAW organizing campaign.

We also recognize that it is in our mutual interest for [Company] to respect a decision by its employees who wish to seek union representation.

For these reasons, we have agreed that, if a majority of our employees in an appropriate unit sign authorization cards indicating a desire for union representation, we will recognize the union chosen by our employees pursuant to the Neutrality Letter. We will also undertake efforts to build a constructive relationship with that representative.

All employees are permitted to exercise free speech and expression to support Union representation, provided their actions are lawful and conducted in accordance with \_\_\_\_\_ policies. I can assure you that there will be no negative consequences for employees who exercise their rights to support Union representation.

We would like to establish a positive relationship with the UAW so that we do not have division in our plants that would in any way divert our focus from our mutual goals. We respect the UAW and they respect us.

**NON PROMOTIONAL JOB TRANSFERS**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Non Promotional Job Transfers

During the 1993 negotiations the parties discussed the various options for filling secondary job openings resulting from non promotional job transfers pursuant to Article IV, Section 2(b). This will confirm the understanding that the manner in which such openings are filled through the option of promotion will be a matter subject to local discussion in conjunction with local job posting arrangements.

Very truly yours,

JAMES D. SHANNON, Director  
Union Affairs Office  
Employee Relations Staff

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**PLACEMENT OF MEDICALLY RESTRICTED EMPLOYEES**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Placement of Medically Restricted Employees

During 1993 negotiations, the parties discussed issues relating to seniority employees with medical restrictions whose placement is not covered by Article VIII, Section 27, of the Collective Bargaining Agreement.

It was recognized that the local parties should work together to ensure that reasonable efforts are made to place medically restricted employees on work which they can perform in accordance with their seniority and applicable provisions of the Collective Bargaining Agreement. In addition, the medically restricted employee is expected to show an active, continuing interest in being placed in the workforce. Placement options may include appropriate vacant jobs and displacement of lower seniority employees occupying jobs which the medically restricted employee can perform.

It is understood that appropriate personnel from either the National Ford Department or the Employee Relations Staff of the Company may contact the other party in situations where problems have developed concerning these obligations at specific Company locations.

Very truly yours,

LAWRENCE E. PERCZAK, Director  
Forward Planning Office  
Employee Relations Staff

Concur: Ernest Lofton

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**PLANT CLOSING PROVISIONS**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Plant Closing Provisions

As discussed during the current negotiations, this will confirm that during the term of the new Collective Bargaining Agreement, in the event a full, permanent closing of any plant, parts distribution center or depot, tractor supply depot or other individual facility or group of facilities constituting a unit under Article VI, Section 1 of the Agreement would be required, the following provisions shall apply:

1. Advance Notice

When possible, the Company shall provide the National Ford Department advance notice of the closing at least six months prior to the date of cessation of production operations.

Following such notification, the National Ford Department shall have the right to discuss the closing decision with the Company and the Company shall consider information (including suggested alternative courses of action) the Union may supply having a bearing on the decision, provided such information is submitted within thirty days of the date of notice.

These notice provisions shall not limit the Company's right to: make and effect the final closing decision; determine the manner in which the closing is to be effected (including the timing and sequence of curtailment of operations and the reduction of employees, consistent with seniority provisions of the Agreement); curtail operations earlier or extend the phase-out period after initial notice in the event of compelling business reasons.

## PLANT CLOSING PROVISIONS

In the event the Company decides that the closing cannot be averted, Company representatives shall meet with National Ford Department and local union representatives to review the manner in which the closing shall be effected, including the application of the succeeding provisions of this letter.

### 2. Local Employee Counseling and Outplacement Assistance Programs

The Company shall provide employee counseling and outplacement assistance programs. The method of operation of such programs shall be determined by the Company with due consideration given to the timing of the closing, the manner in which it shall be handled, and the nature of operations and number of employees to be affected.

Local management shall review plans for employee counseling and outplacement assistance programs with the local union and consider its recommendations and opportunities for its participation as appropriate.

Counseling sessions shall be conducted for affected employees concerning income security, retirement, insurance and related benefits program entitlements, as well as placement opportunities.

The Company shall endeavor to make arrangements and otherwise cooperate with the State Employment Security Commission, other appropriate public or private employment agencies and area employers to seek job opportunities for displaced employees. Examples of activities that might be undertaken as appropriate would include:

- contact with such agencies, employers, or organizations to publicize descriptions of the types and various classifications of employees to be laid off (including the timing of their anticipated availability) with requests that they be given employment consideration;

#### **PLANT CLOSING PROVISIONS**

- arrangements for on-site recruiting and interviews by area employers, including formal job fairs (as warranted by external placement opportunities and interest among area employers and as consistent with plant operations requirements and efficiency); or
- solicitation of lists of job opportunities from outside employers with posting or distribution of copies of these lists to interested employees.

The Company shall provide assistance in the preparation of resumes and offer related job search counseling, consistent with external placement opportunities and interest of affected employees.

For a plant having a full-time Benefits Plan Representative, or other full-time representative functioning as such, the plant population requirement for such representative shall be waived to permit retention full-time until the conclusion of the plant phase-out or such other time as may be mutually agreed between the Company's Labor Relations Staff and the National Ford Department.

#### **3. Placement Opportunities**

Consistent with the provisions of the Protected Employee Program and for situations not covered by the provisions of Article VIII, Section 24 of the Collective Bargaining Agreement or a specific transfer agreement pursuant thereto, seniority employees laid off as a result of the closing who cannot exercise their seniority in any other unit may apply for preferential placement.



**PLANT CLOSING PROVISIONS**

Except as might be provided otherwise by mutual agreement between the Company's Labor Relations Staff and the National Ford Department to cover a particular closing, the implementation of these placement provisions shall be subject to understandings between the Company and the Union covering preferential placement arrangements in effect during the term of the new Agreement.

Very truly yours,

ERNEST J. SAVOIE, Director  
Labor Relations Planning and  
Employment Office  
Labor Relations Staff

Concur: Stephen P. Yokich

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**POW/MIA FLAGS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: POW/MIA Flags

During the current negotiations, the Union requested that Ford facilities fly POW/MIA flags. As discussed, flying of flags at Ford locations is a matter of Company policy administered by the Corporate Identity Office.

In view of the special sensitivity associated with Vietnam era MIA and POW issues, the Company indicated a willingness to consider exceptions to its normal policy on flags when so requested by a Local Union. These exceptions may include: individual special requests, special days recognized by the U. S. government to honor or remember POWs or MIAs, or other appropriate holidays such as Memorial Day and Veterans Day.

It is understood that this matter is one of Corporate Identity Policy and if revisions to the policy are made, the Union will be notified.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

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**PRESCRIPTION SAFETY GLASSES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Prescription Safety Glasses

Under certain conditions the Company will furnish prescription safety glasses to employees. This communication outlines the conditions.

Employees who work on a job or in an area where eye protection is a Company requirement, and who need corrective lenses will be provided prescription safety glasses. ANSI approved, thinner, light weight polycarbonate lenses (including single vision, bifocal, and trifocal) and a frame from 8 available frames will be offered at no cost to employees. The total costs of prescription eyewear will be shared as follows:

- a. The cost of eye examination and fitting will be borne by the employee.
- b. All other costs toward the initial pair of safety glasses, including frames as approved by Occupational Health and Safety, grinding of lenses, and so forth, will be borne by the Company.

Damaged prescription safety glasses shall be replaced without cost to the employee in those instances where the damage is attributable to the employment and beyond the control of the employee. The employee will be responsible for costs of replacement in those cases where the damage is not attributable to his employment or is within the employee's control.

**PRESCRIPTION SAFETY GLASSES**

Covered lenses for safety glasses required because of a medically necessary change in prescription will be made available to the employee at Company expense.

Procedures necessary to effect the above policy will be established by Occupational Health and Safety.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**PRIVACY — CONFIDENTIALITY OF PERSONAL  
DATA AND INFORMATION**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Privacy — Confidentiality of Personal Data and  
Information

During these negotiations, the Union raised a number of concerns regarding the subject of personal privacy. The discussions centered on the collection and dissemination of personal data concerning employees and/or their conduct in the workplace.

The Company reassured that it places as much importance on the confidentiality of such information as does the Union. In this regard, the Company will continue to protect and respect the confidential nature of all personal information. Both the Company and the Union agreed that the collection and dissemination of all such data must be related to the legitimate needs of the business or as required by any local, state or federal law, regulation, or court order.

Very truly yours,

ERNEST J. SAVOIE, Director  
Employee Development Office  
Employee Relations Staff

Concur: Ernest Lofton

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**PRODUCTION STANDARDS INFORMATION ON  
DISPUTED JOBS TO DISTRICT COMMITTEEPERSON**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Production Standards Information on Disputed  
Jobs to District Committeeperson

This will confirm the understanding reached in the 1979 negotiations with respect to the Company's plans for furnishing standards information on disputed jobs in other than car and truck assembly plants.

In plants other than car and truck assembly plants, the work elements on a job for which a production standard has been placed in effect, and that standard is in dispute, will be furnished without undue delay in writing to the District Committeeperson upon request. It is mutually recognized that there will be occasions when due to production acceleration, volume of production standards disputes filed, etc., the information requested by the committeeperson cannot be furnished as promptly as under normal circumstances.

Very truly yours,

ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

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**PROMOTIONS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Promotions

During the current negotiations, the Union expressed concern with the application of Article IV, Section 2(a) of the Collective Bargaining Agreement. The Union specifically expressed concern over the use of disciplinary and attendance records in determining the merit of candidates, rather than awarding the promotion to the employee having the greatest seniority.

The Company advised the Union that retaining the ability to promote the most qualified candidates for promotional openings is essential to its commitment to make quality products and to maintain efficient operations. The Company assured the Union that, in evaluating disciplinary and attendance records in determining merit for promotional opportunities, the exercise of good judgement is essential. In evaluating the records of two employees bidding for a promotion, if the records are to be the deciding factor, there must be a meaningful difference between them. Among the factors to be considered when evaluating a meaningful difference, is the amount of time elapsed since an employee's last disciplinary action. If a meaningful difference between the records of the two employees is not readily distinguishable, the employee having the greater seniority shall receive the promotion. Any complaint regarding this provision of the agreement, including clarification of meaningful difference, may be raised by the local union with local management for resolution.

If an ongoing concern regarding the application of these provisions arises at a particular location, the issue may be referred to the Division Human Resources Office and the National Ford Department for resolution.

**PROMOTIONS**

The Company advised the Union that, after the Effective Date of the new Collective Bargaining Agreement, the contents of this letter will be reviewed with local management to assure uniform application of these commitments.

Very truly yours,

DENNIS J. CIRBES, Director  
U. S. Union Affairs Office  
Labor Affairs

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**REAFFIRMATION OF COMPANY PRACTICE  
RECOGNIZING THE UAW AT NEW PLANTS**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Reaffirmation of Company Practice Recognizing  
the UAW at New Plants

During the current negotiations, the Union expressed a desire for confirmation of the Company's long-standing practice and of the continuation of that practice regarding the recognition of the Union as the exclusive collective bargaining representative for production and maintenance employees at new Company plants and parts distribution centers and for the extension of the Ford-UAW Collective Bargaining Agreement to such new facilities.

During the past 20 years, the Company has followed a practice of extending the Ford-UAW Collective Bargaining Agreement to apply to production and maintenance employees at new Company plants and distribution centers upon the conclusion of mutually satisfactory arrangements to invoke the transfer of operations provisions of Article VIII, Section 24(b). Representative of such mutually satisfactory arrangements are those which were recently developed for the new Batavia, Ohio, transmission plant.

This is to confirm that the Company intends to continue its long-standing practice during the term of the new Agreement.

Very truly yours,

SIDNEY F. McKENNA,  
Vice President  
Labor Relations

Concur: Ken Bannon

**REASSIGNMENT OF EMPLOYEES**

September 17, 1964

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Reassignment of Employees

During our current negotiations, the Union has asserted that on occasion a foreman will reassign an employee to another job within his classification either for punitive reasons or as "retaliation" for having filed a grievance or other similar actions.

Although we are not aware of any actual case in which reassignments based on either of these grounds has occurred, this is to advise you that reassignments for such reasons are not sanctioned by the Company policy.

This statement of policy is not intended to limit in any way the foreman's right of assignment to promote orderly and efficient operations. Nor is anything in this statement intended to recognize any principle of job preference within a classification or to confer on an employee any right to protest his job assignment in the grievance procedure, except as such assignment may be in violation of the terms of the Collective Bargaining Agreement.

Very truly yours,

MALCOLM L. DENISE,  
Vice President  
Labor Relations

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**RECYCLING PROGRAMS**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Recycling Programs

During these negotiations the parties discussed the Company Policy and Directives relative to Vehicle Recycling and Waste Minimization Program. Both of these Directives affirm the Company's commitment to natural resource conservation and the protection of the environment.

Vehicle recyclability and the use of recycled materials are an increasingly integral part of the Company's vehicle program planning and development process. The Company's goal is to facilitate recycling of our products through such means as material selection, assembly techniques and manufacturing processes. We also encourage recycling by purchasing recycled materials.

The Company continues to be a strong supporter of recycling programs and has implemented numerous recycling initiatives at its locations. Ford is also active in recycling initiatives in the various communities in which it operates. Ford has sponsored and actively participated with employees in many community projects to increase the awareness of environmental issues and to promote ways of establishing recycling as a way of life. The involvement of Ford employees in these projects has been well received and is a major reason for their success.

**RECYCLING PROGRAMS**

The Company will continue to encourage and support recycling efforts of local communities, Local Unions, and employees, consistent with Company policy, which will support the protection and the conservation of the environment, both at the corporate level as well as the local level.

Very truly yours,

JACK HALL,  
Vice President  
Employee Relations

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**REFERRAL — DIFFERENCES OF OPINION  
BETWEEN PERSONAL AND PLANT PHYSICIAN**

September 30, 1961

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Referral — Differences of Opinion  
Between Personal and Plant Physician

For your information, attached is a copy of a Topic  
“Referral—Difference of Opinion Between Personal and  
Plant Physician” which is included in the Company Medical  
Guide.

This explains the Company procedure followed when there  
is a difference of opinion between a personal and plant  
physician.

Very truly yours,

MALCOLM L. DENISE,  
Vice President  
Labor Relations

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**REFERRAL — DIFFERENCES OF OPINION  
BETWEEN PERSONAL AND PLANT PHYSICIAN**

**REFERRAL—DIFFERENCE OF OPINION  
BETWEEN PERSONAL AND PLANT  
PHYSICIANS**

Where there is a difference of opinion between the employee's personal physician and the plant physician regarding the employee's physical status, it is the plant physician's responsibility to resolve these differences in a fair and equitable manner. This difference of opinion may be at the time an individual is returning to work following sick leave, at the time of initiating a sick leave or at the time of job assignment. The disagreement may not always involve the question of the employee's fitness to work but more frequently involves the question of the individual's capacity to perform a certain type of work. It may, on occasion, involve the question of disability of the employee.

In most instances this can be resolved by discussing the problem with the employee's personal physician. In some cases broad recommendations are made by the individual's personal physician without full knowledge of the work demands on a specific job assignment. A discussion of the case in question between the personal physician and the plant physician will usually settle any points of disagreement because usually the physicians will agree on the clinical findings of the patient but the personal physician may not have adequate knowledge of the job requirements. The plant physician may review with the personal physician those factors which he considers when placing physical restrictions or limitations on the individual.

These factors are: (1) a condition which may limit his ability to perform his work, (2) a condition which may be aggravated by certain types of work, or (3) a condition which may create a hazard to himself or the safety of others. In such cases, work restrictions or limitations must be established.

**REFERRAL — DIFFERENCES OF OPINION  
BETWEEN PERSONAL AND PLANT PHYSICIAN**

When the point in question cannot be resolved by discussion between the two physicians, the plant physician should refer the employee to a consultant for examination and impartial recommendation at Company expense. The plant physician should preferably use a board-certified specialist in the field of medicine in which the point of controversy exists. For example: an eye case should be referred to an ophthalmologist, a back case to an orthopedist, a heart case to a cardiologist or specialist in internal medicine. The job demands should be thoroughly described to the consultant at the time of referral. The plant physician should follow the recommendation of the consultant.

September 15, 1961

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**RELIEF PERSONS DURING LUNCH PERIOD**

December 7, 1970

Mr. Ken Bannon, Vice President  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Relief Persons During Lunch Period

During the current negotiations the Union has raised some questions regarding the schedules for relief men in the car and truck assembly plants.

It is the policy of the Company that the relief men in the car and truck assembly plants are not required to take personal relief during the lunch period of the employees they relieve except in emergency situations.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

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**RELIEF PRACTICES**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Relief Practices

During these negotiations, the parties discussed at length the relief practices for hourly employees. Specifically, the Union expressed concern that occasionally hourly employees who receive relief pursuant to Article IV, Section 4(a) of the Collective Bargaining Agreement, were asked to work through their relief.

This letter will confirm the Company's commitment that employees affected by the above provision will not be asked to work through their personal relief except in emergency situations. Any complaint regarding this issue may be raised by the unit Chairperson with the Production Manager and/or Human Resources Manager for resolution.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

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**RENEWAL LICENSE FEES - NON-APPENDIX F EMPLOYEES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Renewal License Fees - Non-Appendix F  
Employees

During these negotiations, the Company and the Union discussed the cost burden on certain non-Appendix F (i.e., not skilled trades) employees regarding governmentally required licenses.

The Company agreed to the practice of reimbursing such employees for the payment of renewal fees for licenses required by federal, state or local ordinances in order to perform their specific jobs. Further, it is understood that the Company will not reimburse these employees for the cost of initial licenses required as a condition of employment or to qualify for a promotional opportunity. Additionally, during the term of this Agreement, in those situations wherein a new federal, state or local ordinance is introduced which requires certain non-Appendix F employees to become certified or recertified to continue performing work which those employees have normally and historically performed, the parties will meet to discuss and resolve issues associated with the procurement and renewal of such licenses.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

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**REPLACEMENT OF EMPLOYEE BADGES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Replacement of Employee Badges

During these negotiations, the parties discussed the obligation of the Company and the employee regarding safeguarding employee identification badges.

This letter will confirm our understanding that the employee has an obligation to take reasonable care of his/her identification badge, to safeguard it against theft, loss, or damage and to report a lost or stolen badge to plant security personnel immediately. The Company will not charge an employee a fee to replace a lost, stolen, or damaged badge, provided it is the result of circumstances beyond the employee's control. For security purposes, when a replacement badge is issued, the previous badge will be rendered inoperable.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

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**RESCHEDULING OF #1 SHIFT  
TUESDAY-SATURDAY EMPLOYEES**

October 5, 1976

Mr. Ken Bannon, Vice President  
Director, National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Rescheduling of #1 Shift  
Tuesday-Saturday Employees

This confirms our understanding regarding employees currently assigned to a No. 1 Shift Tuesday through Saturday schedule who by mutual local agreement under Article IX, Section 10 of the 1976 Collective Bargaining Agreement are rescheduled on a No. 1 Shift Monday through Friday basis. Such employees shall not be eligible for Sunday premium for hours they are required to work as part of their Monday through Friday schedule when such work starts on a Sunday and continues into Monday. No. 1 Shift employees required to work Saturday regularly as a result of such rescheduling will be exempt from the Saturday overtime provision of the Memorandum of Understanding on Voluntary Overtime.

Very truly yours,

ROBERT M. MIDDLEKAUFF, Director  
Labor Relations Planning Office

Concur: Ken Bannon

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**REVIEW OF PERSONNEL RECORDS**

October 4, 1979

Mr. Ken Bannon, Vice President  
Director—National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Review of Personnel Records

During the current negotiations, the Union expressed concern regarding the rights of employees working outside the State of Michigan to review their personnel records. The right of employees to inspect their own personnel files was afforded employees in Michigan in accordance with the 1978 Michigan Employee Right To Know Act.

This will confirm that the right to review individual personnel records, established by the above-mentioned Michigan law, has been extended as a matter of policy to Ford Motor Company employees throughout the United States.

With respect to medical records, employees upon written request may see and obtain a copy of their medical record during nonworking hours, except in the rare circumstance in which the Company physician believes that medical reasons make it advisable that the employee's private physician determine what information should be given the employee and how best to do it. Examples of such situations are psychiatric illness, cancer or prognosis of terminal illness. In cases where the Company physician will provide an employee with a copy of the record, the Company physician may state a preference for either explaining the record to the employee or having the employee authorize release of the record to the personal physician. However, if the employee still wants a copy, it will be provided, except in the circumstances described above.

Very truly yours,  
ROBERT M. MIDDLEKAUFF,  
Executive Director  
Labor Relations Staff

**REVISING HOURLY PAYROLL ADJUSTMENT REPORT**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Revising Hourly Payroll Adjustment Report

This confirms our discussion about the grievance payment portion of the Hourly Payroll Adjustment Report.

The Company will revise the Hourly Payroll Adjustment Report to include the grievance number and grievance code that appears on the TWOS Past Period Adjustment Report and to separate work hours and premium hours from miscellaneous hours.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**SATURDAY EXCUSED ABSENCE ALLOWANCE REQUESTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Saturday Excused Absence Allowance Requests

During these negotiations, the Union expressed concern regarding employees not being provided the opportunity to request payment of Excused Absence Allowance entitlement when the employee is pre-excused by management from working a scheduled Saturday overtime shift.

The parties recognized the need to run production operations efficiently and agreed that excessive absenteeism adversely impacts the Company in terms of product quality, operating costs, efficiency of operations and employee morale and places an unfair burden on those employees who regularly work as scheduled.

The parties agreed that an employee who is scheduled to work a Saturday overtime shift and who, in advance of that Saturday shift, is pre-excused by management from working such shift, may receive payment of Excused Absence Allowance for such pre-excused shift, only at the employee's request.

If such request is granted, an eligible employee will be paid for eight (8) hours (or the balance of unused Excused Absence Allowance hours if the balance is less than eight (8) hours) at the employee's straight time base hourly rate inclusive of applicable cost-of-living allowance and shift premium but exclusive of overtime premium.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

**SENDING OF ARTICLE VIII, SECTION 5(4) NOTICES —  
EXPIRED MEDICAL LEAVES OF ABSENCE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Sending of Article VIII, Section 5(4) Notices —  
Expired Medical Leaves of Absence

This is to advise you of the Company policy concerning the sending of Article VIII, Section 5(4) Notices to certain employees.

- The following procedures will be followed in sending Article VIII, 5(4) notices to employees, at the time of the expiration of a Conditional Medical Leave of Absence, which has been initially issued for, or extended to, the maximum duration of ninety (90) days because Company procedures require the removal of the employees from the active employment roll:
  - Notify employees of the expiration of the ninety (90) day leave period and request information as to their status by sending the attached form letter (Attachment D).
  - Send the letter at least ten (10) working days (excluding Saturdays, Sundays, and holidays) prior to sending an Article VIII, 5(4) notice.
  - Consult with the plant physician concerning the employee's medical status prior to sending the letter to any employee.
  - Do not send Article VIII, 5(4) notices in cases when the plant physician has personal knowledge or sufficient medical evidence to determine that the employee's absence will exceed ninety (90) days.
- The following procedures will be followed prior to sending Article VIII, Section 5(4) notices to an employee removed from the active employment roll as Medical Leave of Absence Expired because the employee's absence for medical reasons exceeded the maximum duration of ninety (90) days:



**SENDING OF ARTICLE VIII, SECTION 5(4) NOTICES —  
EXPIRED MEDICAL LEAVES OF ABSENCE**

- Use the attached form letter (Attachment II) to specify the employee's employment status and to request information as to the present status of the employee's illness or disability.
- Send the letter at least ten (10) working days (excluding Saturdays, Sundays, and holidays) prior to sending an Article VIII-5(4) notice.
- Consult the plant physician with respect to the employee's medical status prior to sending the form letter to the employee.
- Send the form letter to the employee by regular mail if, in the plant physician's opinion, the employee should be capable of returning to work.
- If the employee does not respond to the form letter within ten (10) working days (excluding Saturdays, Sundays, and holidays), an Article VIII-5(4) notice may be sent by **certified mail with return receipt**.
- Do not send an Article VIII-5(4) notice in cases when the plant physician has personal knowledge or sufficient medical evidence to determine that the employee's continued absence is justified medically.

These procedures are to be followed prior to sending an Article VIII-5(4) notice on each occasion when, in the plant physician's opinion, the employee on Medical Leave of Absence Expired status should be able to return to work.

- The removal of employees from the active employment roll and their placement on the inactive employment roll, after the expiration of the ninety-day leave period, does not obviate their responsibility to return to work as soon as medically possible with satisfactory medical evidence to justify the entire period of their absence.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: Bob King

**SENDING OF ARTICLE VIII, SECTION 5(4) NOTICES —  
EXPIRED MEDICAL LEAVES OF ABSENCE**

Note: This letter replaces the following letters:

- Sending of Article VIII, Section 5(4)  
Notices — Expired Medical Leaves of Absence,  
September 15, 1993
- Sending of Notice-Expired Medical Leaves,  
October 5, 1976
- Article VIII, Section 5(4) - Notice to Report,  
October 7, 1990

Attachments

\_\_\_\_\_ ATTACHMENT I

Dear \_\_\_\_\_,

The records of the \_\_\_\_\_ Plant indicate that your 90 day Medical Leave of Absence will expire on \_\_\_\_\_. According to Company administrative procedures, if you are not able to return to work by \_\_\_\_\_, you will be removed from the active employment roll, and you will be carried on the Company's inactive employment roll. This administrative procedure will not in any way affect your seniority or your benefits as long as you respond to Company notices when required and provide us, upon your return to work, with satisfactory medical evidence to justify your absence.

We would at this time, however, appreciate being advised of the current status of your illness (or disability). This can be done by; (1) reporting in person to the Plant Physician for an examination; (2) by mailing to the Company the enclosed form which should be filled out by your personal physician; or (3) by telephoning the employment office at \_\_\_\_\_ and advising the Company of your condition. If you phone, be sure to request a call-in code number.

We sincerely hope that you experience an early recovery and will soon be returning to work.

**SENDING OF ARTICLE VIII, SECTION 5(4) NOTICES —  
EXPIRED MEDICAL LEAVES OF ABSENCE**

ATTACHMENT II

Dear \_\_\_\_\_,

The records of the \_\_\_\_\_ Plant indicate that your ninety-day Medical Leave of Absence expired on \_\_\_\_\_ and according to Company administrative procedures, you were removed from the Company's active employment roll and have been carried on the Company's inactive employment roll.

We would at this time appreciate being advised of the current status of your illness (or disability). This can be done by (1) reporting in person to the plant physician for an examination; (2) mailing to the Company the enclosed form which should be filled out by your personal physician; or (3) by telephoning the employment office at \_\_\_\_\_ and advising the Company of your condition. If you phone, be sure to request a call-in code number.

You are reminded of the necessity when you return to work to provide us with satisfactory evidence to justify your absence.

We sincerely hope that you experience an early recovery and will soon be returning to work.

\_\_\_\_\_

## SEXUAL HARASSMENT

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Sexual Harassment

Ford Motor Company has a long-standing concern about fair and equal treatment of employees. Harassment of any individual in the work environment because of race, religion, color, age, sex, sexual orientation, union activity, national origin, disability or veteran status is considered contrary to the spirit and intent of the Company's non-discrimination policies.

### **Statement**

Sexual harassment violates Ford's long-standing policy against discrimination on the basis of sex. Sexual harassment in the workplace is also illegal. Ford's policy to prohibit the occurrence of sexual harassment is based on concern for the individual as well as good business judgement.

### **Definition**

For the purpose of determining whether a particular act or course of conduct constitutes sexual harassment under this policy, the following definition will be used:

Sexual harassment includes unwanted conduct of a sexual nature that unreasonably interferes with an individual's work environment, including but not limited to the following: unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made a term or condition of an individual's employment; or
- Submission to or rejection of such conduct is used as the basis for employment decisions, or

## SEXUAL HARASSMENT

- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or creating an intimidating, hostile, or offensive work environment.

### **Procedure**

Employees, business partners, and visitors who come in contact with Ford employees and who in good faith believe that they have been subjected to or witnessed unlawful sexual harassment activity or behavior by a Ford employee, Ford business partner, or visitor are encouraged to promptly report this occurrence. Individuals wishing to make the company or union aware of unlawful conduct may notify:

- immediate management
- local Union officials
- local Human Resources office
- UAW-Ford Local Joint Equality and Diversity Committee
- Personnel Relations and Equal Employment Planning Office at Ford World Headquarters

Employees covered by the Collective Bargaining Agreement may utilize mechanisms provided under the terms and provisions of the Agreement. Sexual harassment complaints/grievances shall be processed expeditiously and confidentially and another Supervisor will hear any grievance when the Supervisor in the regular grievance chain is the alleged harasser.

Sexual harassment complaints will be investigated in a lawful, timely and impartial manner. Confidentiality will be maintained throughout the investigation process and information will be shared only on a need-to-know basis. Because of the sensitivity of sexual harassment issues, all investigations will be designed to protect the privacy and reputation of all individuals concerned. Ford will take appropriate steps to assure that a person who in good faith reports complaints about, or participates in the investigation of, a sexual harassment allegation, will not be subject to retaliation. Ford will also take appropriate steps to assure that a person against whom such an allegation is made is treated fairly.

Ford is firmly committed to providing a work environment free of harassment and will not tolerate harassment of any

**SEXUAL HARASSMENT**

kind. Violations will result in appropriate corrective action. Appropriate discipline, up to and including discharge, may be imposed.

Ford and the UAW are in agreement that complaints of harassment should be dealt with promptly and fairly under the existing internal procedure as provided in this letter and attachment and under Article X Section 9 of the National Agreement and the Letter entitled "UAW-Ford Joint Equality and Diversity Committees - National and Local".

Further, the parties have agreed to provide training for the UAW-Ford Joint Equality and Diversity Committee as specified under a separate Letter to this Agreement entitled "UAW-Ford Joint Equality and Diversity Committee Training". Such training will include the use of jointly-approved educational programs and materials to train Union representatives (including members of the Civil Rights Committee), employees, and management in recognizing, preventing, and responding to sexual harassment.

Very truly yours,

JOE W. LAYMON,  
Vice President  
Corporate Human Resources

Concur: Gerald D. Bantom

Attachments

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## SEXUAL HARASSMENT

### ATTACHMENT

#### Sexual Harassment Complaint Investigation Process

Complaints of sexual harassment originate via many different avenues, i.e. an employee to Management, an employee to a Union Representative, from either a Management or Union Representative directly, or anonymously. Accordingly, immediately upon any member of Management becoming aware of an allegation of sexual harassment when a Bargaining Unit employee is either the accused or the complainant, the following process is to be followed:

The involved facility Human Resources Manager (or designee) must be advised of the allegation of sexual harassment. They, in turn, will immediately contact the Local Union Chairperson (or designee) to make them aware of the allegation. In cases where a complaint is received from an anonymous source, the aforementioned parties will, before commencing with an investigation, confirm with the employee who is allegedly harassed that he or she, in fact feels sexually harassed. The local Human Resources Manager is also responsible for notification to the appropriate operation Labor Relations Office as well as the Personnel Relations and Equal Employment Planning Office of the sexual harassment complaint. The Local Union Chairperson is responsible for notification to appropriate Regional and National Ford personnel of the sexual harassment complaint.

The involved Human Resources Manager (or designee) will advise the accused party at the appropriate time of the investigation and, accordingly, they could be placed "on notice" of potential disciplinary action, and that any act(s) of retaliation will not be tolerated. Dependent on the circumstances of the individual case, the Human Resources Manager may deem it prudent to suspend the accused individual(s) until the investigation is concluded.

Absent extenuating circumstances, an Investigation Team will be formed within five (5) working days of receipt of an allegation of sexual harassment. The Investigation Team will include at least one (1) but not to exceed two (2) representative(s) from the Local Union which may include members of the local Civil Rights Committee and an equal number of management representatives. Recognizing the desirability of

## **SEXUAL HARASSMENT**

an investigative team made up of an equal number of males and females, wherever possible, each facility will attempt to structure the team accordingly. Local facilities are encouraged to confer with the Personnel Relations and Equal Employment Planning Office for any guidance that may be required. The Personnel Relations and Equal Employment Planning Office may elect to name a representative to serve as an additional member of the Investigative Team. In conjunction with Personnel Relations and Equal Employment Planning Office presence, the National Ford Department may elect to also name an additional representative to the Team. Also, where the Personnel Relations and Equal Employment Planning Office is not part of the investigation, the local Human Resources Manager will, upon completion of such investigation, forward to that activity a confidential copy of the file. Investigations of sexual harassment are to be conducted in as expeditious a manner as possible.

During interviews conducted in conjunction with a sexual harassment complaint, only members of the Investigative Team and the interviewee will be present. If the interviewed employee is a bargaining unit employee, he or she can have a Union Representative present during the interview. As part of the investigation, attempts will be made to obtain signed statements from all parties, including the complainant, accused, and witnesses where applicable. In cases where disciplinary action results, copies of all documentation and notes relied on as the basis for such action will be provided to the Union and Management Investigators. All individuals involved in the handling of sexual harassment complaints, from the original receipt of such complaint through the entire investigative process are required, to the extent possible, to maintain confidentiality of any information obtained or prepared during the process. No copies of information obtained or prepared by the Investigative Team will be provided to any employee unless required by law to do so. Once the investigation has been concluded, the local Management, i.e., Human Resources Manager and facility operating head, shall review the facts with management team members and determine the appropriate action to be taken. The Union team member will have no role in this determination and will make no recommendations regarding disci-



## **SEXUAL HARASSMENT**

plinary action. In cases, however, where the Personnel Relations and Equal Employment Planning Office participated on the Investigative Team, the investigation results will be reviewed for final disposition by designees from:

- Personnel Relations and Equal Employment Planning Office
- Operations Labor Relations Office
- Union Affairs Office

Note: The Office of the General Counsel will upon request provide advice and counsel.

Actions taken in sexual harassment cases will be reported by the local Human Resources Manager to his or her respective Operations Labor Relations Office, as well as the Personnel Relations and Equal Employment Planning Office. Or in the case where Personnel Relations and Equal Employment Planning Office participated, final disposition shall be reported to the local Human Resources Manager by his or her Operations Labor Relations Office. In all cases, the complainant is to be advised when the case is "closed". Such actions shall be monitored to ensure closure to all allegations is accomplished and corporate wide consistency relative to actions taken is maintained. Any discipline assessed shall be handled in accordance with established principles of employee discipline. Appropriate discipline, up to and including discharge, may be imposed.

While the foregoing is an attempt to put in place guidelines which will allow the local facilities to investigate and dispose of the majority of sexual harassment complaints, it is recognized there may be circumstances that require investigations to be handled in an alternate manner. Regardless of the investigative process that is followed, the parties commit to ensure all complaints are taken seriously, that an objective and thorough investigation consistent with Company policies and applicable Collective Bargaining Agreements is conducted, and that fair and equitable action results. Furthermore, it is agreed that training in investigating sexual harassment complaints will be provided to appropriate union representatives, management personnel, and members of local investigation teams.

#### **SEXUAL HARASSMENT**

The Company bears the ultimate responsibility for the enforcement of laws and corporate policy which prohibits sexual harassment. Sexual harassment is something that cannot be tolerated by management or the Union. Accordingly, the Company and National Ford Department of the International Union, UAW are committed to ensuring investigations of sexual harassment are to be conducted in the spirit of determining the truth and subsequent sharing of all available pertinent information between the parties. The Union's involvement in no way precludes it from grieving any resultant disciplinary action, since the assessment of such discipline would remain the sole discretion of Management.

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**SEXUAL HARASSMENT COUNSELING FOR NEW HIRES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Sexual Harassment Counseling for New Hires

During these negotiations, the parties discussed providing counseling to employees with less than eight (8) months of service who allege that they have been sexually harassed. To that end, the Company has agreed to create a special counseling program to address this concern, which will begin during the first quarter, 2000.

Criteria for participation are the following:

- A formal complaint alleging sexual harassment must be filed with the corporation.
- A joint UAW-Company investigation of the complaint must have begun.
- The employee must request counseling services.

The employee may then go to the Central Diagnostic Referral Agency under the Employee Support Services Program for an assessment and/or referral to an approved treatment program. Under the provisions of this program, employees will be eligible for up to the same number of counseling sessions as provided by the regular corporate mental health benefit. Costs for such services will be paid through Joint Programs and will terminate at the time the employee qualifies for regular corporate benefits.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

Concur: Ron Gettelfinger

**SUNDAY WORK ASSIGNMENT**

October 21, 1967

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Sunday Work Assignment

This will confirm our understanding, reached during the current negotiations, with respect to Sunday work assignments.

Except in emergencies or breakdowns and during periods of changeover and model launch, a seniority employee on five-day operations who has worked a continuous period of at least 13 consecutive calendar days will be excused from work on the first Sunday subsequent to such period providing: (1) he has worked every day during the week preceding the Sunday for which he desires to be excused, and (2) he advises the Company of his request by the completion of his last hour on the Friday preceding the Sunday for which he desires to be excused.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

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**SUPPLIER CORPORATE CITIZENSHIP**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Supplier Corporate Citizenship

During these negotiations, the UAW stated its interest in having the Company continue to recognize the importance of using suppliers which are good corporate citizens and which can be relied upon for quality products and reliable delivery. The UAW further pointed out that the Company's selection of and relationship with suppliers have a significant bearing on its relationship with the Union. In this regard, the Union stressed repeatedly the importance of the Company's use of high-quality, reliable suppliers which maintain good, fair and equitable relations with their employees.

The Company fully understands the Union's concerns in these matters, because quality products, uninterrupted delivery and good corporate citizenship — by the Company and its suppliers — contribute significantly to the Company's success in the marketplace, and all of these factors have a direct bearing on the job and income security of UAW members.

The Company agrees that its relationship with the Union is of paramount importance to the Company's long-term success. The Company has told its suppliers and the business community in the past of the positive aspects of its relationship with the UAW and will continue to do so in the future. The Company therefore has no interest in embarking on a purchasing strategy that would detract from that relationship.

Correspondingly, the Union has, from time to time, expressed to the Company its concern about certain aspects of the Company's relationship with particular suppliers in the area of quality, continuity of supply, and overall performance as a supplier including the maintenance of good relations by

#### **SUPPLIER CORPORATE CITIZENSHIP**

the supplier with its employees. The Union recognizes that the Company has expressed its views and made suggestions to its suppliers as a result of the Union's concerns, all within the bounds of applicable legal principles.

The parties recognize that instances in which these matters arise are inherently dependent upon the particular facts that are present in each situation and plan to continue to deal with these matters on a case-by-case basis as they have in the past, and in compliance with applicable laws.

In particular, the Company will continue to urge its suppliers to treat their employees in a good, fair and equitable manner, to provide them wages and benefits competitive within their industry, to provide a safe workplace and to avoid conduct which violates national or state labor and employment laws. In addition, the Company will, in a manner which is in compliance with applicable laws, notify suppliers of the importance the Company places on harmonious relationships between suppliers, their employees and any union that may represent them.

Ford will certainly not take retaliatory action, such as canceling or refusing to renew contracts with a supplier based on a decision of that supplier's employees to join a labor union.

In addition, the Company will send each of its current suppliers two letters, in the form attached hereto (the "Letters") within 60 days after the effective date of the National Agreement. The Company will also send the Letter to any particular supplier identified by the Union, within 14 days, at the Union's request. The Company will also distribute the Letter, and communicate Ford's position as reflected in the Letter, to its suppliers in manners to be mutually agreed. The Company will also ensure that the Letter is provided to each new supplier within 14 days after reaching agreement regarding a new contract to supply parts, services or other items to the Company.

**SUPPLIER CORPORATE CITIZENSHIP**

Any concerns regarding the application of this letter may be raised with the Executive Director of Ford N.A. Labor Affairs.

Very truly yours,

**MARTIN J. MULLOY,**  
**Vice President**  
**Labor Affairs**

Attachment

Concur: **Bob King**

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## **SUPPLIER CORPORATE CITIZENSHIP**

### Form Letter to be Sent to Suppliers

This letter will set forth the views of Ford Motor Company with respect to unionization of employees of its suppliers. This letter is not meant to suggest or imply that Ford will not do business with a supplier unless the suppliers' employees are represented by a union.

Ford Motor Company recognizes that it is in the mutual interest of employers and their employees for the employer to fully respect the right of employees to seek representation by a union. The Company does not in any sense reject collective bargaining for employees of our suppliers. We do not discourage employees of our suppliers from forming or joining unions to bargain collectively with their employer.

Ford Motor Company does not require, or encourage, our suppliers to resist organizing efforts by their employees to form or join labor unions.

Ford Motor Company has a positive and constructive relationship with the UAW as well as the other labor organizations that represent our employees. In our experience, it has also been very helpful to deal with efforts by our employees to form or join unions in a constructive and positive manner. We respect the UAW and the UAW respects us.

Ford Motor Company will certainly not take retaliatory action, such as canceling or refusing to renew contracts with suppliers, based on a decision of that supplier's employees to join a labor union.

It may be appropriate for you to share this letter in its entirety with your employees so that they are accurately informed of Ford's position on this matter.

Thank you for your consideration.

cc: **Vice President and** Director - UAW, **National** Ford Department



**SUPPLIER CORPORATE CITIZENSHIP**

Supplier Selection Policy

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

This letter is pursuant to your inquiry regarding Ford Motor Company's policy on supplier selection.

The Company's decision to select or remove a particular supplier is based on numerous criteria, applied in conformance with legal requirements. It is definitely not Ford Motor Company's policy or practice to remove a product from a supplier because that supplier's employees have chosen to join the UAW.

As you know, Ford has a positive and constructive relationship with the UAW, and we encourage our suppliers to strive for similarly constructive relationships with representatives of their employees.

Ford also notes that many of our suppliers have recognized the UAW based on a showing of majority support among the employees by means of a "card check" certified by a neutral third party. While use of such procedure is entirely up to the individual supplier, Ford does not in any way discourage our suppliers from using such peaceful means of determining employee sentiment.

Should you have any questions with respect to this matter, please call.

Very truly yours,

(Vice President for Purchasing)

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**TOBACCO SMOKING IN THE WORKPLACE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Tobacco Smoking in the Workplace**

**During these negotiations, the parties discussed at length concerns regarding tobacco smoking in the workplace, including second-hand smoke. The Company informed the Union that it will continue to comply with all locally established guidelines as well as all applicable local, state and federal laws, ordinances, and regulations regarding tobacco smoking in the workplace.**

**In the event that concerns arise regarding tobacco smoking in the workplace, and such issue cannot be resolved locally, then the issue may be elevated to the UAW-Ford Department and Corporate Labor Affairs.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

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**UAW FLAGS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: UAW Flags

During the current negotiations, the Union requested that all Ford Motor Company facilities, where employees are represented by the UAW, fly the UAW flag. As discussed, flying of flags at Ford Motor Company is a matter of Company policy. In view of the historical ties between the UAW and Ford Motor Company, the Company indicated a willingness to change its policy on flags to meet the Union's request.

It is agreed that all Ford Motor Company facilities, where employees are represented by the UAW, will make the necessary arrangements to fly the UAW flag. UAW flags will be provided to each Ford Motor Company facility by the Local Union President or Unit Chairperson.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

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**UAW-FORD JOINT EQUALITY AND DIVERSITY COMMITTEE  
TRAINING**

September 15, 2003

Mr. Charles Hoskins  
Administrative Assistant  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Hoskins:

Subject: UAW-Ford Joint Equality and Diversity Committee  
Training

During the current negotiations, the Company and the Union agreed to update Equal Application training within the term of the Agreement. The training will be updated to include diversity and sexual harassment awareness and will be delivered to all Union representatives, appropriate management personnel and hourly employees. Equal Application and diversity training will be included in the New Hire Orientation Program. Such training will be designed with appropriate input from the local committees.

The purpose of the training will be to assist the UAW-Ford Local Joint Equality and Diversity Committees in carrying out their assigned responsibilities in order to improve their effectiveness and to make all employees aware of the Equal Application Provision of the Agreement.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**UAW-FORD MERCHANDISE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: UAW-Ford Merchandise**

**During the course of these negotiations, the parties discussed the pride that employees have for both the UAW and Ford Motor Company, and the value of making products with UAW-Ford logos available for employees to purchase and display. To that end, the Company will encourage the World Headquarters Company Store to make a limited supply of UAW-Ford logo products made in the U.S.A. available for purchase to employees and visitors.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**UNION HALL ELECTRONIC MAIL SYSTEM ACCESS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Subject: Union Hall Electronic Mail System Access

During these negotiations, the Union requested access to Ford's electronic mail system from local union halls to allow the Union to conduct representation functions for those employees who they represent. The Company and Union discussed security, access, financial and legal issues surrounding such request at length and recognized the sensitivity of each.

In response, the Company agreed to the following:

- Upon request, each local union hall will give access to Ford's electronic mail system to Union representatives recognized in the Agreement to allow them to carry out their representation functions recognized in this Agreement;
- Such access will be provided as soon as is practicable following receipt of the Union's request; and
- The Company will only provide such computer resources as are necessary for such access and all costs for such resources will be the sole responsibility of the Union.

The Company retains the sole discretion to modify, delete or terminate these provisions without the requirement to negotiate with the Union. In such instances, the Company will provide notice to the Union of any changes it makes.

Very truly yours,  
DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

**UNITED NATIONS OR NATIONAL GUARD MISSIONS ABROAD**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: United Nations or National Guard Missions  
Abroad

Ford Motor Company recognizes that some bargaining unit employees are an essential element of the U.S. Armed Forces Reserves or National Guard. During recent United Nations and NATO missions abroad, for example in Bosnia and Kosovo, the Company provided liberalized Company pay and benefit programs continuation to full-time hourly employees who were members of the U.S. Armed Forces Reserves or National Guard and who were called to and performed long-term active duty in support of such missions. This will confirm the Company's intent to continue to review such situations that occur during the 1999 Collective Bargaining Agreement on a case by case basis to determine if providing liberalized Company pay and benefit programs continuation would be appropriate.

Very truly yours,  
ROBERT H. MARCIN,  
Executive Director  
Labor Affairs  
Human Resources

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**UPDATES OF PERSONAL DATA**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Updates of Personal Data

During these negotiations, the Union expressed concern with the utility of the information given to Financial Secretaries concerning weekly updates of personal data on members whose status or information has changed.

This will confirm that representatives of Labor Affairs will work with representatives from the National Ford Department to identify alternative means for transmitting, in accordance with legal requirements and limitations, the information in a more usable format for the local Financial Secretaries' data processing requirements

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

Concur: Ernest Lofton

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**VEHICLE PURCHASE PLAN**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Vehicle Purchase Plan

This letter will confirm the provisions of the Vehicle Purchase Plan. The provisions of the plan include the purchase of four (4) current model cars and trucks during the calendar year for eligible participants. Eligibility for the New Vehicle Purchase Plan includes full-time hourly employees, retirees, and surviving spouses who are receiving benefits under the Ford-UAW Retirement Plan. Also included are surviving spouses of employees who died while actively employed regardless of pension or marital status. As long as the surviving spouse is alive, the children also remain eligible. Surviving spouse participants must prove relationship to verify eligibility.

The Company will notify the National Ford Department of changes to the Vehicle Plan which affect UAW represented employees. It is understood and agreed the Company may at any time unilaterally modify, change, or withdraw such plans and it shall have no obligation to bargain with the Union concerning its intention to do so.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

Note: This letter replaces: New Vehicle Purchase Plan - September 15, 1993; New Vehicle Purchase Plan Modifications - October 7, 1990; and, Extension of Company's New Vehicle Purchase Plan to Hourly Employees, Retirees and Surviving Spouses - July 15, 1982.

**VEHICLE SERVICE CONCERN RESOLUTION PROCESS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Vehicle Service Concern Resolution Process

Consistent with Appendix Q to the Collective Bargaining Agreement, this letter will address the matter of vehicle concerns.

The parties have agreed to establish a Vehicle Service Concern Resolution Process to provide for review and resolution of employee vehicle concerns at Company locations where no dealer panel process exists.

In those instances, a designated Vehicle Service Concern person(s) at each location, who will be selected by the co-chairs of the UAW-Ford local quality committee, will explain the resolution process to the employee with the vehicle concern. The resolution process steps are as follows:

- The employee will talk to the dealership service writer. If the problem is not resolved,
- The employee should ask to see the service manager. If still unsatisfied,
- The employee should contact the dealer principal or, in large dealerships, the general manager. If still unsatisfied,
- The employee should recontact the designated Vehicle Service Concern person(s) at the location who may contact the dealership at their option.

#### **VEHICLE SERVICE CONCERN RESOLUTION PROCESS**

- If the problem remains unsolved, the employee will contact the Ford Customer Assistance Center and explain the issue:  
Ford Motor Company  
Customer Assistance Center  
16800 Executive Plaza Drive  
P.O. Box 6248  
Dearborn, MI 48121  
e-mail @ [www.ownerconnection.com](http://www.ownerconnection.com)  
(800)392-3673  
(800)232-5852 (for hearing impaired)
- If still not satisfied, the Vehicle Service Concern person (s) will refer the concern to the FCSD special liaison for impartial review and disposition.

The Vehicle Service Concern Resolution Process will be implemented at each applicable location as soon as possible, no later than 120 days from the date of this letter.

Very truly yours,

JAMES TUCKER, JR., Director  
Joint Programs  
Labor Affairs

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**VOLUNTARY BLOOD DONOR PROGRAM**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Voluntary Blood Donor Program

During the present negotiations, the parties reaffirmed their support of voluntary employee blood donor programs administered in cooperation with the American Red Cross and other blood collection agencies with similar standards and facilities.

Most Company locations participate in blood donor programs. Company locations are encouraged to continue their participation or, if a location does not presently participate, to give their full support and cooperation to the establishment of a voluntary blood donor program.

Very truly yours,

JACK HALL, Executive Director  
Labor Relations and  
Employee Development  
Employee Relations Staff

Note: This letter replaces the following letter:

- Voluntary Blood Donor Program, December 7, 1970
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**VOLUNTARY POLITICAL CONTRIBUTIONS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Voluntary Political Contributions

During the 2007 negotiations, the parties agreed that the Agreement pertaining to Voluntary Political Contributions ("**V-CAP**") from active and retired UAW-represented Ford employees, dated December 4, 1981, **will continue as modified in this letter**:

- The International UAW will **continue to** provide the Ford Motor Company Payroll Services with a monthly file of active UAW-represented employees electing V-CAP deductions from their paycheck. The Company will forward the amount deducted, and a corresponding data file to the International Union.
- For retiree and surviving spouse deductions, the paying agent of the Ford-UAW Retirement Plan shall be authorized by the Board of Administration of the Retirement Plan, during the life of the Collective Bargaining Agreement, to deduct such UAW V-CAP contributions and forward them to the Treasurer of V-CAP.
- For retiree and surviving spouse deductions, the paying agent of the Ford-UAW Retirement Plan will be authorized by the retiree or surviving spouse to deduct UAW V-CAP contributions from the retiree or surviving spouse pension check.

#### VOLUNTARY POLITICAL CONTRIBUTIONS

- The data necessary to deduct V-CAP from retirees and surviving spouses, who elect to have such a deduction from their pension checks, will be sent by the International UAW to the paying agent of the Pension Plan, **using the existing file format**, following the receipt of proper authorization from the retiree or surviving spouse so that the appropriate deduction can be made. Once the data is confirmed, the exact amount of money **deducted** will be wired to V-CAP, c/o the International Union in a timely manner.
- The Union will retain exclusive responsibility for soliciting employees', retirees' and surviving spouses' participation, including expenses and compliance with the Federal Election Campaign Act.
- V-CAP deductions from retiree and surviving spouse pension checks will be on a voluntary basis that can be revoked by the retiree or surviving spouse at any time.
- V-CAP contributions are subject to all applicable State and Federal laws and regulations including, but not limited to, Treasury Regulation 1.401(a)-13. Deductions for V-CAP will be subordinate to all other deductions permitted or authorized by law if total deductions exceed legal limitations.

The Union will indemnify and hold harmless the Company from any and all liability or claims arising from any claims or administrative errors resulting from the deductions provided for in this Agreement.

**The Union acknowledges it has no enforceable right in, or to any Ford-UAW Retirement Plan benefit payment or portion thereof (except to the extent of dues actually deducted pursuant to the terms of the arrangement).**

As a part of the economic settlement of these negotiations, the Company will assume the actual costs of general administration over the life of the 2007 Agreement.

With respect to this Agreement, the parties acted in reliance upon FECA Advisory Opinion 1981-39. This Agreement is being entered into as part of the economic settlement with the Union. In entering this Agreement, the Company reserved its right to unilaterally, following discussion with the

**VOLUNTARY POLITICAL CONTRIBUTIONS**

Union, terminate its Agreement to bear the ongoing administrative costs of processing V-CAP deductions and contributions upon discovery or the issuance of any decision, opinion, regulation, or statute by an agency, court or legislature that would call into question the lawfulness of the Company's assumption of these costs.

Very truly yours,

**LEE MEZZA, Director**  
**Employee Benefits**  
**Human Resources**

Concur: **Bob King**

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**WASH-UP TIME — FOUNDRIES**

December 7, 1970

Mr. Ken Bannon, Vice President  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Wash-up Time — Foundries

This will confirm the understanding reached during 1970 negotiations that employees in the Dearborn Iron, Specialty and Cleveland Foundries who are currently on operations for which tag relief is provided, and who work before and after the lunch period, will be paid for three (3) minutes of their regular 30-minute lunch period at their straight-time rate of pay. This understanding is on the basis that such time shall not be considered as time worked.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

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**WEEKLY PAY STATEMENT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Weekly Pay Statement

During these negotiations, the Company agreed to reformat the weekly pay statement to reflect child support and alimony year-to-date deductions.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

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**WORK-DAY PRECEDING VACATION SHUTDOWN AND  
SELECTED HOLIDAYS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Work-day Preceding Vacation Shutdown and  
Selected Holidays

During these negotiations, the Union stressed the importance of work life balance to employees. Both the Company and the Union also discussed the importance of utilizing capacity to the fullest extent to meet customer demand.

In recognition of the interests of the Company and the Union it was agreed that the Company's last scheduled work day preceding Good Friday, the Vacation Shutdown, Thanksgiving Day and the Christmas Holiday Period, the Company will schedule a maximum of 8 hours per shift (AWS facilities will schedule a maximum 10 hours per shift, excluding glass operations). The local parties retain the option of maintaining the overtime schedule if mutually agreed upon.

Further it was agreed that the local parties will meet in advance to identify a plan (including voluntary overtime opportunities) to make-up lost work prior to when the restricted day occurs. It was noted that this incremental overtime could in some instances exceed: 10 hours in Assembly Plants, 10.7 hours in AWS facilities, 9 hours in Manufacturing Operations and Parts Distribution Centers.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**WORKING ON A HOLIDAY/EXCUSED ABSENCE ALLOWANCE  
CONVERSION OPTION**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Working On A Holiday/Excused Absence  
Allowance Conversion Option

During these negotiations, the parties agreed that employees who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight hours be credited to their Excused Absence Allowance, in lieu of receiving Holiday Pay.

To provide sufficient time for administration, the employees must submit their request in writing no later than the Friday of the week in which the holiday(s) occur.

Very truly yours,

ROBERT W. CLARK, Director  
Labor Affairs Planning  
Labor Affairs

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**APPRENTICES AFFECTED BY A REDUCTION IN FORCE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Apprentices Affected by a Reduction in  
Force**

**During these 2007 negotiations the parties discussed many aspects of the Apprenticeship Program, including the policy and procedures utilized to populate the apprentice eligibility wait lists, bringing new apprentices into the program and the process that is followed when there is a reduction in force that affects active apprentices.**

**Based on these discussions, the parties agreed that, effective on the Effective Date of the new Collective Bargaining Agreement, all future reductions in force that affect active apprentices in the same occupational grouping, to be reduced on the same date, will utilize the following procedures to determine which apprentice will be reduced:**

- **Apprentices will exercise their apprentice seniority in their occupational group. For example, the apprentice with the earliest on course date shall be laid off last and the last laid off shall be the first to be reinstated.**
- **When apprentices have the same on course date, the seniority tiebreaker will be their accumulated UAW hourly seniority, and the first apprentice to be laid off will be the apprentice with the lowest accumulated seniority.**

**APPRENTICES AFFECTED BY A REDUCTION IN FORCE**

- **When there is a tie in both the on course dates and UAW hourly accumulated seniority, the seniority tiebreaker will be the last four digits of each tied apprentice's Social Security Number, in highest to lowest order (i.e., 9999 is highest; 0001 lowest) and the apprentice with the lowest number shall be laid off first.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**APPRENTICES AFFECTED BY DISCONTINUED OPERATIONS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentices Affected by Discontinued Operations

During 2003 negotiations, the parties discussed a number of issues related to apprentices who may be affected by discontinued operations.

The parties acknowledge that when an apprentice is affected by situations such as discontinued operations, there may be a need to change or waive certain agreements or practices. It is further understood that in such cases, special understandings and considerations could supersede current contract language with regard to apprentice preferential placement and seniority.

Issues arising from these matters should be directed to the UAW National Ford Department and the Company's U.S. Union Affairs Office for resolution.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE GRADUATE SKILLED TRADES SENIORITY -  
BROWNSTOWN**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Graduate Skilled Trades Seniority -  
Brownstown

During these negotiations, the parties discussed Apprentice Program administrative issues within the Ford Rouge Center. Specifically, the parties recognized the administrative complexity resulting from the multiple facilities and organizations within the Ford Rouge Center, including facilities physically located outside the Center but which participate in the Center's apprentice training activities. Apprentice seniority was highlighted as a particularly complex issue.

Based on these discussions, the parties agreed that issues related to apprentices who graduate from the Apprentice Program within the Ford Rouge Center but originated from another unit, will be directed to the National Joint Apprenticeship Committee for resolution.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE MENTORING PROGRAM**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Mentoring Program

During these negotiations, the parties discussed a variety of enhancements to the UAW-Ford Apprentice Training Program. The parties agreed that promoting positive and productive working relationships is key to open communication, sharing of specialized knowledge and development of leadership skills. Therefore, within 90 days of the conclusion of negotiations, the NJAC will implement a two-phase training program, incorporated into the Apprentice Program training, to support apprentice mentoring.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE NEEDS FORECASTING METHODOLOGY PILOT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Needs Forecasting Methodology Pilot

During 2003 negotiations, the parties jointly created an improved methodology to forecast apprentice indenturements to align with business requirements, and agreed to pilot the methodology for a two (2) year period.

During the pilot, the parties will annually forecast skilled trades requirements for the next four (4) years, on a rolling basis. The Company intends, to the extent practical, to indenture apprentices to fill the forecasted apprentice needs. The parties agree to extend their best efforts to forecast accurately.

Following the pilot, the forecasting methodology will be evaluated jointly. If the Company has not followed the intent of the methodology by indenturing apprentices according to the forecasted need and existing business conditions, the Company agrees to indenture a number of apprentices equal to the difference between the forecasted number of apprentices for the first two years, and the actual number of apprentices indentured during the term of the pilot, no later than the first half of the following year, business conditions permitting. If after evaluating the pilot, the parties determine the methodology is not effective as a forecasting tool and choose to discontinue the methodology, the Company agrees to indenture 1500 apprentices (inclusive of Visteon),

**APPRENTICE NEEDS FORECASTING METHODOLOGY PILOT**

less the number of apprentices that were indentured prior to discontinuance of the pilot, over the remainder of the Agreement, business conditions permitting.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE PREFERENTIAL PLACEMENT, PROTECTED STATUS  
PLACEMENT, AND RETURN TO BASIC UNIT PROVISIONS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Apprentice Preferential Placement, Protected  
Status Placement, and Return To Basic Unit  
Provisions

The parties recognize that apprentices may be affected by covered or excluded events during the course of the Agreement. As such, the parties discussed at length the mutual interest of establishing processes to provide Preferential Placement, Protected Status placement, and Return Home opportunities to apprentices.

Accordingly, this will confirm the parties' understanding that, effective with the new Collective Bargaining Agreement, apprentices will be offered:

- Preferential Placement and Protected Status placement opportunities in accordance with placement guidelines established by the Ford-UAW National Joint Apprenticeship Committee (NJAC). These guidelines will cover unique situations created when apprentices are laid off or placed in Protected Status with little or no likelihood of recall. Apprentices will not be governed by the placement guidelines specified in Appendices M and N of the Agreement. Placement of laid-off and Protected Status apprentices will be administered by the Ford-UAW NJAC.
- Return To Basic Unit opportunities will be in accordance with provisions established and administered by the Ford-UAW NJAC and not the guidelines specified in Appendix O of the Agreement.

**APPRENTICE PREFERENTIAL PLACEMENT, PROTECTED STATUS  
PLACEMENT, AND RETURN TO BASIC UNIT PROVISIONS**

Complaints regarding the administration of the Apprentice  
Placement Program will be directed to the NJAC.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**APPRENTICE PROGRAM**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Apprentice Program

During these negotiations, the Union expressed concern regarding funding for and administration of the Apprentice Program.

The Company continues to recognize the Apprentice Program as an important source of the journeymen/women necessary to maintain an adequate and qualified skilled work force. In this regard, the Company intends to continue to maintain an active and viable apprentice program, consistent with local employment needs, provided that facilities and opportunities for appropriate training are sufficient to support the program. To promote individual facilities' continued support for the program, the Company will publish and distribute, to all facilities, an administrative letter reaffirming the present, new apprentice budget provision levels.

The National Joint Apprenticeship Committee (NJAC) and the Union and Company Apprentice Program Coordinators have a central role in coordinating apprentice program activities and ensuring an active and viable program, consistent with local business conditions. To provide support for that central coordinating role, the Union and Company Apprentice Program Coordinators will meet jointly with an Administrative Assistant of the UAW National Ford Department and the Director of the Company's U. S. Union Affairs Office on a quarterly basis to review program status and recommend appropriate actions as necessary. These meetings will include, but will not be limited to, a review of (a)

**APPRENTICE PROGRAM**

program objectives, structure, and organizational needs, (b) program financing, and (c) skilled trades attrition and projections of apprentice requirements.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

Concur: Ernest Lofton

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**APPRENTICE PROGRAM NAME**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Apprentice Program Name

This letter is to confirm that, effective upon ratification of the Agreement, the Apprentice Program will be renamed the *UAW-Ford Apprentice Program*.

This letter also confirms the parties' mutual understanding and agreement that, continuing present practice, the UAW-Ford Apprentice Program is to be separate and independent from the UAW-Ford Joint Programs administered by the National Programs Center.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**APPRENTICE PROGRAM QUALITY AND ADMINISTRATION**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Apprentice Program Quality and Administration

During these negotiations, the UAW brought to the Company's attention administrative issues which the Union believed should be addressed in order to improve further the operation of the Program and the quality of its graduates. These issues were: apprentices working alone, review of a major reduction-in-force of apprentices, availability of uniform related training, rotational apprentice assignments and plant subcommittee — management representatives.

*Apprentices Working Alone*

The Union raised the question of apprentices being assigned to work alone. The parties agreed that good judgment and a rule of reason should be used when making these assignments.

As a result of these discussions it was concluded that, consistent with existing training methods and facilities in the plant, apprentices should not be assigned to perform work without a journeyman being present unless the apprentice has been trained to do the job, has been instructed in the proper safety procedures, and is considered competent to perform the assignment. Experienced journeymen will generally be available to assist the apprentice in many normal floor assignments until that level of competence has been reached. Problems in this regard are a matter for review by the Joint Apprenticeship Committee.

Unresolved issues concerning apprentices working alone may be referred by the Committee to the UAW National Ford Department and Employee Relations Staff.



## **APPRENTICE PROGRAM QUALITY AND ADMINISTRATION**

### *Review of a Major Reduction-In-Force of Apprentices*

The parties also discussed the meaning and intent of Article 11(h) providing authority to the Joint Apprenticeship Committee to review and approve in advance any facility plan to lay off all apprentices in a particular trade. In addition, the parties agreed that the Joint Apprenticeship Committee shall review in advance those facility reduction-in-force plans affecting a significant number of apprentices in a magnitude which could threaten the operation and continuity of the facility's apprentice program. Joint Apprenticeship Committee concerns about such planned reductions should be brought to the attention of the Employee Relations Manager of the facility and the Local Union Chairperson.

### *Availability of Uniform Related Training*

The Union discussed the inability of some provider schools to deliver advanced training courses in a convenient, timely, and uniform manner and noted that some courses are not always available because apprentice enrollments are less than the minimum class size required by the provider schools.

The parties shall request the Joint Apprenticeship Committee to consider one or more of the following approaches to assist in minimizing the lack of uniformity in related instruction:

- Coordinate planned attendance and scheduling of related training courses in multi-plant areas to enlarge the number of apprentices attending at the local provider school.
- Consult with education providers to possibly alter certain required instruction courses on a pilot basis using more generic course content and permitting a larger number of apprentices or other employees to enroll.
- Take the necessary actions to provide such courses, where appropriate and feasible, in-plant or at a selected multi-plant site.
- Replace providers where necessary and feasible.
- Investigate with providers their ability and willingness to deliver course content via high technology education methods, while assuring mastery of material.
- Work with other companies to supply sufficient students to meet class size minimums.

## APPRENTICE PROGRAM QUALITY AND ADMINISTRATION

To meet special circumstances, the Joint Apprenticeship Committee may approve the offering of related training courses during normal working hours subject to the concurrence of local management and union at those facilities. Courses conducted during normal working hours are not eligible for a training incentive.

### *Rotational Apprentice Assignments*

The Union complained that apprentices at some plants, particularly plants operated under an area management organizational structure, encounter difficulties in obtaining appropriate rotational movements in a timely manner.

As a result, the Company has committed to review these complaints with operating management and request that corrective measures be taken as appropriate. The Company's policy in this matter is to provide meaningful rotational shop assignments in a timely manner so that the apprentice's development can result in a best-in-class journeyman to support the success and viability of the operations served.

### *Plant Subcommittee - Management Representatives*

The Union also expressed concern that in some instances the management members of the Plant Subcommittee of the Joint Apprenticeship Committee do not possess sufficient skilled trades knowledge or experience to adequately discuss apprentice training concerns.

The Company advised the Union that at those facilities where the management member does not have skilled trades experience, Plant Employee Relations Managers will be advised of the desirability of providing such a resource. Problems in this regard may be brought to the attention of the Plant Employee Relations Manager by the local Union for review and correction, as necessary.

Very truly yours,

ERNEST J. SAVOIE, Director  
Employee Development Office  
Employee Relations Staff

Concur: Ernest Lofton

**APPRENTICE PROGRAM REQUIREMENTS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Program Requirements

In these negotiations, the parties discussed the requirements of the Apprentice Program and the need to continually review and modify Program policies to ensure its "best in class" status. Specifically, the parties recognized the need to maintain uniformity and stability within the Program with regard to apprentices' Related Training Instruction class scheduling, training rotations, graduation projections, and task completions, as well as licensing requirements for specific trades.

To assist in the fulfillment of these needs, the parties agreed that the National Joint Apprenticeship Committee (NJAC) should increase the number of shop training hours required of apprentices, from the present minimum of 7,424 to a minimum of 8,000 hours. It is envisioned that the NJAC will coordinate the necessary administrative modifications to effect this increased requirement by year-end 2003. Thus, apprentices indentured on or after January 1, 2004 shall be required to successfully complete 8,000 hours of shop

**APPRENTICE PROGRAM REQUIREMENTS**

training in addition to their required hours of Related Training Instruction as a prerequisite for graduation from the Apprentice Program.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE PROGRAM REVIEW MEETINGS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Program Review Meetings

During these negotiations, the parties discussed and agreed on the need for national-level meetings to review the status of the Apprentice Program and to provide a central focus to coordination and administration of the program.

It was agreed that the Union and Company Apprentice Program Coordinators, an Administrative Assistant of the UAW National Ford Department, and the Director of the Company's U. S. Union Affairs Office would meet jointly, on an annual basis, to provide direction and support to the National Joint Apprenticeship Committee and to assure the Apprentice Program continues as an active and viable source of skilled trades journeymen/women.

The parties agreed that meeting topics may include, but need not be limited to:

- review of program accomplishments, structure, organizational needs and objectives;
- review of program financing (e.g., expenditures of training funds);

**APPRENTICE PROGRAM REVIEW MEETINGS**

- projections of apprentice accession requirements based on skilled trades attrition, operational and business requirements, future skilled trades workforce requirements and business conditions.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE PROGRAM REVISIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW-Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Apprentice Program Revisions**

**During the 2007 negotiations, the parties discussed UAW-Ford Apprentice Program revisions that will be required due to the consolidation of skilled trades job classifications. It was acknowledged that the merging of apprenticeships, as required to support such trade consolidations, will necessitate an extensive review of the elements in existing apprentice training programs and an identification of the particular skills and knowledge required for the new trade classifications. Based on these discussions, it was mutually agreed that the National Joint Apprenticeship Committee will revise the apprentice training programs for the individual trade groups. These revisions will include, but will not be limited to:**

- job task analyses, and review/revision of Related Training Instruction curricula, based on skills and knowledge required to operate and maintain process equipment, maintenance and construction;**
- improved and expanded training concepts such as FTPM, FPS, MOS and QOS related to the skilled trades;**
- core skills training curricula;**
- enhanced apprentice training programs and curricula; and**
- apprentice progress assessment processes and procedures.**

**APPRENTICE PROGRAM REVISIONS**

**It was recognized that diligent review and revision of these apprentice training elements, with the support and guidance from the National Skilled Trades Governance Committee, will help ensure that the UAW-Ford Apprentice Program continues to maintain its long-standing "best in class" status.**

**Based on the above reviews and revisions, the National Joint Apprenticeship Committee will update all apprentice training materials, requirements, and procedures, and will distribute them to Local Joint Apprenticeship Committee Representatives. In addition, the Committee will report, semi-annually, its progress and the individual facility's status to the National Skilled Trades Governance Committee.**

**This initiative will begin as soon as practicable following the effective date of this Agreement.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**APPRENTICE SELECTION PROCEDURE —  
SOURCE OF CANDIDATES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Selection Procedure — Source of  
Candidates

During these negotiations, the parties discussed the apprentice selection procedure regarding the source of apprentice candidates. It was agreed that beginning January 2, 1991, the Joint Apprenticeship Committee (JAC) will implement the practices outlined below:

- A plant which receives JAC approval to conduct testing will accept applications from the following candidate sources:
  - Candidates for List A
    - Employees of the facility. (Employees presently on eligibility lists will be assigned to List A and will continue to be offered apprenticeship opportunities based on their eligibility position.)
    - Employees of a facility which the JAC has approved for common testing as a standard practice.
  - Candidates for List B
    - Employees of other plants within an area if the testing will be in (1) Michigan area or (2) Cleveland/Lorain, Ohio area.
- The total number of candidates to be considered in developing or supplementing an eligibility list will be the forecasted two-year supply for the subject facility.
- Candidates who qualify and fill available openings on List A will have first priority for placement on the program, followed by candidates who qualify and fill available openings on List B.

**APPRENTICE SELECTION PROCEDURE —  
SOURCE OF CANDIDATES**

- In the event of an excess of applications for List B openings, the JAC may implement an applicant lottery as appropriate. Specially recruited minority or female candidates will be incremental to List B.
- Employees from another facility applying for openings on List B will be governed by the following criteria:
  - They may, on a one-time basis, request placement on the eligibility list of one facility other than their own in their respective area.
  - They must test at the facility where they are seeking an eligibility list opening at the time that facility is conducting apprentice selection testing.
  - They will compete for openings on List B on the same basis as external candidates.
  - If they turn down an opportunity to go on course in a trade preference they selected, they will be removed from that facility's eligibility list.
  - In instances where several applicants from the same facility are to be released to fill apprentice openings in other Company facilities, the release of these applicants should occur in a manner that minimizes disruption to the operation of the applicant's department.
  - Apprentice seniority is governed by Article 15 of the Apprenticeship Standards.

The JAC will monitor the operation of these procedures and will report periodically to the UAW National Ford Department and U.S. Union Relations Staff on that operation. The parties will examine the reported experience to determine whether revisions are required to achieve the objectives of obtaining well-qualified candidates, competitive parity, and continued fulfillment of the parties' commitment to equal employment opportunity and affirmative action.

**APPRENTICE SELECTION PROCEDURE —  
SOURCE OF CANDIDATES**

Provisions of this letter may be suspended by mutual agreement of the UAW, National Ford Department and the Company's Labor Affairs Office for the duration of applicable Pilot Programs.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE TOOL BOX**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Apprentice Tool Box

During these negotiations, the parties discussed various issues regarding the Apprentice Program, including the supplies provided to apprentices. The parties agreed that, as soon as practicable after being placed in the Apprentice Program, apprentices will be able to requisition (subject to return if they leave the Program prior to graduation) an appropriate tool box from their plant. The value of this tool box shall not exceed \$200. Employees may retain the tool box after they graduate from the Apprentice Program so long as they are employed by the Company as skilled tradespersons.

This arrangement is not intended to modify mutually satisfactory existing local procedures.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPRENTICE UTILIZATION AND JOURNEYMAN STATUS**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Apprentice Utilization and Journeyman Status

During the current negotiations, the Union expressed concern about the number of apprentices in training and the qualifications of journeymen hired to fill certain apprenticeable trade requirements.

While depressed business conditions in recent years have resulted in substantial reductions in the number of apprentices on course, the Company continues to recognize the apprenticeship program as an important source of journeymen, among other measures to maintain an adequate and qualified skilled work force. In this regard, the Company intends to continue to maintain an active and viable apprenticeship program, consistent with local employment needs, and provided that facilities and opportunities for appropriate training are sufficient to support the program.

The apprenticeship program, however, cannot be the only source utilized to meet the Company's journeyman requirements in the apprenticeable trades. Some locations have insufficient requirements or facilities to support the program; situations frequently arise where training projections cannot fully anticipate fluctuations or shifts in needs; and other unforeseen or unusual conditions can occur. Therefore, the Company must retain the necessary flexibility to fill its needs through an appropriate balance of apprentice training (with realistic apprentices to journeymen ratios), the hiring of journeymen and the transfer or promotion of plant employees consistent with the parties' local agreements.

#### **APPRENTICE UTILIZATION AND JOURNEYMAN STATUS**

With respect to hiring on the apprenticeable trades, it is the Company's policy that, as practical, applicants before being hired as journeymen generally must satisfy one of the following criteria:

- completion of a bona fide apprenticeship program with standards equivalent to the Ford-UAW Apprenticeship Standards, or
- eight (8) years of experience in the trade, or
- experience and training equivalent to that required in a bona fide apprenticeship program as set forth above.

In applying this policy, it is understood that the Company must maintain appropriate flexibility to be able to meet its skilled work force requirements in those unusual situations where applicants who fully meet the criteria are unavailable.

Local agreements having a journeymen definition, of course, remain in effect and apply to skilled trades classifications at particular units as locally negotiated; however, it is understood such local agreements shall not provide for journeyman experience requirements of more than eight years.

Very truly yours,

ERNEST J. SAVOIE, Director  
Labor Relations Planning and  
Employment Office  
Labor Relations Staff

**CLARIFICATION OF APPRENTICE REHIRE PROVISION**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Clarification of Apprentice Rehire Provision

This will confirm the parties' understanding that, effective with the new Collective Bargaining Agreement, laid-off apprentices losing their apprentice seniority pursuant to Section 15(f) of the Apprenticeship Standards, but who retain Company seniority, will be offered the opportunity to be rehired to their apprenticeship prior to returning probationary apprentices or indenturing new apprentices on the same trades. It further is understood that apprentices who lost their apprentice seniority subsequent to March 1, 1982, also will be eligible for such opportunity so long as they retain Company seniority.

Very truly yours,

ERNEST J. SAVOIE, Director  
Labor Relations Planning and  
Employment Office  
Labor Relations Staff

Concur: Stephen P. Yokich

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## **MODIFICATION TO APPRENTICE SELECTION PROCEDURE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Modification to Apprentice Selection Procedure

During the 1999 negotiations, the parties discussed the procedure used to select candidates for the Apprentice Program. Subsequently, the Company implemented a modified apprentice selection procedure on a pilot basis during the term of the 1999 agreement. Specifically, the modification affected the process by which Apprentice Program applicants who took the Apprentice Training Selection System (ATSS) test battery were selected for placement on a facility's Apprenticeship Eligibility List.

The modification to the selection procedure is as follows:

- Applicants who achieve test results at or above the qualifying level will be considered "assessment-qualified". Applicants whose test results are below the qualifying level will not be considered "assessment-qualified".
- Assessment-qualified applicants will be ranked according to their Company Service Date, longest service to shortest service. Where ties in Company Service Date occur (i.e., two or more applicants with the same Company Service Date), such ties will be broken by ranking the tied applicants by the last four digits of their Social Security Number, in highest to lowest order (i.e., 9999 is highest; 0000 is lowest).
- Candidates will be selected for addition to the facility's Apprenticeship Eligibility List based on their above-determined ranking. As has been the standard practice, the number of candidates to be added to a facility's Apprenticeship Eligibility List will be based on that facility's forecasted two-year apprenticeship requirements.



**MODIFICATION TO APPRENTICE SELECTION PROCEDURE**

- Applicants who, based on their test results, are not assessment-qualified will be provided feedback on their assessment results. The purpose of this feedback is to provide the applicants insight into skill areas in which improvement may be needed if they wish to pursue future apprenticeship opportunities. Feedback will not be provided to assessment-qualified applicants, whether or not they are selected for addition to the facility's Apprenticeship Eligibility List.
- Applicants who are not selected for placement on the facility's Apprenticeship Eligibility List (whether or not they are assessment-qualified) will be required to re-take the test battery if they wish to pursue future apprenticeship opportunities.

Effective with the 2003 agreement the Company will adopt the above procedure for apprentice selection. Any changes to this procedure will be reviewed in advance with the Union.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**NEW DIE CONSTRUCTION — APPRENTICES**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: New Die Construction — Apprentices

This is to advise the term “seniority journeymen in tool and die classifications (Appendix F)” in the first paragraph of the New Die Construction letter dated October 4, 1979 of the Collective Bargaining Agreement shall be interpreted, for purposes of that letter only, to include employees on the Apprentice Program who have successfully completed 3,000 hours of shop training.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

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**OUTSIDE CONTRACTING — APPRENTICES**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Outside Contracting — Apprentices

This is to advise the term “seniority employees in the skilled trades (Appendix F)” in the third paragraph of Article IV, Section 8 of the Collective Bargaining Agreement shall be interpreted, for purposes of that section only, to include employees on the Apprentice Program who have successfully completed 3,000 hours of shop training.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

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**PLACEMENT ON APPRENTICE ELIGIBILITY  
LISTS FOLLOWING TRANSFER**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Placement on Apprentice Eligibility Lists  
Following Transfer

During 1990 negotiations, the parties discussed certain administrative practices of the Joint Apprenticeship Committee (JAC) concerning situations in which the JAC has approved an employee's request to transfer from the apprenticeship eligibility list of one seniority unit to another. (The employee's transfer between seniority units must be in accordance with the Collective Bargaining Agreement between Ford Motor Company and the Union including Memoranda of Understanding and/or Article 15(g) and (h) of the Apprenticeship Standards.)

- If the employee's present facility has tested apprentice applicants since the transferred employee was tested, then the employee's name is to be placed on the apprentice eligibility list of the employee's present facility following the name of the last applicant on that facility's eligibility list.
- If the employee's present facility has not tested apprentice applicants since the transferred employee was tested, then the employee's name is to be placed on the apprentice eligibility list of the employee's present facility but only after that facility conducts the next apprentice selection testing session. At that time, the employee's name shall be placed on the list following the name of the last applicant placed on that list as a result of this latest testing. Alternatively, the employee may elect to retake the selection test battery with the latest test-taking group and be placed on the eligibility list of the employee's present facility on the basis of results from that retesting. If one or more of the employee's previous

**PLACEMENT ON APPRENTICE ELIGIBILITY  
LISTS FOLLOWING TRANSFER**

trade preferences are not available at the present facility, the employee may be given three trade preferences applicable to the present facility.

Also covered by the above practices are:

- Employees who were apprentices at their previous facility and who were subject to a reduction-in-force in their previous apprentice classifications.
- Employees who are apprentices at their present facility and who elect to “return home” under provisions of Appendix O, Memorandum of Understanding, Return to Basic Unit.

The JAC will determine the trade or trades for which the employee is eligible at the employee’s present facility, examining such factors as forecasted trade requirements and availability of JAC-approved apprenticeship in those trades at that facility. If the previous trade in which the apprentice was indentured is not available at the present facility, the apprentice may be given three trade preferences.

The parties also agreed that nothing in the above is intended to deviate from the Apprenticeship Standards nor modify other administrative practices relating either to existing retesting procedures or trade preference practices of the Joint Apprenticeship Committee.

Very truly yours,

ERNEST J. SAVOIE, Director  
Employee Development Office  
Employee Relations Staff

Concur: Ernest Lofton

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**REPLACEMENT OF APPRENTICES LEAVING THE PROGRAM**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Replacement of Apprentices Leaving the Program

During these negotiations, the parties discussed the issue of Apprentice Program vacancies resulting from individuals leaving the Program prior to successful completion and graduation. The parties agreed that when an apprentice leaves the Program prior to completion of training, contingent upon business conditions and the facility's apprentice requirements, the apprentice vacancy will be filled, as soon as practicable, by a replacement candidate from the facility's current Apprentice Eligibility List. Any issues arising from this are to be directed to the National Joint Apprenticeship Committee for resolution.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**REQUIRED RECORDKEEPING FOR APPRENTICESHIP RELATED  
TRAINING INSTRUCTION CLASSES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Required Recordkeeping for Apprenticeship  
Related Training Instruction Classes**

During the 2007 negotiations, the parties discussed the policy and practices for apprentices receiving classroom credit hours and incentive payments for attending the required training classes as prescribed in Articles 9 and 10 of the Apprenticeship Standards (Exhibit I of the Skilled Trades Supplemental Agreement).

Of particular importance, it was noted that to maintain the Apprenticeship Agreement's compliance with the Registration Agency – the Office of Apprenticeship, U.S. Department of Labor – apprentices must acquire a minimum of 576 hours of related training instruction. Furthermore, it is required that there be a process to accurately track and record for each apprentice the actual time spent attending such courses.

Based on these discussions, the parties agreed that the National Joint Apprenticeship Committee will modify the existing Related Training Instruction (RTI) attendance policy to re-confirm the importance and the necessity of apprentices attending all required training courses. The NJAC will publish and distribute this modified RTI attendance policy to local JAC Subcommittees.

**REQUIRED RECORDKEEPING FOR APPRENTICESHIP RELATED  
TRAINING INSTRUCTION CLASSES**

**In addition, to maintain compliance with the Registration Agency, local JAC Subcommittee representatives will track and record apprentices' attendance at required courses. Upon apprentices' successful completion of required courses, local JAC Subcommittee representatives will issue credited hours and incentive payments, based on apprentices' actual class attendance. The NJAC will provide guidance to local JAC Subcommittees on these matters.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**TRAINING FOR PLANT SUBCOMMITTEES OF THE NATIONAL  
JOINT APPRENTICESHIP COMMITTEE**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Training for Plant Subcommittees of the National  
Joint Apprenticeship Committee

During these negotiations, the parties discussed the important role which members of local Plant Subcommittees of the National Joint Apprenticeship Committee play in assuring a high quality Apprentice Program at each location. It was mutually recognized that the manner in which the local subcommittee carries out its apprentice program responsibilities has a direct impact on the quality of apprentice training.

Recognizing their significance, it was mutually agreed that newly-appointed local subcommittee members should receive training on their position duties and responsibilities, and that this training should occur as soon as practicable but generally within six months following their appointment. The focus of this training should include, but is not necessarily limited to, the duties outlined in Article 12 of the Apprenticeship Standards (Exhibit I of the Skilled Trades Supplemental Agreement). It also was agreed that training for local subcommittee members should be provided under the direction of the National Joint Apprenticeship Committee, as is the present practice.

To improve continually the effectiveness and efficiency of this training, it was agreed that the National Joint Apprenticeship Committee will undertake efforts to review the present training process to identify additional training needs and determine the method(s) by which the training can best be delivered. In addition, this review will examine training appropriate for experienced local subcommittee members, i.e., refresher training or updates on important new developments within the Apprentice Program. Following the

**TRAINING FOR PLANT SUBCOMMITTEES OF THE NATIONAL  
JOINT APPRENTICESHIP COMMITTEE**

completion of its review and development of appropriate proposals and recommendations, the National Joint Apprenticeship Committee will present its findings to the UAW National Ford Department and the Company's Labor Affairs Office.

Very truly yours,

PHILLIP A. DUBENSKY, Director  
U. S. Union Affairs Office  
Labor Affairs

Concur: Ernest Lofton

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**WAGES PAID FOR TRAVEL TO/FROM APPRENTICE TRAINING**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Wages Paid for Travel To/From Apprentice  
Training

During these negotiations, the parties reviewed and discussed the National Joint Apprenticeship Committee's policy regarding wage payment to apprentices for their travel time to attend training activities.

Following the conclusion of these negotiations, representatives from the National Joint Apprenticeship Committee will work in conjunction with the Company's U.S. Union Affairs Office to modify that policy. The modified policy will be consistent with the Company's guidelines regarding compensation for travel time for employees on temporary assignment to another location, as described in the Company's September 16, 1996 administrative letter on that subject.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**APPENDIX F (SKILLED TRADES) LICENSES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Appendix F (Skilled Trades) Licenses

During these negotiations, the Company and the Union discussed the cost burden on certain employees in Appendix F (Skilled Trades) classifications of renewing governmentally required licenses. In addition, the parties discussed how the Company's UAW-represented journeypersons and apprentices could obtain the appropriate certifications and/or licenses required by state and local governments for work customarily performed at Ford facilities.

The Company agreed to continue the present practice of reimbursing such employees for the payment of renewal fees for licenses required by federal, state or local ordinances in order to perform their specific jobs. Further, it is understood that, except in cases of graduating apprentices, the Company will not reimburse the cost of initial licenses required as a condition of employment or to qualify for a promotional opportunity. In the case of graduating apprentices, the Company will reimburse the cost of licenses required for the initial journeymen/women classification into which they are placed. Additionally, during the term of this Agreement, in those situations wherein a new federal, state or local ordinance is introduced which requires certain employees in Appendix F (Skilled Trades) classifications to become certified or recertified to continue performing work which those employees have normally and historically performed, the parties will meet to discuss and resolve issues associated with the procurement and renewal of such licenses.

#### APPENDIX F (SKILLED TRADES) LICENSES

More specifically, regarding the appropriate licensing required of the Company's UAW-represented journeypersons and apprentices to perform work in their trade within the Company, the parties agreed to pursue the following:

- Endeavor to gain opportunities for the Company's UAW-represented journeypersons to become eligible for state and/or local licenses.
- Discuss changes to the Apprentice Program to ensure that apprentice graduates meet appropriate state and/or local licensing criteria.
- Work together to petition state legislatures and local governments as appropriate to seek waivers or changes in laws and/or regulations that would help to realize these objectives.

Very truly yours,

DENNIS J. CIRBES, Director  
U. S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**AUTOMATION AND WELDER FIXTURE REPAIR PLACEMENT  
PROCESS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Automation and Welder Fixture Repair  
Placement Process**

During these negotiations, the Company and Union discussed the placement of employees in both the Automation Equipment Maker & Maintenance, and Welding Machine and Welder Fixture Repair related classifications as a result of the consolidation of Appendix F classifications. The parties agreed to not re-populate both classifications. The parties also agreed to distribute their work to the electrical trade, as well as the appropriate mechanical trade, as identified by the local parties. Additionally, the parties agree that neither of these classifications will be repopulated at any point in the future.

Further, the Company and Union agreed upon the following voluntary process for employees holding either of these classifications -

1. Employees holding previous apprenticeable skilled trades seniority have the option of returning to their base trade and retaining their original skilled trades Date of Entry or maintain their current classification (either Automation Equipment Maker & Maintenance or Welding Machine and Welder Fixture Repair).
2. Direct skilled trades hires with a journeyman card will be allowed to go to their base apprenticeable skilled trade with a new Date Of Entry provided they qualify for a UAW journeyman card consistent with the requirements in the UAW-Ford Collective Bargaining Agreement or maintain their current classifica-

**AUTOMATION AND WELDER FIXTURE REPAIR PLACEMENT  
PROCESS**

tion (either Automation Equipment Maker & Maintenance or Welding Machine and Welder Fixture Repair).

3. Employees previously promoted from production can elect to either return to a production classification (at the production rate) with Company Seniority or maintain their current classification (either Automation Equipment Maker & Maintenance or Welding Machine and Welder Fixture Repair).

Further, the parties agree that in the event issues arise that the local parties are unable to resolve, the issue may be appealed by either party to the National Joint Skilled Trades Governance Team through the National Ford Department Servicing Representative or Division Labor Relations.

Lastly, overtime equalization agreements should be the subject of local discussions.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**CLARIFICATION OF BREAKDOWN, EXHIBIT II  
SKILLED TRADES SUPPLEMENT AGREEMENT**

October 28, 1964

Mr. Ken Bannon, Director  
National Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Clarification of Breakdown, Exhibit II  
Skilled Trades Supplement Agreement

During our meeting of October 26, 1964, you commented on the misunderstanding which exists among some Union representatives and skilled tradesmen concerning the meaning or intent of the first paragraph of the Section entitled 'Emergencies' in Exhibit II of the Skilled Trades Supplemental Agreement. We feel that this misunderstanding is best resolved by means of this letter of clarification.

This is to advise you that the Company interprets the word "breakdowns" as it is used in the paragraph cited above to mean emergency or unforeseen breakdowns, not all breakdowns. Your attention is also directed to the language later in the same paragraph providing that in such cases "trade lines are not to be disregarded where the time within which the repairs are to be made and the availability of the appropriate tradesmen permit their observance."

We trust that this letter of clarification will resolve such misunderstandings as may exist.

Very truly yours,

MALCOLM L. DENISE,  
Vice President  
Labor Relations

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CLARIFICATION OF PLACEMENT OPPORTUNITIES FOR  
SKILLED TRADES RELATED TO OPEN POSITIONS

November 3, 2007

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

**Subject: Clarification of Placement Opportunities for  
Skilled Trades Related to Open Positions**

The purpose of this letter is to clarify the preferential placement opportunities related to open positions for eligible skilled tradespersons. Initially, this clarification was contained in a letter to the field from Paul Quick and Greg Aquinto dated November 30, 2005 and provided the following:

"Skilled trades employees will be able to pursue open skilled trades positions by base trade. Specifically, skilled trades employees will be able to pursue jobs that are not identical to their classification title and classification code, as long as they have the same current base trade as the open position. Once employees are selected for open positions their classification title and classification code will change, but they will keep their original date of entry if the date is after October 29, 1984. If their date of entry is prior, they will assume the Transfer Leveling Seniority Date of October 29, 1984 (see letter of understanding subject: Date-of-Entry-Skilled Trades Employee Transferred to or Placed in Another Plant on Skilled Classification dated October 7, 1990).

For example, if you are a Machine Repair with classification code 2571340 (Machine Repair – Woodhaven) with date of entry January 15, 1980 and there is an opening for a Machine Repair with classification code 2571370 (Machine Repair), you are now allowed to pursue this open position. If selected for the position your new classification title would be Machine Repair with classification code 2571370 and your new date of

**CLARIFICATION OF PLACEMENT OPPORTUNITIES FOR  
SKILLED TRADES RELATED TO OPEN POSITIONS**

entry would be the Transfer Leveling Seniority Date of  
October 29, 1984."

Further, the parties agree that in the event issues  
arise that the local parties are unable to resolve,  
claims are not subject to the Grievance Procedure  
(Article VII of the Collective Bargaining Agreement)  
but instead may be resolved through the Appeal Pro-  
cedure to the National Job Security, Operational Ef-  
fectiveness and Sourcing Committee.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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## COMPETITIVE SKILLED TRADES WORK PRACTICES

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Competitive Skilled Trades Work Practices

During these negotiations, the parties discussed in considerable detail the important role of the skilled trades in the Company's competitive position with respect to safety, quality, productivity, morale and cost. The manner in which the skilled trades are utilized substantially affects the day-to-day success of our manufacturing, assembly and maintenance activities.

In our highly competitive, global industry, it is essential to improve our product quality and operational efficiency, if the Company is to provide the long-term job security that all our employees value. For the Company to improve its competitive position, the parties must facilitate a more efficient use of the skilled trades.

The parties have long recognized the Company's assignment policy for skilled tradespersons in conformity with the principles set forth by the Ford-UAW Umpires in Opinions in A-223, A-278, and B-14 and other umpire memoranda. However, it is also recognized that several of our plants' skilled trades work practices are not at competitive levels.

This letter serves to revitalize the agreements from past negotiations pertaining to skilled trades work practices, and further defines expectations of the local parties and requires the following actions:

- Within 90 days of the Effective Date of this Agreement, a letter, co-signed by the appropriate operating executive, U.S. Union Affairs and National Ford Department, will be issued requiring local Management and local Unions to review existing work rules and practices. The intent of the review will be to

#### COMPETITIVE SKILLED TRADES WORK PRACTICES

reinforce the existing language in the Skilled Trades Supplemental Agreement, Exhibit II, on incidental work and overlapping capabilities.

It is imperative that skilled trades employees utilize the skills that are germane to their trade.

- The results of the review will be submitted, by March 1, 2004, to the Company's U.S. Union Affairs Office and to the UAW National Ford Department for review and approval. Work practice revisions must be consistent with the principle that our workforce works safely within and up to its capabilities, while becoming more flexible, efficient and participative in all business operations.

Both the Union and Company recognize that they have a key role in the effort to modify skilled trade work assignments. As such, the local parties will facilitate support for these actions through a comprehensive communication plan.

It is recognized these actions are essential to improve our competitiveness. Therefore, the National parties agree to co-lead the implementation of this initiative, and will provide ongoing support to the local parties during the implementation of this process. It is further understood that these efforts will be ongoing, with a focus on maximizing effectiveness and improving overall efficiency.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**DATE-OF-ENTRY — SKILLED TRADES EMPLOYEE  
TRANSFERRED TO OR PLACED IN ANOTHER PLANT  
ON SKILLED CLASSIFICATION**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Date-of-Entry — Skilled Trades Employee  
Transferred to or Placed in Another Plant on  
Skilled Classification

During these negotiations, the parties discussed seniority problems concerning the date of entry seniority of skilled trades employees which have arisen as a result of the application of the provisions of Article VIII, Section 1(c) of the Agreement. The parties agreed to clarify the date of entry seniority of a skilled trades employee who is placed in or transferred to another unit other than the employee's basic unit as follows:

- Skilled Trades employees with dates of entry of October 29, 1984 or before in a skilled classification, who are employed in the same skilled classification, will establish a date of entry of October 29, 1984 in that classification.
- Skilled Trades employees with dates of entry subsequent to October 29, 1984 in a skilled classification who are employed in the same skilled classification, will establish that subsequent date as their date of entry in that classification.

**DATE-OF-ENTRY — SKILLED TRADES EMPLOYEE  
TRANSFERRED TO OR PLACED IN ANOTHER PLANT  
ON SKILLED CLASSIFICATION**

- Skilled Trades employees who are employed in a different skilled classification than their basic skilled classification, will establish the Transfer Leveling Seniority Date, determined in accordance with the provisions of Article VIII, Section 1(c), as the date of entry in the basic skilled classification and will establish a new date of entry in the new classification.

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

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DEARBORN TOOL & DIE PLANT

November 3, 2007

Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. King:

Subject: Dearborn Tool & Die Plant

During the current negotiations there was considerable discussion regarding the ongoing competitiveness of the Dearborn Tool and Die Plant. Notwithstanding the plants recent improvements in quality, cost, and delivery, the Company advised the union that the Dearborn Tool and Die Plant continues to be under significant global and domestic competitive pressures. Additionally, there was considerable discussion on die construction sourcing during these negotiations. The parties acknowledge that there may be external factors, such as product cycle plans and outside supplier capacity constraints that may have an impact on scheduling a consistent flow of work. The Company advised the Union that the primary goal in die construction sourcing is to provide an efficient investment level to the vehicle program(s) and ultimately provide exceptional value to the vehicle consumer. Other factors in the sourcing decision-making process include the cost of die construction, size and timing of the various programs, facilities availability and special employee skills.

The parties agree in order to continue to narrow the competitive cost gap and to achieve the required improvement in Tool and Die Plant business metrics the parties will apply best practices derived from external benchmarking studies, cost efficient alternative work schedules to enhance throughput while minimizing incremental overtime, and new technologies.

**DEARBORN TOOL & DIE PLANT**

**As a result of these discussions and the commitment of the parties to aggressively implement time bound, metric based continuous improvement actions at the Tool and Die Plant, the Company agrees to make capital investments totaling \$20 million to purchase new five-axis mills for the Dearborn Tool and Die operations during the term of this agreement.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**ENHANCED SKILLED TRADES TRAINING**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Enhanced Skilled Trades Training

During these negotiations, the parties had extensive discussions regarding training for skilled trades employees. It was mutually recognized that while a number of Company locations independently have undertaken (and should be encouraged to continue) significant efforts in this area, it also would be advantageous to centrally develop and deliver certain types of skilled trades training to journeymen/women throughout the Company through multi-media or other appropriate delivery systems. It also was mutually recognized that journeymen/women's active participation in such training would maintain, increase, and broaden their technical skills while enhancing product quality and plant operational effectiveness, thus resulting in greater job security for the skilled trades workforce.

Given these considerations, the parties agreed to form a joint task force at a national level to develop recommendations for development and implementation of a skilled trades training program. Although the focus of the program would be on specific technical skills, subject matter could include other topics (e.g., team problem solving, best practices skill set study) as appropriate.

It is envisioned that a dedicated central facility would be the optimal setting for training delivery. The Huron Technical Training Center is one site that would be considered for this purpose; other training venues could include local community colleges or another Company facility. While Company funds would be committed to support the program, it may be appropriate, in some instances, to seek funds available through the UAW-Ford Technical Skills Program. Additionally, the parties may seek to utilize the resources established

#### **ENHANCED SKILLED TRADES TRAINING**

for apprentice training and development (i.e., course materials, course instructors, and instructional systems design and administrative personnel) in the interest of implementing the program efficiently.

The joint task force will review its recommendations for developing and implementing a skilled trades training program with the UAW National Ford Department and the Company's Labor Affairs Office no later than six months following ratification of a new Collective Bargaining Agreement. Upon approval of a basic skilled trades training plan, the joint task force or, by mutual agreement, a successor task force will assume responsibility for the actual development, implementation, and ongoing administration of the program.

Very truly yours,

DENNIS J. CIRBES, Director  
U. S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**EQUIPMENT REFURBISHMENT**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Equipment Refurbishment**

**During these negotiations, the union expressed concerns regarding the lack of communication surrounding local equipment refurbishment projects. The company advised the Union that local management was not always aware of equipment refurbishment actions. In prior instances where local management has been advised by the Divisional Manufacturing Engineering Office of such refurbishment actions, and where the local resources were able to satisfy operational needs including cost, quality, timing, as well as the required technical competency, the Company elected to perform this work, in plant, using UAW-Ford skilled trades.**

**As a result of these discussions, the Company advised the union that as local facilities are made aware of potential equipment refurbishment actions the Company will meet with the Local Union to discuss the feasibility of performing this work. If the parties agree that the work can be performed within current staffing levels, cost, quality, timing parameters, the work will be performed by UAW-Ford skilled trades.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

**EQUIPMENT TRAINING SPECIFICATIONS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Equipment Training Specifications

During these negotiations, the parties discussed the need for specialized training of skilled trades employees and making available supporting documentation and materials such as instruction manuals and software relevant to new machinery and equipment.

The Company recognizes that equipment downtime will be minimized and quality and performance improved if training and supporting documentation relevant to the servicing of new equipment is provided to its skilled trades workforce. Toward that end, the Company will monitor new equipment purchases to ensure training and supporting documentation are, when not considered proprietary in nature, made part of the purchase specifications. Members of the Local Technical Training Committee should be kept informed by plant management of acquisitions of new equipment for the plant.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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EXPANSION OF SKILLED TRADES PROJECT COORDINATOR  
CLASSIFICATION

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Expansion of Skilled Trades Project Coordinator  
Classification

During these **2007 Negotiations**, the parties discussed the utilization of skilled trades employees on project work and the effectiveness of the classification of Skilled Trades Project Coordinator. It was agreed that the classification has been utilized in an effective manner and in accordance with the understandings outlined in the September 15, 1993 Letter of Understanding entitled Skilled Trades Project Coordinator Classification.

Based on the above, the parties agree that the classification of Skilled Trades Project Coordinator will be available to all U. S. plants under the conditions detailed below:

- The plant must provide to the National parties a written description of the project including: the scope and anticipated duration of the project; the number of employees, by classification, to be assigned to the project work group; and the role to be performed by the Skilled Trades Project Coordinator. **To facilitate the collection of the required information listed above, the Company will establish a template on which the plants will submit such information. The National parties will ensure this process is administered in a timely and expeditious manner.**
- Local requests for use of the classification must contain plans for any training required for the Skilled Trades Project Coordinator.

**EXPANSION OF SKILLED TRADES PROJECT COORDINATOR  
CLASSIFICATION**

- The rate for the Skilled Trades Project Coordinator who leads such work groups would be "\$1.00 above" for the duration of a specific project meeting the guidelines of this letter. The attached exhibit will be incorporated as part of the duties required for purposes of establishing and applying this classification and rate premium.
- The local parties should jointly determine the selection criteria for the Skilled Trades Project Coordinator to assure that the most qualified employee(s) are selected.
- An employee placed on the Skilled Trades Project Coordinator classification will retain that classification only for the duration of the project to which the employee is assigned while the employee performs the key responsibilities and a majority of the duties detailed in the attached exhibit.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**EXPANSION OF SKILLED TRADES PROJECT COORDINATOR  
CLASSIFICATION**

EXHIBIT

**SKILLED TRADE PROJECT COORDINATOR  
JOB DUTIES**

*Key Responsibilities*

- Accountable for operational and administrative aspects of the project work group, including progress toward group goals, shift start-up, overtime, record keeping, team training progress, safety and housekeeping. (Not responsible for employee discipline nor for authorizing hours of pay.)
- Function as a liaison between group members and other internal and external support functions.
- Provide information and advice to Management and outside contracting subcommittees, as appropriate.
- Plan, organize, and facilitate project work group meetings to resolve problems, competitiveness, and other issues in the spirit of continuous improvement.
- Coordinate the activities and assignments of all employees assigned to the project work group including different skilled trades classifications and nonskilled employees based on the specific requirements of the project.

*Representative Tasks*

1. Plan, schedule, and facilitate project work group meetings.
2. Coordinate maintenance and project activities between production, engineering and scheduling activities.
3. Solve problems using authority delegated, including discussions with the appropriate plant personnel or outside project representatives.
4. Plan and coordinate project work group activities and assignments as necessary.
5. Plan and provide or arrange for appropriate training (OJT or classroom).
6. Promote safety, quality, and housekeeping.
7. Promote and ensure constant improvement in the group toward the common goal of improving product quality, plant competitiveness and total cost structure.

**EXPANSION OF SKILLED TRADES PROJECT COORDINATOR  
CLASSIFICATION**

8. Obtain materials and supplies for the group.
  9. Be knowledgeable of all operations within the project work group, provide coverage for group members who are away from the work area (i.e., absent, emergency, first aid, etc.), and perform other tasks to facilitate meeting project goals.
  10. Maintain team records, such as overtime scheduling/equalization, training, etc.
  11. Participate in Management meetings and communicate the needs of the team.
  12. Responsible for the morale and performance of the team.
  13. Encourage group to meet responsibilities.
  14. Other tasks as determined by the specific project requirements.
-



**JOB SECURITY — APPRENTICE DEVELOPMENT  
AND JOURNEYMEN/WOMEN RETRAINING**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Job Security — Apprentice Development and  
Journeymen/women Retraining

During these negotiations, the Union and the Company acknowledged that skilled trades personnel provide vital maintenance and construction support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence within the apprenticeable trades through training, retraining and assessment of apprentices will permit the Union and the Company to pursue the critical objective of continuous improvement in quality, flexibility and operational effectiveness and, in turn, enhance job security.

*Program Size*

Consistent with these discussions and the October 14, 1984 Apprentice Utilization and Journeyman Status Letter of Understanding and in response to present skilled trades demographics, potential future retirements, and attrition, the Company commits to retaining a viable apprentice program. It is recognized, however, that the current depressed business conditions, increasing competitive pressures, and the future business outlook will continue to have a substantial impact on the number of apprentices required to be placed on course. Nevertheless, the Company recognizes the Apprentice Program as an important source of qualified journeymen/women **and the fact that the program has historically been the source of the majority of journeymen/women within the Company.** Both parties recognized that an active, viable Apprentice Program must align with the business requirements. **When business**

**JOB SECURITY — APPRENTICE DEVELOPMENT  
AND JOURNEYMEN/WOMEN RETRAINING**

**conditions and requirements permit, it is the Company's intention to continue to utilize the Apprentice Program as a major source of future journeymen/women.** As such, during these negotiations, the parties agreed to **continue** an apprentice needs forecasting methodology and further agreed to an annual review to align apprentice needs with business requirements. As soon as practicable following the ratification of the Agreement, **the** details and guidelines regarding the apprentice needs forecasting methodology will be **determined, based on forecasted business conditions and facility requirements.**

In an attempt to ensure that an appropriate number of apprentices are placed on course when and where required, the forecasting process will be utilized by local parties, with input from the local JAC, to project future skilled trades needs, and recommend the number and timing of apprentice indenturements to meet such needs. This forecasting process will include factors such as:

- historical and anticipated skilled trades attrition
- projected graduations of apprentices
- **available skilled trades employees, impacted by workforce reduction actions**
- **changes due to skilled trades classification consolidation and work practices**
- apprentice vacancies
- skilled trades hires
- operational requirements, business plan considerations, and implications of new technology

Following these negotiations, and annually in each remaining year of the Agreement, a letter will be co-signed by the NJAC and an appropriate Operating Executive, and issued to each Ford facility with an Apprentice Program, directing that the above forecast be completed and submitted to the NJAC and the Company's U.S. Union Affairs Office. This communication will include details regarding information to be included in the forecast and timing for its submission. The U.S. Union Affairs Office, in conjunction with the NJAC will review, compile, and provide concurrence that the methodology used to complete each facility's forecast was appropriately

#### **JOB SECURITY — APPRENTICE DEVELOPMENT AND JOURNEYMEN/WOMEN RETRAINING**

applied. The parties will jointly forward a recommendation to the appropriate Operating Executive regarding the number of apprentices required.

Apprentices will be added in accordance with the annual recommendation, subject to the approval of the Operating Executive, provided that qualified candidates can be found who meet all the selection criteria. An effort will be made to manage the flow of accessions to facilitate the orderly scheduling of core skills training for new apprentices.<sup>1</sup> It is understood that while the existing work force will be a major source of future apprentices, this will not limit the NJAC from making adjustments based on mutually agreed upon business conditions.

It is also understood that in cases where there is an immediate need for journeymen/women skills at a particular location, **and/or where skilled trades employees impacted by workforce reduction actions are available**, it may be necessary to add journeymen/women in place of apprentices agreed upon in this letter. In this regard, provisions of Appendix N, Memorandum of Understanding on Preferential Placement Arrangements and Appendix M, Memorandum of Understanding, Job Security Program - GEN will be considered as required.

The National Joint Apprenticeship Committee will monitor the indenturement of apprentices and will review this information with the U.S. Union Affairs office and the National Ford Department on a regular basis.

#### *Enhanced Apprenticeship Training*

The following enhancements to apprenticeship training will be undertaken:

- Continue to explore means to deliver more uniform related instruction to all locations having an apprentice program, based on analysis of needs, available materials and technology including various forms of distance learning.
- Continue to improve **and modify** the core skills training for new apprentices (e. g., FTPM concepts or **new skill sets required**) and in-course progress

<sup>1</sup> Moved from previous paragraph

**JOB SECURITY — APPRENTICE DEVELOPMENT  
AND JOURNEYMEN/WOMEN RETRAINING**

assessment for participants mid-way through the program. The core skills training may be conducted at the Huron Technical Training Center or at a vendor's facility selected by the National Joint Apprenticeship Committee (NJAC). Generally, apprentices selected for the in-course assessment should have worked **a minimum of 3,000 but not more than 5,000** shop hours. Appropriate remedial action plans, based on assessment outcomes, will be developed for the individual apprentices included in this assessment. The results of such assessments shall be considered but shall not be the sole determinant of continuance on course.

- **Continue** the highly successful Troubleshooting Strategies course, **previously** developed for the the **Electrical and Machine Repair** Apprenticeship, **and assess and implement, as appropriate** to other apprenticeships such as Tool and Die, and Plumber-Pipefitter. Apprentices should complete this course between 2,000 and 3,000 hours.
- Continue as a standard element of the Apprentice Program the basic training to introduce apprentices in the metal trades to the principles used in computer-controlled equipment and devices associated with job performance involving operating coordinate measuring machines (CMM), related computer-aided design (CAD) equipment, and computer operating systems. This training would include classroom as well as “hands-on” lab exercises.

This introduction to CMM provides apprentices with a basic understanding of the work involved and assists them in determining whether they should pursue a career leading to Inspector - Tooling and Layout. Apprentices pursuing such a career would be offered an opportunity to enroll in supplemental training in CMM and related subjects being offered to employees classified as Inspector - Tooling and Layout.

- Continue, as appropriate, to benchmark exemplary apprentice programs to further continuous improvement in all aspects of the Apprentice Program.

#### **JOB SECURITY — APPRENTICE DEVELOPMENT AND JOURNEYMEN/WOMEN RETRAINING**

- Identify (a) the various types of welding applications that require certification, (b) local, state, and/or federal certification examination requirements, and (c) the welding equipment necessary to conduct such examinations.

Continue a welder certification process for identified applications after review by the National Joint Apprenticeship Committee with the UAW's, National Ford Department and the Company's Labor Affairs Office.

- Review and revise apprentice curricula, as necessary, to ensure that apprentices receive training and instruction in reducing repair time and methodology for increasing time between machine failures, in accordance with FTTPM principles.
- Review and, as necessary, revise apprentice curricula to ensure that training reflects current and anticipated technology.

#### *Task Analysis and Performance Assessment*

The Union and the Company acknowledged that the present Apprentice Program can be improved by standardization of training delivery and periodic assessment of apprentice performance to ensure skill development. The parties agreed to jointly **continue the** task-and-performance-based apprentice program. Consistent with this objective, the following steps will be undertaken:

- Continue to conduct task analyses of the apprenticeable trades (a minimum of two per year) to ensure that shop area learning and performance objectives can be expanded to all locations having an apprentice program.
- Continue development of periodic performance assessment guidelines which can be implemented at the apprentice's workplace to measure performance on basic trade tasks.
- Continue development of a graduation requirement and assessment to verify delivery of appropriate shop training and related instruction, and to ensure the successful job performance of apprentice program graduates.

**JOB SECURITY — APPRENTICE DEVELOPMENT  
AND JOURNEYMEN/WOMEN RETRAINING**

*Expenses*

All non-wage related expenses incurred as a result of the above described Enhanced Apprenticeship Training, and Basic Training for Apprentices on Principles of Coordinate Measuring, including the expenses for design, delivery, necessary equipment, supplies, facilities, faculty, administration, ongoing evaluation, and non-local student travel, where necessary, and for wages of the trainees **shall** be charged to the National Education, Development and Training Program fund.

The Joint Apprenticeship Committee shall oversee the initiatives described above and shall periodically review the results, including evaluations by mutually selected outside parties, with the Joint Governing Body and appropriate representatives of the UAW's National Ford Department and the Company's Labor Affairs Office.

*Journeyman/women Retraining*

Further, where changes in the type of operation, volume, product life cycle, or other reasons have caused an excess number of journeymen/women in a particular skilled trade and placement in their trade is not possible, the parties will continue to explore and support, where feasible and practical, the retraining of journeymen/women to qualify them in another skilled trade. Such retraining could be done within or outside the Apprentice Program. When in-zone or other transfer opportunities in the trade have been exhausted, the NJAC shall have the authority, where the Company and Union agree, to direct such retraining where indefinite placement in job security program's protected status (GEN) or layoff is the alternative for the individual. Employees who refuse such retraining placement opportunities shall be ineligible for GEN protected status and go directly to layoff status.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**LOCAL SKILLED TRADES WORK ASSIGNMENT GUIDES**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Local Skilled Trades Work Assignment Guides

This letter will serve to consolidate and confirm the understandings contained in letters of understandings agreed to by the parties in previous negotiations with regard to the development of local skilled trades work assignment guides pursuant to the provisions of Paragraph 7 of the Skilled Trades Supplemental Agreement.

During previous negotiations, the Union has insisted that disputes over skilled trades work assignments frequently result from lack of knowledge concerning local work assignment practices on the part of newly hired or transferred journeymen or supervisors. The Union urged that many such disputes could be prevented or quickly resolved if local work assignment practices were defined and agreed upon by the parties.

As you are aware, the Company holds a deep conviction regarding the necessity to retain current work assignment flexibility in order to assure the most efficient utilization of skilled manpower. On numerous occasions the Company has expressed its concern that local negotiations in this area would likely result in featherbedding, or result in increased claims for back pay or attempts to limit the Company's flexibility particularly with respect to incidental and overlapping work assignments.

Based upon unequivocal assurances from the Union that these are not the objectives of the Union nor would attempts to achieve these harmful results be sanctioned, the Company agreed to amend the Skilled Trades Supplemental Agreement to permit local parties to develop skilled work assignment guides for the apprenticeable trades pursuant to Paragraph 7 of the Skilled Trades Supplemental Agreement.

#### **LOCAL SKILLED TRADES WORK ASSIGNMENT GUIDES**

The parties also have discussed the feasibility of applying the procedures of Paragraph 7, Development of Local Skilled Trades Work Assignment Guides, of the Skilled Trades Supplemental Agreement to nonapprenticeable skilled trades (Appendix F) classifications. This will confirm the parties' agreement to extend the provisions of the aforementioned Paragraph 7 to nonapprenticeable skilled trades classifications in Appendix F excluding various machining classifications related to the tool and die trade, various inspection classifications and certain other classifications which are not commonly recognized as skilled trades.

With respect to the Rouge Area, because of its multi-unit complexity and the proliferation of Appendix F classifications, it was recognized that further study of the subject would be required. Accordingly, appropriate Company and Union representatives will study the feasibility of developing such guides for nonapprenticeable skilled classifications excepting those for which guides are inappropriate as described above.

Very truly yours,

THOMAS M. BROWN, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

Note: This letter replaces the following letters:

- Skilled Trades Work Assignments, December 7, 1970
- Nonapprenticeable Work Guides, October 4, 1979



**MENTOR TRAINING FOR JOURNEYPERSONS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Mentor Training for Journeypersons

During these negotiations, the parties discussed possible enhancements to the UAW-Ford Apprentice Program, including the potential need for a training program to develop and enhance the ability of journeypersons to serve as effective mentors for apprentices assigned to work with them. This training would focus on the development of open communication between journeypersons and apprentices, particularly the sharing of journeypersons' valuable technical knowledge accumulated from their years of work experience.

The parties agreed to authorize the NJAC to study the results of the Apprentice Mentoring Program, and determine the application of such training for interested journeypersons. The NJAC will report its recommendations to the program coordinators for the development of a mentor training module for journeypersons that could be made available to locations with an Apprentice Program at the request of local management and the local JAC representatives.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**PRODUCTION-RELATED COMPUTER EQUIPMENT**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Production-Related Computer Equipment

During these negotiations, the parties had numerous discussions regarding skilled trades concerns with work by vendors supporting production-related computer equipment at Ford locations with UAW-represented employees.

The parties determined the local parties will resolve any issues related to this matter by local agreement.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor Affairs

Concur: Ron Gettelfinger

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**PROJECT WORK FOR SKILLED TRADES**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Project Work for Skilled Trades

During 1993 negotiations the potential for effectively utilizing skilled trades employees assigned to Protected employee status for plant project work was discussed. The focus of the discussions was primarily on full utilization of the skilled trades workforce with emphasis on those locations with large numbers of skilled Protected employees.

The parties agreed that in those locations in which large numbers of Protected skilled trades employees exist, the local parties can discuss the possibility of using these employees for project work as well as other non-traditional work. It is understood that such project work would have to be cost effective, and that work assignments on such projects would be performed in the spirit of the parties' understanding on skilled trades classifications.

This consideration may also be extended to the existing skilled trades workforce should suitable opportunities arise.

Very truly yours,

JAMES D. SHANNON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Ernest Lofton

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**ROUGE CONSTRUCTION SERVICES – DEPARTMENT 8061**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Rouge Construction Services – Department  
8061**

**During the course of the 2007 negotiations, the Company and Union discussed the viability of Department 8061 of the Rouge Maintenance and Construction Unit. The parties agree Department 8061 could be a viable source of manpower for certain project and construction work not only within the Rouge complex but throughout Southeast Michigan.**

**Further, the Union expressed its concerns that it is inefficient and costly to have employees in the skilled trades classifications that are not being utilized while contracting out work that can be performed competitively by UAW-Ford skilled trades employees.**

**The parties recognize there may be excess skilled trades employees within Southeastern Michigan during the term of this agreement. While the intent is not to establish large construction or project crews with the plants that cannot be utilized on a full time basis, the parties agree that it would be advantageous to utilize the available work force to perform this work efficiently and competitively.**

**It is further agreed upon ratification of this Agreement a process will be developed to allow Rouge Construction Services to submit bids on appropriate construction projects in Southeastern Michigan plants. In addition, the parties agree to develop a process to allow skilled trades employees who may be assigned to Job Security Program Protected Status to be loaned to another location to supplement the**

**ROUGE CONSTRUCTION SERVICES – DEPARTMENT 8061**

**manpower, if needed, to perform this type of project/ construction work. These employees would be on loan and would return to their home location upon completion of the project. It is also understood the employees assigned to this type of work would operate under a team concept in order to complete the work in a safe, competitive, and timely manner.**

**The parties agree this type of work will follow the outside contracting procedure as described in the UAW-Ford Collective Bargaining Agreement to determine the feasibility of keeping work in house as opposed to utilizing an outside contractor. It is further agreed that local practices cannot supersede this agreement. Further, it is agreed this Letter of Understanding does not extend the Rouge Outside Contracting and Clearance Procedure to other, non-Rouge, Southeastern Michigan locations.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**SHOP TRAINING APPENDICES**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Shop Training Appendices

This letter confirms the parties' understanding that, effective with the new Collective Bargaining Agreement, the following trades are removed from the Appendices contained in Exhibit I, Apprenticeship Standards for lack of use:

- Tool and Die Heat Treating
- Blacksmithing
- Boilermaker
- Roll Turning and Grinding

This letter also reconfirms the parties' decision in 1987 negotiations to remove the Diemaking — Trim Dies Appendix for lack of use.

The status of journeymen in these trades is unaffected by this letter of understanding.

Very truly yours,

ERNEST J. SAVOIE, Director  
Employee Development Office  
Employee Relations Staff

Concur: Ernest Lofton

Note: This letter replaces the following letter:

- Diemaking — Trim Dies Shop Training Appendix, September 17, 1987

**SKILLED CLASSIFICATION CONSOLIDATION PLACEMENT  
PROCESS**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Skilled Classification Consolidation  
Placement Process**

**During these negotiations, the Company and Union discussed the placement of employees in classifications that will not be re-populated as a result of the consolidation of some Appendix F classifications.**

**Further, the Company and Union agreed upon the following voluntary process for employees holding these classifications -**

- 1. Employees holding previous apprenticeable skilled trades seniority have the option of returning to their base trade and retaining their original skilled trades Date of Entry or maintain their current classification.**
- 2. Direct skilled trades hires with a journeyman card will be allowed to go to their base apprenticeable skilled trade with a new Date Of Entry provided they qualify for a UAW journeyman card consistent with the requirements in the UAW-Ford Collective Bargaining Agreement or maintain their current classification.**
- 3. Employees previously promoted from production can elect to either return to a production classification (at the production rate) with Company Seniority or maintain their current classification.**

**SKILLED CLASSIFICATION CONSOLIDATION PLACEMENT  
PROCESS**

**The parties agree that in the event issues arise that the local parties are unable to resolve, the issue may be appealed by either party to the National Joint Skilled Trades Governance Team through the National Ford Department Servicing Representative or Division Labor Relations.**

**Lastly, overtime equalization agreements should be the subject of local discussions.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**SKILLED TRADES BOOK**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Skilled Trades Book

During these negotiations, the parties agreed to produce 25,000 copies of the Skilled Trades Book. The material in the book will contain the portions of the terms of the Collective Bargaining Agreement dated the effective date of the new Agreement, relating to Skilled Trades including Apprenticeship.

The contractual language in the book will include excerpts of the Master Agreement and Letters of Understanding between the Ford Motor Company and the UAW and other sources. However, the Skilled Trades Book is not intended as a substitute for the original language.

The purpose of the book is to place under one cover information affecting Skilled Trades. Information that is common to all hourly employees, such as Retirement, SUB, Group Life and Disability Insurance, Hospital-Surgical-Medical-Prescription Drug-Dental-Vision and other portions of the Collective Bargaining Agreement will not be reproduced in their entirety in the Skilled Trades Book. This general information applicable to all hourly employees will be reproduced in other book forms.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Skilled Trades Classification Consolidation**

**During the 2007 negotiations, the parties agreed to substantially reduce the number of skilled trades classifications in order to establish a classification structure closer to automotive industry competitive levels. Implementation of the skilled trades classification consolidation encompasses the following principles:**

- **Existing classifications that the parties will utilize from this point forward.**
- **Existing classifications that will not be repopulated as skilled employees leave these classifications. Classifications will be eliminated as vacated.**
- **Vacated classifications will be eliminated immediately. (In the event a classification has been eliminated and an incumbent employee returns to the active employment rolls (e.g., return from medical, etc.) the local parties will review the circumstances with the National Joint Skilled Trades Governance Team, who will make a final determination.)**
- **New classifications to accommodate the consolidation of non-apprenticeable classifications (e.g., Carpenter – All Around) and alignment of other classifications with the apprenticeship program (e.g., Stationary Steam Engineer).**

#### SKILLED TRADES CLASSIFICATION CONSOLIDATION

- **Employees within consolidated classifications, as reflected in the Attachment, will retain their current skilled trade Date-of-Entry seniority as their Date-of-Entry seniority in the consolidated classification.**
- **Apprentice, Leader, Project Coordinator, and Team Leader/Workgroup Coordinator designations will continue to be applied as appropriate.**
- **Work performed by incumbent employees in the machining classifications consolidated into the Machinist classification will transition as follows: employees in the Machinist classification may be assigned to any machinist operation within this consolidated classification based on verified ability. Further, as attrition occurs the equipment used will become a "tool of the trade" and the work will be absorbed by the Tool and Die Maker and/or the Tool and Template Maker classifications.**
- **The work performed by employees in the Cutter Grinder classification will transition to the Tool and Die Maker and/or Toolmaker and Template Maker classifications or the parties will continue with current local practices.**
- **The work performed by employees in the Water Waste & Sewage Plant, Waste Disposal Equipment & Minor Maintenance, and Water Waste & Sewage Plant Operator & Maintenance classifications will transition to the Stationary Steam Engineer classification or the parties will continue with current local practices.**
- **The work performed by employees in the Diesel Engine & Heavy Equipment Mechanic classification will transition to Industrial Lift Truck classification.**
- **At the Rouge, the work performed by employees in the Communication System Installation & Maintenance classification will transition to the Electrical classification. Further, the work**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

performed by employees in the Pipe Coverer classification will transition to the Plumber-Pipefitter classification as the Pipe Coverers attrit. Lastly, employees in the Powerhouse and Substation Operator #1 (and Leader) classification will be consolidated into the Electrician classification.

Skilled trades efficiencies achieved as a direct result of classification consolidation will not result in an indefinite layoff or job security actions. Further, the parties agree that under no circumstance will a new skilled trade classification, including any variation or combination of an existing classification (e.g., Power Electrician, Tool & Die Welder, etc.), be established without the expressed written consent of the National Joint Skilled Trades Governance Team, Labor Affairs, and the UAW, National Ford Department.

The skilled trades classification consolidations will foster efficiencies, provide greater flexibility, and enhance overall operational effectiveness. Specific consolidation actions are detailed in the following Attachment with the classifications to be utilized from this point forward bolded at the top of each list. All classifications listed below each bolded heading will be consolidated into that specific bolded classification.

Very truly yours,

**BILL DIRKSEN,**  
Executive Director  
U.S. Labor Affairs

Concur: Bob King

SKILLED TRADES CLASSIFICATION CONSOLIDATION

Attachment

<b>Electrician</b>
<b>Electrician</b>
<b>Electrician - Project Coordinator</b>
<b>Electrician - Vulcan</b>
<b>Electrician - Wayne ISA - Electrical Umb. - STPC</b>
<b>Electrician - Woodhaven</b>
<b>Electrician Appr</b>
<b>Electrician Co</b>
<b>Electrician Leader</b>
<b>Electrician Team Leader</b>
<b>Electrician Ut</b>
<b>Electrician-Elect Umbrella-Team Leader</b>
<b>Electrician-Electrical Umbrella</b>
<b>Electrician-Wayne ISA - Electrical Umb.</b>
<b>Electrician-Woodhaven Team Leader</b>
<b>Power Electrician</b>
<b>Power Electrician - Project Coordinator</b>
<b>Power Electrician Ldr</b>
<b>Team Member Electrical</b>
<b>Team Member Electrical Apprentice</b>
<b>Wayne ISA Electrical Umbrella Team Leader</b>
<b>Power Maintenance Electrician Ldr</b>
<b>Electrician &amp; Pyrometer Repair</b>
<b>Electrician &amp; Pyrometer Repair Proj.Coord.</b>
<b>Electrician &amp; Pyrometer Repair Leader</b>
<b>Industrial Instrumentation</b>
<b>Industrial Pyrometry</b>
<b>Pyrometer &amp; Instru Instal &amp; Repair Appren</b>
<b>Pyrometer &amp; Instrument Installation &amp; Repair</b>
<b>Pyrometer &amp; Instrument Installation &amp; Repair Ldr</b>

SKILLED TRADES CLASSIFICATION CONSOLIDATION

<b>Tool and Die Maker</b>
<b>Team Member Tool &amp; Die</b>
<b>Team Member Tool &amp; Die Apprentice</b>
<b>Tool &amp; Diemaker</b>
<b>Tool &amp; Diemaker Appr</b>
<b>Tool &amp; Die Maker Leader</b>
<b>Tool &amp; Diemaker Team Coordinator</b>
<b>Tool &amp; Diemaker Leader-Wayne ISA - T&amp;D Umbrella</b>
<b>Tool &amp; Diemaker-Wayne ISA – Tool &amp; Die Umbrella</b>
<b>Tool &amp; Diemaker-Wayne ISA – Tool &amp; Die Umbrella - STPC</b>
<b>Die cast Diemaking</b>
<b>Diemaker Die cast</b>
<b>Diemaker Die cast Leader</b>
<b>Diemaker Die cast Apprentice</b>
<b>Die Making</b>
<b>Diemaker</b>
<b>Diemaker - Project Coordinator</b>
<b>Diemaker Appr</b>
<b>Diemaker Ldr</b>
<b>Diemaker Repair</b>
<b>Diemaker/Diesinker Vulcan/Woodhaven Forging Only</b>
<b>Die Sinker</b>
<b>Diesinker</b>
<b>Die Sinker Apprentice</b>
<b>Die Sinker Leader</b>
<b>Die Tryout</b>
<b>Die Tryout</b>
<b>Die Tryout Apprentice</b>
<b>Die Tryout Leader</b>
<b>Gauge Maker-All Around</b>
<b>Scale Repair</b>
<b>Scale Repair Leader</b>
<b>Die Repair</b>
<b>Locksmith</b>
<b>Locksmith Leader</b>

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

**Toolmaker & Template Maker**

**Toolmaker & Template Maker**  
**Toolmaker & Template Maker - Project Coordinator**  
**Toolmaker & Template Maker Appr**  
**Toolmaker & Template Maker Co**  
**Toolmaker & Template Maker Ldr**  
**Toolmaker (R & E Staff) Apprentice**  
**Toolmaker (Research & Engineering Staff)**  
**Toolmaker (Research & Engineering Staff) Leader**  
**Toolmaker Team Leader**  
**Toolmaker-Mechanical Umbrella**  
**Toolmaker-Mechanical Umbrella-Team Leader**

**Machine Repair**

**Hydraulic & Machine Repair (Lima)**  
**Machine Repair**  
**Machine Repair - Project Coordinator**  
**Machine Repair - Woodhaven**  
**Machine Repair Appr**  
**Machine Repair Ldr**  
**Machine Repair Leader**  
**Machine Repair Woodhaven-Team Leader**  
**Machine Repair-Wayne ISA - Mech Umb**  
**Machine Repair-Wayne ISA - Mech Umb - Project  
Coordinator**  
**Machine Repair Specialist**  
**Machine Repair Specialist Leader**  
**Team Member Mechanical**  
**Team Member Mechanical Apprentice**  
**Wayne ISA Machine Repair Mech Umbrella  
Team Leader**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

<b>Millwright</b>
<b>Maintenance Gen. Plt. Skilled Millwright-Leader</b>
<b>Maintenance-General Skilled-Millwright</b>
<b>Millwright</b>
<b>Millwright - Project Coordinator</b>
<b>Millwright - Wayne ISA - Mech Umb. - STPC</b>
<b>Millwright Appr</b>
<b>Millwright Co</b>
<b>Millwright Ldr</b>
<b>Millwright Team Leader</b>
<b>Millwright Utility</b>
<b>Millwright-Mechanical Umbrella</b>
<b>Millwright-Mechanical Umbrella Team Leader</b>
<b>Millwright-Wayne ISA - Mech Umb</b>
<b>Wayne ISA Millwright Mech Umbrella Team Leader</b>
<b>Rigger</b>
<b>Rigger - Project Coordinator</b>
<b>Rigger Ldr</b>

<b>Sheet Metal Worker</b>
<b>Sheet Metal Worker</b>
<b>Sheet Metal Worker - Project Coordinator</b>
<b>Sheet Metal Worker Appr</b>
<b>Sheet Metal Worker Co</b>
<b>Sheet Metal Worker Ldr</b>
<b>Tinsmith</b>
<b>Tinsmith Team Leader</b>



SKILLED TRADES CLASSIFICATION CONSOLIDATION

<b>Plumber-Pipefitter</b>
<b>Pipefitter-Mechanical Umbrella</b>
<b>Pipefitter-Mechanical Umbrella - Project Coordinator</b>
<b>Pipefitter-Mechanical Umbrella Team Leader</b>
<b>Pipefitter-Wayne ISA - Mech Umb</b>
<b>Pipefitter-Wayne ISA - Mech Umb - Project Coordinator</b>
<b>Plumber Pipefitter</b>
<b>Plumber Pipefitter - Project Coordinator</b>
<b>Plumber Pipefitter Appr</b>
<b>Plumber Pipefitter Co</b>
<b>Plumber Pipefitter Ldr</b>
<b>Plumber Pipefitter Team Leader</b>
<b>Plumber-Pipefitter/Welder (Twin Cities Only)</b>
<b>Wayne ISA Pipefitter Mech Umbrella Team Leader</b>
<b>Industrial Hydraulics</b>
<b>Hydraulic Repair</b>
<b>Hydraulic Repair Appr</b>
<b>Hydraulic Repair Project Coordinator</b>
<b>Hydraulic Repair Leader</b>

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

<b>Welder General</b>
<b>Wayne ISA Welder Mech Umbrella Team Leader</b>
<b>Welder</b>
<b>Welder General</b>
<b>Welder General - Project Coordinator</b>
<b>Welder General Appr</b>
<b>Welder General Ldr</b>
<b>Welder General-Mech Umbrella-Team Leader</b>
<b>Welder General-Mechanical Umbrella</b>
<b>Welder-Wayne ISA - Mech Umb</b>
<b>Hardener-Tool &amp; Die</b>
<b>Hardener-Tool &amp; Die-Leader</b>
<b>Die And Maintenance Welder</b>
<b>Welder Team Leader</b>
<b>Welder Tool Die &amp; Maintenance</b>
<b>Welder Tool Die &amp; Maintenance Appr</b>
<b>Welder-Tool &amp; Die</b>
<b>Welder-Tool &amp; Die Co</b>
<b>Tool &amp; Die Welder/Hardener</b>
<b>Welder-Tool &amp; Die Ldr</b>

  

<b>Mechanic Auto</b>
<b>Mech Auto-App</b>
<b>Mechanic Auto</b>
<b>Mechanic Leader</b>

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

<p style="text-align: center;"><b>Industrial Truck Mechanic</b></p> <hr/> <p><b>Ind Trk &amp; Tow Rep-Wayne ISA - Mech Umb</b> <b>Industrial Lift Truck &amp; Tow Tractor Repair</b> <b>Industrial Lift Truck &amp; Tow Tractor Repair Appr</b> <b>Industrial Lift Truck &amp; Tow Tractor Repair Ldr</b> <b>Maintenance General Skilled Indus Lift Trk</b> <b>Repair Ldr</b> <b>Maint General Plant Skilled Industrial Truck</b> <b>Repair</b> <b>Wayne ISA Ind. Lift Truck Mech Umbrella</b> <b>Team Ldr</b></p>
<p style="text-align: center;"><b>Refrigeration and Air Conditioning Machine Operator</b></p> <hr/> <p><b>Refrigeration &amp; Air Conditioning Machine</b> <b>Operator</b> <b>Refrigeration &amp; Air Conditioning Machine</b> <b>Oper Appr</b> <b>Refrigeration &amp; Air Conditioning Oper Leader</b></p>
<p style="text-align: center;"><b>Refrigeration and Air Conditioning Maintenance &amp; Installation</b></p> <hr/> <p><b>Refrigeration Maintenance &amp; Installation</b> <b>Refrigeration Maintenance &amp; Installation - STPC</b> <b>Refrigeration Maintenance &amp; Installation Appr</b> <b>Refrigeration Maintenance &amp; Installation Ldr</b></p>
<p style="text-align: center;"><b>Power House Mechanic</b></p> <hr/> <p><b>Power Maintenance #1</b> <b>Machinist-All Around Powerhouse</b> <b>Machinist-All Around Powerhouse Appr</b> <b>Machinist-All Around Powerhouse Ldr</b></p>

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

<p style="text-align: center;"><b>Stationary Steam Engineer</b></p> <hr/> <p><b>Power Service Heat Steam Air &amp; Water</b> <b>Power Service Heat Steam Air &amp; Water Appr</b> <b>Power Service Heat Steam Air &amp; Water Ldr</b> <b>Power House Engineer</b> <b>Power House Engineer Appr</b> <b>Power House Engineer Ldr</b> <b>Power House Operator</b> <b>Power House Operator Ldr</b> <b>Powerhouse &amp; Substation Operator #1</b> <b>(consolidate with Electrician at Rouge)</b> <b>Powerhouse &amp; Substation Operator #1 Ldr</b> <b>(consolidate with Electrician at Rouge)</b> <b>Powerhouse Operator Apprentice</b> <b>Engineer-Shift or Relief</b> <b>Engineer-Relief</b> <b>First Class Operator-Powerhouse #1</b> <b>Power Service Operator</b> <b>Boiler Fire Hand</b></p>
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<p style="text-align: center;"><b>Metal Model Maker</b> <b>(to be used only at VOGO Pilot Plant)</b></p> <hr/> <p><b>Metal Model Maker</b> <b>Metal Model Maker Appr</b> <b>Metal Model Maker Leader</b></p>
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<p style="text-align: center;"><b>Pyrometer – Cleveland</b> <b>(to be used only at the Cleveland Site)</b></p>
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<p><b>Inspector-Tooling &amp; Layout (Non-Apprenticeable)</b></p> <hr/> <p><b>Inspector-Tooling &amp; Layout Leader</b> <b>Inspector-Tooling &amp; Layout Project Coordinator</b> <b>Inspector-Tools Dies Fixtures &amp; Gauges</b> <b>Inspector-Tools Dies Fixtures &amp; Gauges Leader</b> <b>Team Member Layout</b></p>
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**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

**Experimental Parts & Body Painter  
(Non-Apprenticeable)  
(to be used only at VOGO Pilot Plant)**  

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**Experimental Parts & Body Painter Project  
Coordinator**

**Maintenance-General Plant-Skilled  
(Non-Apprenticeable)  
(to be used only in FCSD and at VOGO Pilot Plant)**  

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**Maintenance-General Plant-Skl Project  
Coordinator**

**Machining Specialist (Non-Apprenticeable)  
(to be used only at Dearborn Tool & Die Plant  
and R&E Center)**  

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**Machining Specialist - R&E Center  
Machining Specialist Leader - R&E Center  
Machining Specialist-Leader  
All Around Heavy Machine**

**Machinist (Non-Apprenticeable)**  

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**Boring Machine-All Around  
Jig Borer-All Around  
Jig Borer-All Around (Research & Enginrg. Staff)  
Lathe-General  
Processor-Experimental Machine Shop  
Grinder - All Around  
Grinder - External & Internal  
Grinder - Surface  
Tool Machine Operator  
Tool Machine Operator Ldr**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

**Carpenter - All Around (Non-Apprenticeable)**

**Bricklayer**  
**Bricklayer Ldr**  
**Carpenter**  
**Carpenter - Project Coordinator**  
**Carpenter Ldr**  
**Carpenter Painter**  
**Carpenter Painter Leader**  
**Cement Finisher**  
**Cement Finisher Ldr**  
**Furniture Finisher**  
**Furniture Finisher Ldr**  
**Painter**  
**Painter Ldr**  
**Painter Co**  
**Painter-Brush & Spray**  
**Painter-Sign**  
**Paint Sign Leader**  
**Plasterer**  
**Plasterer Leader**  
**Roofer**  
**Roofer Ldr**  
**Heavy Equipment Operator**  
**Concrete Buster**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

**Will Not Re-Populate**

**Construct & Test Prototype Matl. Handling Devices  
Crane Operator - NW Boom Type  
Inspector Gauge 1  
Inspector Gauge 1 - Project Coordinator  
Inspector Gauge 1 Leader  
Sewing Machine Attachment Folder Dev Maker Repair  
Sewing Machine Repair  
Automation Equipment Maker & Maintenance  
Automation Equipment Maker & Maintenance Ldr  
Service Garage Repair  
Wayne ISA Welding Mach & Welding Fix. Rpr Team Ldr  
Weld Mach Weld Fix & Rep-Wayne ISA - Mecumb  
Weld Mach Weld Fix & Rep-Wayne ISA - Mecumb - STPC  
Welding Machine & Welding Fixture Repair  
Welding Machine & Welding Fixture Repair Ldr  
Conveyor Structural Sketcher  
Water Waste & Sewage Plant  
Water Waste & Sewage Plant Leader  
Diesel Mechanic & General Repair  
Diesel Mechanic & General Repair Leader  
Core Maker & Molder - Jobbing & Experimental  
Mold Developer  
Pipe Coverer  
Pipe Coverer Ldr  
Gear Trouble  
Repair-Power Tools  
Repair-Power Tools Ldr  
Communication System Instal & Maintenance  
Communication Sys. Inst.& Maint.-Project Coordinator  
Communication System Instal & Maint Ldr  
Cutter Grinder  
Cutter Grinder Leader  
Cutter Grinder-New  
Waste Disposal Equipment & Minor Maintenance  
Waste Disposal Equipment & Minor Maintenance Co  
Waste Disposal Equipment & Minor Maintenance Ldr  
Water Waste & Sewage Plant Operator & Maintenance**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

<b>Eliminated</b>
<b>Air Compressor Operator</b>
<b>Blacksmith</b>
<b>Boilermaker</b>
<b>Boiler Repair</b>
<b>Body Shop Mechanic</b>
<b>Boring Mill - Lucas</b>
<b>Chipper Grinder Die Barber</b>
<b>Chlorine Maintenance</b>
<b>Clock Repair</b>
<b>Cold Head Dies</b>
<b>Detailer – Contouring &amp; Profiler</b>
<b>Die Barber</b>
<b>Die Finisher</b>
<b>Die Maker – Tungsten Carbide</b>
<b>Diemaker Trim Dies</b>
<b>Diemaker – Steel Rule (not interchangeable with Diemaker)</b>
<b>Diesel &amp; Heavy Equipment Mechanic</b>
<b>Electrical Construction High Tension #1</b>
<b>Electrical Construction High Tension #2</b>
<b>Experimental Template Maker &amp; Checker</b>
<b>Experimental Welder Fixture &amp; Weld Equipment Developer</b>
<b>Fire Hand – Head</b>
<b>Fixture Repair General</b>
<b>Gear Maker – All Around</b>
<b>Gear Shaver Sharpener</b>
<b>Grinder High Precision</b>
<b>Grinder Surface Blanchard</b>
<b>Inspector Gage Block</b>
<b>Inspector Gear – All Around Tool or Diemaker</b>
<b>Inspector Tooling and Layout New</b>
<b>Inspector Tool layout Funct. Test Qualified Tool &amp; Diemaker</b>
<b>Instrument Repair – Precision</b>
<b>Inspector Gage 2</b>
<b>Jig Borer General</b>
<b>Keller Operator</b>
<b>Lapper General Precision Gage 1st Class - incl. Leaders</b>
<b>Lathe Turret</b>
<b>Lathe Vertical - Over 4 Feet</b>



**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

**Eliminated**

**Water Purification Maintenance**  
**Water Controller- General Service**  
**Welder Set-Up And Repair**  
**Wood Worker On Plaster Models**  
**Caster - Electrical Team**  
**Caster - Mechanical Team**  
**Communication Cable Splicer**  
**Cutter Grinder A Carboloy**  
**Cutter Grinder Utility**  
**Die Repair & Fitter Trim Dies**  
**Die Repair Assembly Upset Dies**  
**Die Repair Forge Dies**  
**Die Sinker Bench Finisher**  
**Drill Press Operator**  
**Electrical Team**  
**Electrical Team Leader**  
**Furnace Patrol**  
**Gas Dispatcher**  
**General Maintenance**  
**General Service Team**  
**General Service Team Leader**  
**Hulett & Coal Tower Repair**  
**Hydrotel Operator**  
**Instrument Repair**  
**Machine Maintenance Specialist**  
**Machine Repair Vulcan**  
**Material Control Specialist 1 (CCP)**  
**Mechanical Maintenance Technician (Toolmaker, Machine  
Repair)**  
**Mechanical Team**  
**Mechanical Team Leader**  
**Mill Maintenance**  
**Millwright Repair**  
**Molder - Jobbing**  
**Pattern Layout - Metal - Qualified Patternmaker**  
**Pattern Layout - Metal - Qualified Patternmaker Upg**  
**Patternmaker - Metal**  
**Patternmaker - Metal Apprentice**  
**Patternmaker - Metal Leader**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION**

**Eliminated**

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**Plastic Duplicator Engineering**  
**Pneumatic Equipment Repair**  
**Roll Turning & Grinding**  
**Test Machine Operator - Group Leader - Union Steward**  
**Test Machine Operator - Group Leader**  
**Trabon Repair**  
**Wood Die Model Maker**  
**Wood Die Model Maker Apprentice**  
**Wood Die Model Maker Leader**  
**Wood Model Machine Operator**  
**Wood Model Machine Operator Leader**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION  
IMPLEMENTATION GUIDELINES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Skilled Trades Classification Consolidation  
Implementation Guidelines**

**In a letter of understanding titled "Skilled Trades Classification Consolidation", the parties agreed to implement certain Skilled Trades classification consolidations whereby employees on certain existing classifications will be reclassified to the consolidated classification. These are guidelines that will be followed in implementing the intent of the letter of understanding:**

- Employees on all affected classifications will be reclassified to the consolidated classification. Apprentice, Changeover, Leader, Team Leader/Coordinator, and Skilled Trades Project Coordinator designations with the proper wage rate adjustment will continue to be applied as appropriate to employees on the consolidated classifications.**
- Employees on affected classifications that have a negotiated wage rate below the negotiated wage rate of the consolidated classification will have their wage rate increased to the negotiated wage rate of the consolidated classification.**
- Employees on affected classifications that have a negotiated wage rate above the negotiated wage rate of the consolidated classification will have their wage rate personalized at the higher rate until they leave the classification.**

**SKILLED TRADES CLASSIFICATION CONSOLIDATION  
IMPLEMENTATION GUIDELINES**

- **The negotiated base wage rates of the classifications of Millwright, Plumber-Pipefitter, and Sheet Metal Worker will be increased by 10¢ on the Effective Date of the Agreement.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**SKILLED TRADES CLASSIFICATIONS**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Skilled Trades Classifications

During these National Negotiations, the parties discussed at length the necessity for the Company to become competitive in all aspects of the business. Among the issues discussed were the existing skilled trades classification structure, work rules, and past practices.

With regard to the skilled trades classification structure, the Union expressed concern over basic skilled trades classifications being consolidated. In this regard, the Company observed that it will not dictate consolidation of specific skilled trades classifications to its plants. Competitive advantages of a review of skilled trades classifications at any Company facility must be weighed and determined by the local parties in view of all attendant circumstances at that location.

With regard to work rules and past practices, the Company stated that many plants feel hampered in their efforts to enhance competitiveness in today's environment by historically restrictive practices which originated at a time when competition was less threatening. Given recent improvements in the area of job security, the need for such stringent work rules and delineation of job responsibilities has been reduced.

Therefore, the National parties concur that local Management and local Unions should review existing work rules and practices, especially in the area of Lines of Demarcation, to insure that only those necessary to protect the safety of employees, the integrity of the basic trades, and the efficiency of operation in today's competitive environment are

**SKILLED TRADES CLASSIFICATIONS**

carried forward. Incidental, overlapping, and other minor access type work should be discussed and handled locally consistent with sound business judgment.

If either of the local parties feel that abuses of the spirit and intent of this document exist, the matter may be referred, in writing, to the Division Labor Relations Staff and the International, UAW.

Very truly yours,

JACK HALL, Executive Director  
Labor Relations and  
Employee Development  
Employee Relations Staff

Concur: Ernest Lofton

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**SKILLED TRADES DIVERSITY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Skilled Trades Diversity

During these negotiations, the parties discussed many aspects of the Apprentice Program, including diversity issues. It is recognized that the Apprentice Diversity Initiative developed and undertaken by the National Joint Apprenticeship Committee (NJAC) following the 1999 negotiations has aided in increasing representation of minorities and women among employees applying and qualifying for placement on the Apprenticeship program. The parties agree that the Apprentice Diversity Initiative should be continued, and to maximize effectiveness, it should become institutionalized at the local level. As such, the administration of the Initiative should become a core responsibility of facility's local JAC, with support, upon request, of other local entities that have related missions and purposes. The NJAC will assist in effecting this transition on a timely basis.

The parties recognize the desirability of considering additional methods and strategies which could better prepare individuals who may want to enter the skilled trades as a profession. Further, it was agreed that outreach efforts must be proactive to inform, educate, and encourage potential minority and women candidates to consider skilled trades work as a career option.

**SKILLED TRADES DIVERSITY**

The National Joint Apprenticeship Committee has agreed to continue to recommend new approaches to attract, prepare, and obtain a more diverse pool of qualified candidates for future skilled trades opportunities.

Very truly yours,

RICK E. POYNTER, Director  
U.S. Union Affairs  
Labor Affairs

Concur: Gerald D. Bantom

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**SKILLED TRADES EMPLOYEES' TOOLS**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Skilled Trades Employees' Tools

This letter will serve to consolidate and confirm the understandings contained in letters of understandings agreed to by the parties in previous negotiations with regard to skilled trades employees' tools.

- *Conversion to Metric System*

The parties have discussed the subject of conversion to the metric system and its effect on certain employee-owned tools. The Company indicated its intention to make available during the transition period metric tools and calibrated measuring instruments to skilled trades employees when required in the performance of their work. Such tools will be available in a manner determined by local management and charged out to skilled trades employees when they have need for them.

This policy does not preclude the use of conversion tables or any other alternate means of changing to the metric system in place of utilizing such tools or calibrated measuring instruments, nor does it alter the present requirement that skilled trades employees provide their own tools necessary to perform their duties, except as provided in the preceding paragraph.

- *Replacement of Broken or Damaged Tools*

The parties also have discussed replacing personal tools of skilled trades employees broken or damaged on Company premises. The Union was advised that the Company will accept and review claims for broken or damaged tools that are no longer usable. Where it is determined that personal tools were broken or damaged on Company premises due to conditions beyond the

**SKILLED TRADES EMPLOYEES' TOOLS**

employee's control such tools will be repaired or replaced, provided there is no evidence of employee negligence, abuse or improper usage. It is understood that this arrangement will be over and above any locally established practices with respect to replacing personal tools of skilled trades employees broken or damaged on Company premises.

Very truly yours,

W. JAMES FISH, Director  
Forward Plans and  
Employment Programs Office  
Employee Relations Staff

Concur: Ernest Lofton

Note: This letter replaces the following letters:

- Conversion to Metric System, October 4, 1979
  - Replacement of Broken or Damaged Tools, October 4, 1979
-

**SKILLED TRADES GOVERNANCE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Skilled Trades Governance**

**During these negotiations, the Company and the Union each recognized the importance of implementing and executing agreements enabling overall operational effectiveness including skilled trades. Additionally, both parties recognized the need to continuously discuss the present, desired, and transition states of the skilled trades organization while considering all of the critical organizational elements including processes, culture, structure and people in order to enable our collective efforts to establish a world class manufacturing and skilled trades business model. Accordingly, the parties agree to work together on continuously improving the manner in which our skilled trades are utilized.**

**A key part of these discussions focused on the important role of the skilled trades in the Company's quality, safety, productivity, and cost improvement goals. Both parties agree that the manner in which the skilled trades are utilized substantially affects the day-to-day success of our manufacturing and assembly operations. As an outcome, both parties agree that in all manufacturing areas or departments we must have a culture where every employee has ownership and accountability for the most efficient, productive, world class competitive operations. This includes the highest possible uptime for all equipment, the highest possible quality, the safest environment, and the least possible scrap and downtime. For the Company to improve its future viability and competitive position in the global marketplace we must jointly establish a**

## SKILLED TRADES GOVERNANCE

process to facilitate a more efficient use of the skilled trades at the plant floor level including an adaptable and flexible structure.

In the spirit of these discussions, both parties agree changes of this magnitude throughout our manufacturing and assembly operations require management and union leadership, support, and commitment at all levels of our respective organizations. As a result, it is further agreed that no later than 90 days from the Effective Date of this Agreement, the parties will establish a National Joint Skilled Trades Governance Team consisting of representatives of the UAW National Ford Department, Corporate Labor Affairs, Directors of Manufacturing, as well as other resources as appropriate and agreed upon. National Joint Skilled Trades Governance Team (NJSTGT) meetings will occur on a regular basis based on need and are subject to agreement by both parties. The responsibilities of this Team include, but are not limited to, the following:

- Ensure implementation of all national agreements related to skilled trades (i.e., consolidation of skilled trades classifications, competitive work practices, journeyperson training, apprenticeship program revisions, etc.).
- Ensure consistency of implementation of all national agreements from location to location.
- Provide local parties with clear direction consistent with the jointly developed desired state for skilled trades.
- Gain sponsorship required from Company and Union leadership at both the corporate and local levels, as well as others required to enable successful change.
- Define the technical and operational elements needed to support the jointly developed desired state for skilled trades.

#### SKILLED TRADES GOVERNANCE

- **Jointly benchmark our competitors to ensure implementation of a skilled trades model that will generate the highest level of performance and the utilization of best practices.**
- **Jointly visit local facilities on a regular basis to monitor implementation of various agreements and hold the local parties accountable for accomplishing the changes within the agreed upon time limit.**
- **Drive standardization of skilled trades work practices throughout the Company.**
- **Ensure that skilled trades are highly involved and participative in the manufacturing process through assignment of dedicated skilled trades persons to specific departments or areas.**
- **Use a set of ongoing metrics to determine the effectiveness of the implementation.**

**To assist the National Skilled Trade Governance Team in accomplishing these responsibilities the parties have agreed to allocate two full-time representatives. Additionally, the parties recognize that we may encounter a surplus of skilled trades employees at some point throughout the term of this agreement. In the event this occurs, it will be the responsibility of the National Joint Skilled Trades Governance Team to develop and execute a strategy to effectively address the surplus employees. To assist in implementing the surplus employees strategies, the parties have agreed to allocate one full-time representative. This representative may be also assigned additional responsibilities.**

**The National parties also agree that each location, that does not currently have a team and/or process to address skilled trades related issues, will establish a joint implementation team no later than 90 days from the Effective Date of this Agreement. The local implementation team will consist of representatives of the local UAW Leadership, the Plant Manager, Manufacturing Engineering Managers, Human Resources Manager, as well as other resources as appropriate and**

#### SKILLED TRADES GOVERNANCE

agreed upon. The responsibilities of this team include, but are not limited to, the following:

- Implement national and local agreements related to skilled trades (i.e., consolidation of skilled trades classifications, competitive work practices, journey person training, apprenticeship program revisions, etc.).
- Ensure implementation of agreements is consistent with the master Collective Bargaining Agreement.
- Review progress of implementation on a regular basis and provide regular status updates to the National Joint Skilled Trades Governance Team.
- Provide the local joint sponsorship required to successfully drive change.

It is our belief that the establishment of the Skilled Trades Governance Team will provide the focus the union and the Company need to collectively identify and implement multiple changes which will allow us to implement and continuously improve a globally competitive manufacturing and skilled trades business model which will help maximize the company's competitive priorities in the areas of quality, productivity, and cost. Lastly, local agreements and work practices will not inhibit the intent or implementation of this agreement.

Very truly yours,

**BILL DIRKSEN,**  
Executive Director  
U.S. Labor Affairs

Concur: **Bob King**

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**SKILLED TRADES LICENSING**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Skilled Trades Licensing

During **the 2007** negotiations, the parties had extensive discussions regarding **skilled trades** licensing and training. Both parties recognized the requirement for certain skilled trades personnel to be licensed according to local municipality and/or state requirements. As such, the parties agreed to continue the pilot that was initiated in 2002.

Additionally, following the ratification of this Agreement, **the** joint task force formed **in 2004** with representatives from the National Ford Department and the Company's Labor Affairs Office **will meet as necessary to resolve issues regarding the licensing requirements of skilled trades employees**. The task force will be charged with identifying training alternatives, operational issues, funding alternatives, and total program costs. **The task force then will develop** recommendations **for** implementing a process, **and** a comprehensive training program for affected trades, consistent with the criteria of local municipality and/or state licensing requirements.

The task force will provide the analysis and make final recommendations to U.S. Union Affairs and **the** National Ford Department.

Very truly yours,

**BILL DIRKSEN,**  
**Executive Director**  
**U.S. Labor Affairs**

Concur: **Bob King**

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**SKILLED TRADES SUPPLEMENTATION WAGES RATES**

October 31, 1973

Mr. Ken Bannon, Vice President  
Director—Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Skilled Trades Supplementation Wages Rates

With respect to employees described in subsection (a) of our letter dated October 26, 1973, concerning supplementation of the skilled work force during overtime periods, it was agreed that such employees would be considered analogous to Changeover employees for pay purposes and therefore be compensated in accordance with the local Changeover Agreements in locations having such Agreements or the minimum rate of the applicable Journeyman classification in locations not having such Agreements for all hours worked during weekend supplementation periods.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

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**SKILLED TRADES WAGE RATES FOR BUSINESS CASES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Skilled Trades Wage Rates for Business  
Cases**

**During 2007 negotiations, the Company and Union recognized the critical importance of working together on continuously improving the manner in which our skilled trades are efficiently utilized.**

**These discussions focused on ensuring that the Company at all locations uses a consistent set of skilled trades wage rates in order to accurately complete internal business cases when assessing whether potential work may be safely and economically performed competitively in house. Additionally, the company recognizes that in certain situations, other costs, such as engineering fees, if withheld from the project, will be excluded from the business case.**

**In the spirit of these discussions, the parties agreed to the following process:**

- **To support any required business case analysis, the following skilled trades wage rates are to be used:**
  - **Straight-time wage rates will consist of base wages, COLA, cash fringes, and standard monthly group fringes**
  - **Overtime wage rates will consist of base wages, COLA, cash fringes, and the appropriate overtime premium (time and a half or double-time)**

**SKILLED TRADES WAGE RATES FOR BUSINESS CASES**

- **Annually, plant-specific average skilled trade wage rates consistent with the methodology above will be developed by Manufacturing Finance.**
- **By the end of January each year, Manufacturing Staff will distribute the skilled trades wage rates to each plant /manufacturing facility Controller.**
- **Concurrently, the plant Controller will provide the skilled trades wage rates to the local Union Chairperson. Additionally, the Company agreed that the Manufacturing Engineering Manager at each location will communicate the project status of current and future projects with the local Union Chairperson on a regular basis.**

**Finally, to ensure a common understanding of this process, a single-point communication describing this process will be provided to each Controller.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**SKILLED TRADES VERSATILITY AND TRAINING**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW-Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Skilled Trades Versatility and Training**

**During these negotiations, the parties had extensive discussions regarding skilled trades versatility and training. It was mutually recognized that although a number of Company locations have independently undertaken significant efforts in these areas there may be additional needs resulting from the agreed upon skilled trades classification consolidations. Further, both parties agree that all training should be based on individual need and that a "one size fits all" approach is neither effective nor acceptable. It also was mutually recognized that journeypersons' active participation in such training would maintain, increase, and broaden their technical skills while enabling enhanced product quality, operational effectiveness, and greater job security for the skilled trades workforce. Accordingly, the Company has agreed to commit the necessary resources to train affected skilled trades and related supervisory staff to ensure successful local implementation of classification consolidations.**

**Given these considerations, the parties agree that, within 90 days of the effective date of this Agreement, each location will establish a departmental/building skilled trades versatility matrix detailing requisite skills for each skilled trades classification in the department/building based on the classification consolidation. Each matrix will contain all skilled trades employees in the department/building, by classification, as well as all of the knowledge, skills, and abilities required to safely perform the tasks required**

**SKILLED TRADES VERSATILITY AND TRAINING**

of that trade at the required level of quality. This matrix will serve as the baseline/current state for a subsequent plan for each person. Based on the departmental/building versatility matrix and classification consolidation, a task-based plan for each skilled trades person will be established. This plan will include any skill development, including classroom, on-the-job, web-based, or other, that may be required to enable each individual skilled tradesperson to perform his/her particular job assignments safely and at the required level of quality.

The local parties will oversee the completion and maintenance of the skilled trades versatility matrices and the plan for each journey person, and will identify necessary resources including the local Joint Apprenticeship Committee Representatives. The parties recognize that the National Skilled Trades Governance Committee may be called upon to resolve outstanding concerns that are not resolved at the local level.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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TECHNICAL SKILLS TRAINING FOR INSPECTOR —  
TOOLING AND LAYOUT

November 3, 2007

Mr. **Bob King**  
Vice President and Director  
**UAW, National Ford Department**  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Technical Skills Training for Inspector — Tooling  
and Layout

During **2007** negotiations, the parties discussed the effects of changing technology on the regular work assignments of employees classified as Inspector - Tooling and Layout.

**As a result of these discussions**, the parties agreed on the following points: (1) within the Inspector - Tooling and Layout classification, there is a need for additional skills to use numerically controlled dimensional quality equipment and other metrology hardware; (2) apprentices in the **Tool & Die Maker** trade should receive an introduction to the basics of technical training provided to Inspector - Tooling and Layout journeypersons; (3) the core skills of the **Tool & Die Maker** and **Toolmaker & Template Maker** trade provide the fundamentals for Inspector - Tooling and Layout; **and** (4) journeypersons or apprentices who seek to qualify for Inspector - Tooling and Layout must come from the **consolidated Tool & Die Maker classification or the Toolmaker & Template Maker classification**.

Consistent with this effort to enhance the skills of Inspector - Tooling and Layout, as of **the Effective Date of this Agreement**, the parties agreed to **fill** future openings for Inspector - Tooling and Layout classification with journeypersons and apprentice graduates from the **consolidated Tool & Die Maker classification or Toolmaker & Template Maker classification** based on availability.

**TECHNICAL SKILLS TRAINING FOR INSPECTOR —  
TOOLING AND LAYOUT**

Following the 1993 negotiations, the parties identified method(s) of training and certifying journey**persons** and/or apprentice graduates as qualified for Inspector - Tooling and Layout while allowing the individual to attain/retain seniority in a basic trade, e.g., Toolmaking, Diemaking.

Very truly yours,

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

Concur: **Bob King**

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**WARRANTY WORK**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Warranty Work**

**During the 2007 negotiations, the parties discussed the decisive factors involved when Ford skilled trades may perform warranty work. In the event the vendor may require staffing to perform warranty work, the vendor may use Ford skilled trades. Based on these discussions, the Company will consider all the following criteria:**

- Warranty work as noted above which is performed by Ford skilled trades is at the discretion of the affected vendor in order to keep remaining warranty intact.**
- The Company and vendor must agree on all terms, conditions, hours, and total cost in advance.**
- The individual skilled tradesperson's ability to perform the specific warranty work required.**
- Any agreement must also follow existing Ford financial and accounting policies and principles.**
- The need to be cost competitive with external bid's cost and timing.**

**The use of this process is the exception, not the rule, and as such, should in no way constitute precedent.**

**WARRANTY WORK**

**This letter of understanding is in addition to, and shall not supersede, existing Agreement provisions and related letters of understanding pertaining to warranty work.**

**Very truly yours,**

**BILL DIRKSEN,  
Executive Director  
U.S. Labor Affairs**

**Concur: Bob King**

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**AAI EMPLOYEES SERVICES COMPANY, L.L.C. ("AAI SERVICES")**

**November 3, 2007**

Mr. **Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: AAI Employees Services Company, L.L.C.  
("AAI Services")

During these negotiations, the Company and the Union agreed that certain changes will be made effective October 1, 2007, to the AutoAlliance International, Inc. Retirement Plan for Employees Represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW. ("**AAI-UAW Plan**") for **current retirees who commenced benefits prior to October 1, 2007.**

These changes are contained in Attachment A to this letter.

Very truly yours,  
LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

Attachment

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AAI EMPLOYEES SERVICES COMPANY, L.L.C. ("AAI SERVICES")

Attachment A

**AAI EMPLOYEE SERVICES COMPANY, L.L.C.  
("AAI SERVICES")**

<u>Benefit</u>	<u>Effective Date of Minimum Benefit Rate</u>
2003 Agreement Retirees	10/1/07
• Minimum Benefit Rate Section 6.3(b)	
Benefit Class Code <sup>1</sup>	
A	\$ 50.90
B	\$ 51.15
C	\$ 51.40
D	\$ 51.65

- This increase shall be adjusted and paid consistent with the individual's prior benefit election.
- Excludes past and future Deferred Vested retirees.
- Excludes retirees who have elected a lump sum distribution from the Plan.

<sup>1</sup> Benefit Class Codes assigned based upon Appendix C of the Ford-UAW Retirement Plan ("Ford-UAW Plan") and the retiree's base hourly wage rate as of the date of his/her break in seniority.

**AAI EMPLOYEES SERVICES COMPANY, L.L.C. ("AAI SERVICES")**

	Effective Date of Increase
Current Retirees (including retirees above)	10/1/07
<ul style="list-style-type: none"> <li>• <b>Monthly Normal Retirement Benefit Section 6.5</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>This increase shall be adjusted and paid consistent with the individual's prior benefit election.</b></li> <li>• <b>Excludes past and future Deferred Vested retirees.</b></li> <li>• <b>Excludes retirees who have elected a lump sum distribution from the Plan.</b></li> <li>• <b>Employees who will or have retired under the AAI-UAW Retirement Plan and who have an overpayment balance under the Company's Group Life and Disability Insurance Program shall have the increase in their Minimum Benefit rate reduced to pay for such overpayment in the same manner as under the Ford-UAW Plan. When the overpayment balance under the Group Life and Disability Insurance Program has been reduced to zero (\$0), the retired employee's Minimum Benefit rate will be increased to the level it would have been without the overpayment reduction. Such increase will occur beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Extended Supplement – Social Security – 80% Section 7.5(b)</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>The Temporary Supplemental Allowance will be extended in accordance with the Ford Letter CBA4/725</b></li> </ul>

**AAI EMPLOYEES SERVICES COMPANY, L.L.C. ("AAI SERVICES")**

- Lump Sum Payments<sup>1</sup>
  - The four (4) lump sum payments **\$700.00** will be payable as defined under the **Ford-UAW Collective Bargaining** Agreement to retirees and surviving spouses living as of the date of distribution (CBA4/88). However, for purposes of determining the amount of the lump sum payment, where applicable, credited service **will be combined in total under the Ford-UAW Plan and the AAI-UAW Plan without duplication.** The amount of the lump sum payments ("payments") will be prorated accordingly and paid proportionately by the **AAI-UAW Plan and the Ford-UAW Plan or, at Ford's discretion, paid by Ford and AAI Services,** to avoid duplication of any payments.

<sup>1</sup> Excludes past and future Deferred Vested retirees.

<sup>1</sup> Excludes retirees who have elected a lump sum distribution from the Plan.

**Legal and Actuarial Changes**

- Other changes mandated by law and regulations.
  - **Required amendments to comply with the Pension Protection Act of 2006.**
-

AAI EMPLOYEES SERVICES COMPANY, LLC ("AAI SERVICES")

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: AAI Employees Services Company, LLC  
("AAI Services")**

**During these negotiations, the Company and the Union agreed to have the Auto Alliance International, Inc. Retirement Plan for Employees Represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW ("AAI-UAW Plan") amended, for employees retiring on or after October 1, 2007, to provide the following benefit improvements:**

- **Permit early retirement eligibility at 30 years of credited service, recognizing for eligibility credited service accrued under the AAI-UAW Plan and the Ford-UAW Retirement Plan ("Ford-UAW Plan") without duplication; and**
- **Introduce early retirement reduction factors, prior to age 55, using the same reduction factors used in the Ford-UAW Plan; and**
- **Improve the Minimum Benefit rate structure to equal the Life Income Benefit rate structure under the Ford-UAW Plan, including for benefit determination purposes, the Ford-UAW Plan Benefit Class Codes.**

**The parties further agreed that employees who retire under the AAI-UAW Plan on or after October 1, 2007 and who have an overpayment balance under the Company's Group Life and Disability Insurance Program, shall have their Minimum Benefit Rate increase reduced to pay for such overpayment in the same manner as under the Ford-UAW Plan. When the over-**

**AAI EMPLOYEES SERVICES COMPANY, LLC ("AAI SERVICES")**

**payment balance under the Group Life and Disability Insurance Program has been reduced to zero (\$0), the retired employee's Minimum Benefit Rate will be increased to the level it would have been without the overpayment reduction. Such increase will occur beginning the first of the month following the month in which full reduction in the Group Life and Disability Insurance Program overpayment has been achieved and subject to any applicable proration of the final reduction for the overpayment.**

**The Company may elect, in its sole discretion, to merge the AAI-UAW Plan into the Ford-UAW Plan. Employees will be notified of any such action.**

**The parties recognize the administrative complexities involved in calculating the benefits described in this letter and in communicating these benefits to employees. The parties will work together to resolve any administrative issues.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**AUTHORITY TO AMEND THE FORD-UAW  
RETIREMENT PLAN (PLAN), "NO WORK AVAILABLE"  
OUT-PLACEMENT PILOT PROGRAM**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Authority to Amend the Ford-UAW Retirement  
Plan (Plan), "No Work Available" Out-Placement  
Pilot Program

During these negotiations, the parties agreed that the Company-Union Committee (Committee), as provided for under Section 19 of the Group Life and Disability Insurance Program, shall consider the development and implementation of a "no work available" out-placement pilot program.

The Committee may recommend that disability retirees may participate in the pilot program and be permitted to pursue non-Ford employment without loss of their status as a disability retiree. The Committee may further recommend that the disability retirement benefit paid from the Plan be offset by a percentage of such outside earnings. In such event, the Vice President-General Counsel and Secretary, Vice Chairman and Chief Financial Officer, and the Vice President-Human Resources, with the consent of the Union, shall be authorized to amend Article IV, Section 3 of the Plan consistent with the Committee's recommendation.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**DECEASED EMPLOYEES  
(SEPTEMBER 16, 2007 - SEPTEMBER 30, 2007)**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

**Dear Mr. King:**

Subject: Deceased Employees  
**(September 16, 2007 - September 30, 2007)**

This will confirm the agreement reached by the parties during our recent collective bargaining negotiations with respect to employees who die after **September 15, 2007** and before **October 1, 2007**. Such employees will be deemed to have retired on **October 1, 2007** for purposes of determining credited service and survivor's benefits, if applicable.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**DIRECT DEPOSIT OF PENSION CHECKS**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Direct Deposit of Pension Checks

During the current negotiations, the Company and the Union discussed the direct deposit of pension checks. This will confirm the Company's intention to continue the practice of providing direct deposit of pension checks to participating banks and credit unions.

Very truly yours,

PETER T. ZACHARY, Manager  
Employee Benefits Department  
Employee Relations Staff

Concur: Stephen P. Yokich

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**EXTENDED SUPPLEMENTS - SOCIAL SECURITY 80% BENEFIT**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Extended Supplements - Social Security 80%  
Benefit

During these negotiations, the parties agreed to provide for extended Early Retirement Supplements, Interim Supplements, and Temporary Benefits for retirees born in **1944 through September 14, 1949** who attain age 62 during the **2007** Agreement. Any such Supplements or Temporary Benefits payable at retirement will be extended until the month prior to the month in which the retiree is or would have been eligible for a Social Security benefit (under current law) of 80% of the unreduced benefit amount ("80% date").

For those retirees whose Life Income Benefit (LIB) is subject to redetermination in accordance with Article V, Section 2(e), at age 62 and one month, that redetermination will still occur on such date. However, the amount of the Supplement(s) or Temporary Benefit will be concurrently reduced by the amount of the LIB that was increased as a result of the redetermination. For a retiree who is receiving an Early Retirement Supplement or an Interim Supplement, who also is receiving a Social Security Disability Benefit, that Supplement will cease at age 62 and one month, as currently.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**FORD-UAW RETIREMENT PLAN, NOTICE OF BENEFIT**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Ford-UAW Retirement Plan, Notice of Benefit

During these negotiations, the Company and the Union agreed that the Ford-UAW Retirement Plan will provide to any retiree or his/her surviving spouse a notice detailing the components of the retirement benefit, including the cost of any survivor benefit option, whenever there is a recalculation of the pension benefit.

Additionally, the parties agreed that all retirees would receive a similar notice as soon as practicable after the conclusion of these negotiations, regardless of whether or not retiree benefits are modified as a result of these negotiations.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Benefit Planning and Research  
Department  
Employee Relations Staff

Concur: Ernest Lofton

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**FORD-UAW RETIREMENT PLAN SIMPLIFICATION**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Ford-UAW Retirement Plan Simplification

During these negotiations, the Company and the Union discussed the desirability of simplifying the text of the Ford-UAW Retirement Plan (Plan) to improve readability and facilitate easier administration of the Plan's provisions.

It was agreed that after the conclusion of these negotiations, a committee would be established to review the Plan and to make recommendations regarding simplification to the Ford-UAW Retirement Board of Administration. The committee shall consist of an equal number of Company and Union representatives appointed by the Board of Administration.

The Board of Administration shall be authorized to approve amendments to the Plan text recommended by the committee. The Board shall not be authorized to adopt amendments that change the substance of any provision or change or add to any benefit provided by the Plan, or to make any other changes in the Plan text not consistent with the purpose of Plan simplification.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**FUTURE FORD-UAW RETIREMENT PLAN AMENDMENT**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Future Ford-UAW Retirement Plan  
Amendment**

**During these negotiations, the parties agreed to amend the Ford-UAW Retirement Plan ("Plan"), and implement associated administrative procedures, to satisfy the retroactive annuity starting date regulations under Code Section 417 (a)(7). To comply with these regulations, a plan must specifically provide that retroactive annuity starting dates are permitted. Generally, a participant must receive a qualified joint and survivor annuity (QJSA) explanation prior to the participant's "annuity starting date" (or retirement effective date). The retroactive annuity starting date regulations allow a participant to receive a QJSA explanation after the participant's annuity starting date provided the requirements in the regulations are satisfied.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**INTEGRATION OF SSDIB AND RETIREMENT PLAN**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: Integration of SSDIB and Retirement Plan

This is to confirm our understanding regarding the interrelationship between eligibility for and amount of temporary benefits or supplemental allowance under the Retirement Plan and Social Security Disability Insurance Benefits (SSDIB).

When a retiree is awarded SSDIB, a portion of that award generally consists of a lump sum payment attributable to a period before the effective date of the award. The effect of eligibility for SSDIB is to disqualify the employee for a temporary benefit under Article V, Section 2 or 3 of the Retirement Plan, to reduce the early retirement supplement and to eliminate the interim supplement under Article VI. In the case of receipt of a part of SSDIB as a lump sum for an earlier period by a retired employee who has been receiving a temporary benefit, early retirement supplement or interim supplement, an overpayment obligation also accrues under the Plan.

When an initial claim for SSDIB is denied and the employee engages the services of an attorney to appeal such denial, if on or after October 5, 1987 the appeal of the attorney is successful and a portion of the lump sum payment not to exceed 25% is awarded to the attorney, the retired employee's repayment obligation will be satisfied if he notifies the Plan within 30 days of the receipt of a retroactive SSDIB award and repays to the Plan within 30 days after notice from the Board of Administration an amount equal to the overpayment of any temporary benefit, early retirement supplement or interim supplement less in such case the amount of attorney fees involved on that portion of the award. This reduction applies only to attorney fees associ-

#### INTEGRATION OF SSDIB AND RETIREMENT PLAN

ated with a successful appeal of an initial denial by Social Security for SSDIB and includes only that portion of the attorney fees associated with the period of time the employee received a temporary benefit or a supplement. Such attorney fees considered for this purpose may not exceed the lesser of **\$5,300.00** or 25 percent of the overpayment due to the Plan. Attorney fees for services prior to denial of initial application for SSDIB will not reduce the amount of an overpayment due to the Plan.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**INVESTMENT OF PENSION FUND**

October 7, 1990

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Investment of Pension Fund

This will confirm the understanding we reached with you in the negotiations leading to the new Retirement Plan agreement between Ford Motor Company and the Union with respect to certain investments that might be made with a portion of the contributions to the pension fund.

It was agreed that, upon and subject to the terms set forth in this letter, a portion of the Company's annual contribution to the pension fund maintained under the Retirement Plan agreement for each year this letter remains in effect, not exceeding five percent (5%) of the amount of such contribution that is available for investment after deducting the portion of the benefits payable under the Retirement Plan for such year which is in excess of the investment income (including dividends and interest, but excluding both realized and unrealized capital gains) earned by the pension fund may be invested in (1) residential mortgages in communities where there are substantial numbers of UAW members and (2) debt obligations of nonprofit nursing homes, nursery schools, federally-qualified health maintenance organizations, hospitals or similar nonprofit institutions in communities where there are substantial numbers of UAW members. Solely for purposes of this paragraph, the Company's annual contribution to the pension fund shall be the amount determined by the independent actuary under Section 5(a)(i) of the Agreement Concerning Retirement Plan.

The residential mortgages will be available for and it is intended primarily will consist of mortgages on single and multiple family dwellings (including cooperatives and condominiums), the purchase price of which is not greater than the market price of 90% of similar housing in the community



#### INVESTMENT OF PENSION FUND

involved. It is intended that such mortgage financing will be at rates and upon terms prevailing in the communities selected and will be available to the general public, including UAW members, but shall not be limited only to UAW members. The Union may submit to the Company annually a list of investments in nonprofit institutions of the kind described above which the Union deems appropriate.

It was also agreed that the Union may submit to the Company annually a list of not more than seven (7) companies, including companies doing business in or with South Africa, and those selling that country military equipment or supplies, and to companies transporting military equipment or supplies to it, with the recommendation that the pension fund would not be invested in the securities of such companies. Such recommendation shall not apply with respect to any portion of the pension fund that is invested in interests in a common or collective trust fund or pooled investment fund maintained by any of the investment managers or to any insurance contract constituting part of the pension fund.

The investment managers of the pension fund shall exercise investment judgment with respect to recommendations received by them pursuant hereto. The investment managers have the responsibility to secure, over the long term, the maximum attainable total return on investment consistent with the principles of sound, prudent pension fund management. They are expected to discharge their duties solely in the interest of Plan participants and beneficiaries and for the exclusive purpose of providing benefits to participants and their beneficiaries, to avoid prohibited transactions, and to meet all other fiduciary responsibilities imposed by The Employee Retirement Income Security Act of 1974 (ERISA) or other applicable law. Also they are expected to discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in a conduct of an enterprise of a like character and with like aims. It is intended that the investment managers of the pension fund shall continue to have full investment discretion. Accordingly, if in the judgment of the investment managers, any recommendation should not be implemented because in the exercise of their investment responsibilities

#### **INVESTMENT OF PENSION FUND**

they conclude that the recommended action is not appropriate or it otherwise does not meet the standards of prudence required or is not consistent with the fiduciary obligations and responsibilities of the investment managers, they shall not implement the request and shall so inform the Union.

The Company agrees that it will not privately or publicly urge the investment managers to reject any recommendation given by the Union pursuant to this letter.

Nothing in this letter shall prevent the investment managers of the pension fund from investing, at their discretion, a larger amount of the pension fund than that specified in the second paragraph of this letter in investments of the type described in that paragraph.

It is understood and agreed between the parties that the assets (excluding passively managed index funds and U. S. treasury and agency securities) to be managed by employees of Ford Motor Company pursuant to Article VIII of the Plan shall be limited to an amount equal to 10% of the total pension fund assets.

This letter is subject to the requirement that there are maintained continuously (1) a ruling satisfactory to the parties from the United States Department of Labor to the effect that implementing this letter will not violate any of the provisions of Title I, Subtitle B, Part 4 of ERISA and (2) a determination letter satisfactory to the parties from the Internal Revenue Service to the effect that implementing this letter will not cause the Retirement Plan and the pension fund to fail to continue to qualify under the applicable sections of the Internal Revenue Code relating to qualifications of pension plans and trusts.

Very truly yours,

J. CRAIG HAUSMAN,  
Vice President - Employee Relations

Concur: Ernest Lofton

**LUMP SUM PAYMENTS TO CERTAIN PARTIES**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Lump Sum Payments to Certain Parties

During the term of this Agreement, eligible retirees or their surviving spouses shall be eligible to receive certain lump sum payments paid from either the Ford-UAW Retirement Plan ("Plan"), Company cash, or any combination thereof. If any portion of the four (4) lump sum payments are to be made from the Plan, the Plan shall be amended to provide for such payment on an annual basis, if necessary. Payment shall be by check, draft or electronic funds transfer based upon the election of the retiree/surviving spouse.

Four (4) lump sum payments of the amount described in 2 below shall be payable to retired employees and surviving spouses on the basis described below:

1. The following persons will be eligible for lump sum payments:
  - (a) First payment:
    - (i) employees who retired prior to October 1, 2007 under the terms of Article IV, Sections 1, 2 or 3 of the Plan and who are receiving benefits from the Plan as of the first of the month for which a lump sum payment would be made.
    - (ii) eligible surviving spouses of employees who retired under the terms of Article IV, Sections 1, 2 or 3 of the Plan prior to October 1, 2007, or surviving spouses eligible for a benefit prior to October 1, 2007 pursuant to Article IV, Section 7(a) of the Plan (excluding surviving spouses of former employees who broke seniority and who are eligible for a deferred pension), or surviving spouses eligible for a benefit under Article V,

#### LUMP SUM PAYMENTS TO CERTAIN PARTIES

Section 15 and who are eligible for a benefit from the Plan as of the first of the month for which a lump sum payment would be made.

- (b) Second payment:
    - (i) retirees who received the first lump sum payment in December 2007 and are alive on December 1, 2008.
    - (ii) eligible surviving spouses who received or whose spouses received the first lump sum payment in December 2007 and such surviving spouses are alive on December 1, 2008.
  - (c) Third payment:
    - (i) retirees who received the lump sum payment in December 2008 and are alive on December 1, 2009.
    - (ii) eligible surviving spouses who received or whose spouses received the lump sum payment in December 2008 and such surviving spouses are alive on December 1, 2009.
  - (d) Fourth payment:
    - (i) retirees who received the lump sum payment in December 2009 and are alive on December 1, 2010.
    - (ii) eligible surviving spouses who received or whose spouses received the lump sum payment in December 2009 and such surviving spouses are alive on December 1, 2010.
2. Amount of Benefit:
- (a) For a retired employee the lump sum payment **in December 2007** shall be an amount equal to **\$700.00**.
  - (b) For retired employees with thirty (30) or more years of credited service, the maximum lump sum payment shall be an amount equal to:**
    - Second payment, December 2008 - \$700.00
    - Third payment, December 2009 - \$700.00
    - Fourth payment, December 2010 - \$700.00

LUMP SUM PAYMENTS TO CERTAIN PARTIES

**For retired employees with less than thirty (30) years of credited service, each of the second, third and fourth lump sum payments shall be an amount equal to the number of years of credited service (including a proration amount for fractional years) times \$23.3333 per year of credited service, but not less than 10 years.**

(c) For each of the four (4) lump sum payments, eligible surviving spouses will receive 65% of the amount payable to the retired employee under (a) **and (b)** above.

**(d) For retirees who have an overpayment under the Company's Group Life and Disability Insurance Program, the lump sum payment amount shall be 50% of the amount described under (a) and (b) above. Once the Group Life and Disability Insurance Program overpayment is reduced to zero (\$0), future lump sums shall revert to the full amount subject to any applicable proration of the final reduction for the overpayment.**

Please indicate your concurrence in the proposed lump sum payment arrangement of this letter.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**OPTIONAL 50% SURVIVING BENEFICIARY BENEFIT WINDOW**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Subject: Optional 50% Surviving Beneficiary Benefit Window**

**Dear Mr. King:**

**During these negotiations, the Company and the Union agreed to offer certain eligible retirees a one-time opportunity, during a window period, to elect the Optional 50% Surviving Beneficiary Benefit (Option) as described under Article XXII Section 3 of the Ford-UAW Retirement Plan (Plan).**

**Eligible retirees are those retirees who:**

- **Commenced benefits under the Plan on and after January 1, 1976, and prior to January 1, 1985; and**
- **Have been married continuously to the same eligible spouse beginning with his/her retirement effective date and through the window period; and**
- **Did not previously elect survivorship coverage under Article IV Section 7.**

**The Company and the Union further agreed that the window election period will be implemented during the second quarter of 2008 or as soon as administratively feasible, and will require that:**

- **The retiree complete and return a properly executed written election to the Retirement Board during a 45-day window period;**
- **The Option be effective on the first day of the second month following the month in which the window period closes; and**
- **Both the retiree and their spouse are living on the Option effective date.**

**OPTIONAL 50% SURVIVING BENEFICIARY BENEFIT WINDOW**

**In the event a retiree or spouse dies after the retiree has submitted a complete election form and prior to the Option effective date, such election will be deemed to be invalid.**

**Once the coverage becomes effective, it may not be cancelled for any reason.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**OUTSTANDING PLACEMENT DETERMINATION REQUESTS  
PURSUANT TO APPLICATION FOR DISABILITY RETIREMENT**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Outstanding Placement Determination Requests  
Pursuant to Application for Disability Retirement

During these negotiations the Union noted its concern that some placement determination requests were not being processed promptly by plants, thereby delaying some disability retirements.

When an employee has applied for disability retirement and is found not to be totally and permanently disabled, the Retirement Board forwards a placement determination request to the employee's plant. The placement determination request process involves (1) the plant physician determining what restrictions, if any, are appropriate for the employee and (2) the plant personnel office determining whether there is any work in the plant for the employee given such restriction. If there is no suitable work, the employee's application for disability retirement is processed.

In some cases the placement determination process appears to take undue time thereby delaying certain disability retirements.

In the future, when a placement determination request has been pending for 30 days after such request was initially sent, and the National Employee Services Center (NESC) has not received a response from the plant, the NESC will notify the appropriate division Labor Relations Manager and request that the manager take action to expedite the placement determination request.



**OUTSTANDING PLACEMENT DETERMINATION REQUESTS  
PURSUANT TO APPLICATION FOR DISABILITY RETIREMENT**

The Retirement Board will continue to provide a monthly listing of the outstanding placement determination requests to the UAW. The listing will include the applicant's name, social security number, the date the placement determination request was sent to the plant, and the plant's name.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Global Benefits Planning and  
Special Projects  
Compensation and Benefits

Concur: Ernest Lofton

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**PENSION ADMINISTRATION — DOMESTIC RELATIONS ORDERS  
(DROS)**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Pension Administration — Domestic Relations  
Orders (DROs)

During these negotiations, the parties discussed the current practice by the administrator (Fidelity) of immediately withholding 50% of a retiree's benefit under the Ford-UAW Retirement Plan (Plan) following receipt of a Domestic Relations Order (DRO). The administrator continues to withhold such amount until it is determined that the DRO has met the requirements to be a Qualified Domestic Relations Order. Upon qualification, a final determination of the benefit amount payable to the Alternate Payee is made, and any adjustment to the retiree's benefit or the alternate payee's benefit (including recovery of overpayments) is made.

The parties agreed for DROs filed with the administrator on or after January 1, 2004 that this procedure, during the period required for qualification of the DRO, would be modified as follows:

- Where the DRO specifies a flat dollar amount to be paid to the Alternate Payee such dollar amount will be withheld from the participant's pension benefit and held for the Alternate Payee.
- For any other DRO where a flat dollar amount is not specified, the present procedure of withholding 50% of the retiree's pension benefit will be continued.

**PENSION ADMINISTRATION — DOMESTIC RELATIONS ORDERS  
(DROS)**

Once the DRO becomes a Qualified Domestic Relations Order, the amount of withholding will be adjusted as required by the order. Adjustment to the retiree's benefit or the Alternate Payee's benefit, including recovery of overpayments will then be made.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**PENSION PLAN – PHASED RETIREMENT**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Pension Plan – Phased Retirement**

**During 2007 Negotiations, the parties discussed the feasibility of piloting a phased retirement status. The parties discussed the complexities that such a status could have on manufacturing and other operations. The parties also discussed the fact that such a new status would require modifications to certain provisions of the Collective Bargaining Agreement, Pension Plan and other benefit plans.**

**As a result of these discussions, the parties agreed to study the feasibility of a phased retirement status during the course of the 2007 Collective Bargaining Agreement. The study may consider the impact on operations, workforce scheduling and manufacturing efficiency as well as costs associated with payroll, other system modifications, and other administrative considerations. If such status is mutually agreed to between the parties, a phased retirement pilot program may be implemented upon reaching agreement on the required modifications to the Collective Bargaining Agreement provisions, Pension and other benefit plan provisions. It is understood that either party, on its own, may decide not to approve or implement such a pilot program.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

**PRE-RETIREMENT LEAVES**

**November 3, 2007**

Mr. **Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Pre-Retirement Leaves

Consistent with the parties' discussions regarding Special Programs under Appendix M, Attachment A, this is to confirm our understanding that the Pre-Retirement Leave Program set forth in the October 7, 1990 Letter of Understanding, and as implemented in the May 1, 1991 directive from the National Job Security, Operational Effectiveness and Sourcing Committee, shall be renewed for the duration of the **2007** Collective Bargaining Agreement. The renewal shall be on the same terms and conditions including; (1) eligibility for a pre-retirement leave shall be limited to employees who, without regard to eligibility for an immediate benefit, have at least 28 but less than 30 years of credited service under the Ford-UAW Retirement Plan (Plan) at the time their leave begins; and, (2) employees would agree to retire, as regular early or normal retirements effective the first of the month following the month they first attain 30 years of credited service under the Plan.

Employees on pre-retirement leaves are considered to be Protected employees under the GEN program and will receive the same Insurance Benefits.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**RETIREE VEHICLE DISCOUNT FOR RETIREES AND SURVIVING SPOUSES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Retiree Vehicle Discount for Retirees and  
Surviving Spouses

During these negotiations, the Company and the Union agreed to provide current retirees and surviving spouses with two (2) opportunities to purchase a new Ford or Lincoln Mercury vehicle and receive a \$1,000 additional discount off of the vehicle purchase price. The Retiree Vehicle Discount will be offered twice, once beginning December 2003 and again beginning December 2005 and shall remain in effect for twelve (12) months from each offer date.

The eligibility for the Retiree Vehicle Discount will be based on the retiree or surviving spouse's eligibility for the December retiree lump sum payment. Each eligible retiree or surviving spouse eligible for Z-Plan (including eligible family members) may purchase one (1) new vehicle during the program period and receive the following Retiree Vehicle Discount:

December 2003	\$1,000 off purchase price of any 2003/2004 Model Year Ford or Lincoln Mercury vehicle
December 2005	\$1,000 off purchase price of any 2005/2006 Model Year Ford or Lincoln Mercury vehicle

**RETIREE VEHICLE DISCOUNT FOR RETIREES AND SURVIVING SPOUSES**

The Retiree Vehicle Discount program will be administered through local participating Ford and Lincoln Mercury dealers.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**RETIREMENT SERVICE CREDITS FOR EMPLOYEES ELECTED  
TO FULL-TIME PUBLIC OFFICE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

During these negotiations, the Company and the Union discussed the earning of retirement service credits for a seniority employee who is elected to full-time public office. Such employees currently would be eligible for Public Office Leaves of Absence provided for under Volume I, Article VIII, Section 31.

Accordingly, we agreed that up to forty (40) hours per week of credited service under the Ford-UAW Retirement Plan shall be credited to an employee who is on an approved leave of absence in order to fulfill the obligation of an elected representative holding a full-time State or Federal public office, listed on the Attachment, and who is subsequently reinstated with seniority credit under the Collective Bargaining Agreement for the period of such service provided that:

- The employee commencing the leave of absence is an active employee who has not otherwise incurred a break in his/her seniority.
- Credited service shall be limited to the length of two (2) terms in office, but no more than eight (8) years total credited service, and shall be limited to one (1) such leave during the term of employment.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom  
Attachment



**RETIREMENT SERVICE CREDITS FOR EMPLOYEES ELECTED  
TO FULL-TIME PUBLIC OFFICE**

Attachment

Eligible Elected State or Federal Representatives Holding  
Public Office

State:

Governor  
Lt. Governor  
Attorney General  
Auditor  
Treasurer  
Secretary of State  
Legislator

Federal:

President  
Vice President  
Member of Congress

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**SERVICE FILL-IN EXCLUSIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Service Fill-In Exclusions**

**During these negotiations, the Company and the Union agreed that, when determining of the amount of "service fill-in" credits under Article III, Section 3(k) of the Ford-UAW Retirement Plan ("Plan"), it is not the intent of the parties to include a service fill-in by duplicating service credit for such periods as when an employee was either a participant, or in receipt of benefits as a participant, under a retirement plan sponsored by the Company or its subsidiaries. Additionally, no service fill-in would be provided during any period when an employee was not employed by the Company or its subsidiaries. Further, it is not the intent of the parties to reduce or otherwise impact benefits provided under other, existing agreements and plans.**

**The principals of this letter shall be applied consistently and uniformly.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**SPECIAL EARLY RETIREMENT PROCEDURES**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Special Early Retirement Procedures

The following procedural points shall apply for an application for special early retirement initiated by an employee:

1. Applications for special early retirement benefits may be made through the regular channels.
2. When the Company approves the application, the Notification of Special Early Retirement will be coded "under mutually satisfactory conditions" and forwarded to the Ford-UAW Retirement Board.
3. If necessary approvals are not obtained, the applicant will be notified in writing that he will not be granted special early retirement and the reason for the denial, for example, insufficient medical evidence. The applicant will be given the opportunity either to withdraw the application or have it processed as a regular early retirement.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Benefits Planning and Research Department  
Employee Relations Staff

Concur: Ernest Lofton

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**UNION DUES CHECK OFF**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Union Dues Check Off**

**During these negotiations the Company and the Union agreed to include a union dues authorization form in each employee's retirement application kit. The form may be used to authorize union dues deductions from future monthly Ford-UAW Retirement Plan (Plan) payments should the retiree voluntarily agree to the deduction. The deduction authorization would be revocable at any time.**

**The Union acknowledges it has no enforceable right in, or to any Plan benefit payment or portion thereof (except to the extent of dues actually deducted pursuant to the terms of the arrangement).**

**The Company and Union discussed the process for implementing the proposal and agreed that it would be accomplished in a cost efficient manner and would not be customized with the employee's personal information. Any expense associated with the design or administration of the form and return envelope will not be borne by the Plan or the Company.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**UPLIFT OF ZF BATAVIA-UAW PENSION PLAN BENEFITS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Uplift of ZF Batavia-UAW Pension Plan  
Benefits**

**During these negotiations the Company and the Union agreed to amend the ZF Batavia-UAW Pension Plan to provide the following benefit improvements for employees retiring on or after October 1, 2007:**

- **Improve the Life Income Benefit rate structure to equal the rate structure under the Ford-UAW Retirement Plan; and**
- **Improve the Supplemental Allowance and Temporary Benefit rates to equal the benefit rates under the Ford-UAW Retirement Plan.**

**The Company may elect, in its sole discretion, to merge the ZF Batavia-UAW Pension Plan into the Ford-UAW Retirement Plan. Employees will be notified of any such action.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**WORKERS' COMPENSATION - CREDITED SERVICE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Workers' Compensation - Credited Service

During these negotiations, the Company and the Union discussed problems related to the application of the credited service provisions of the Retirement Agreement. This is to confirm that an employee who is absent from work on an approved leave of absence because of occupational injury or disease and on account of such injury or disease, receives Workers' Compensation temporary total disability payments, will receive credited service at the rate of 40 hours for each complete week that the employee is on such leave.

For an employee on an approved medical leave of absence for a condition not initially considered to be the result of an occupational injury or disease, but which condition is subsequently changed to be compensable as an occupational injury or disease, credited service will be given for the period for which workers' compensation temporary total disability benefits are deemed payable.

In addition, effective for employees who have not retired or broken service prior to October 1, 1999, in those cases where Workers' Compensation temporary total disability benefits are no longer payable because the employee has reached maximum medical improvement or the time certain beyond which benefits are not payable, the employee will also be given credited service at the rate of 40 hours for each complete week that he/she is on an approved leave of absence because of occupational injury or disease. Individual cases brought to the Company's attention will be reviewed based on the specific facts and circumstances of each case to determine if the employee should be deemed to have received workers compensation for such absence in accordance with the above.

**WORKERS' COMPENSATION - CREDITED SERVICE**

The above notwithstanding, should an employee who would be otherwise eligible to receive credited service break seniority under the terms of the contract or be able to perform any job in the plant for which he/she has seniority, credited service shall cease to accrue as of that date.

To the extent an employee has not received credited service consistent with these provisions, credited service will be corrected if the error is brought to the attention of the employee's local Human Resources Office, and the National Employees Service Center (NESC).

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**WORKERS' COMPENSATION REDUCED BY DISABILITY  
RETIREMENT BENEFITS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Workers' Compensation Reduced by Disability  
Retirement Benefits

This letter of understanding constitutes an amendment to the **Collective Bargaining** Agreement effective **November 19, 2007** and shall be construed and applied as if it were therein incorporated.

Pursuant to Subsection 354(14) of the Michigan Workers' Disability Compensation Act, as amended, **until termination or earlier amendment of the 2007 Collective Bargaining Agreement for employees who are injured and retire on or after November 19, 2007, workers compensation payments for such employees shall be reduced by disability retirement benefits payable under the Ford-UAW Retirement Plan to the extent that the combined workers compensation payment, initial Social Security Disability Insurance Benefit amount, and the initial disability retirement benefit (per week) exceed the employee's gross Average Weekly Wage at the time of injury. In no event shall such reduction be greater than the disability retirement benefit payable.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**



**ATTORNEY FEES FROM WORKERS'  
COMPENSATION AMOUNTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Attorney Fees From Workers' Compensation  
Amounts

During past negotiations, the parties discussed the payment by the Disability Benefit Claims Processor of attorney fees from workers' compensation amounts allocated to reimbursement of Accident and Sickness and Extended Disability Benefits (Benefits).

This is to advise, it is the Company's policy that neither the claims processor (John Hancock or UNICARE) nor the Company will attempt to recover from an employee those attorney fees paid by the claims processor on workers' compensation amounts allocated to reimbursement for Benefits paid.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**CONTINUING GROUP LIFE INSURANCE**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Continuing Group Life Insurance

This confirms our understanding reached during these negotiations that a minimum of \$3,000 Continuing Group Life Insurance (CGL) will be provided for an employee who retired under the Ford-UAW Retirement Plan before October 5, 1987, if such retired employee is living on the date of this letter, and has CGL in force. If, however, the amount of CGL in force at the end of the month such retired employee attains or attained age sixty-five (65) is less than \$3,000 because of prior payments of Permanent and Total Disability Benefits of Life Insurance, the CGL amount will be the amount of Life Insurance remaining in force at age sixty-five (65) or \$500 whichever is greater.

An employee who was living on October 7, 1990 and who last worked prior to October 22, 1990, but on or after October 5, 1987, and otherwise is eligible for continuing Life Insurance after age sixty-five (65) shall have a minimum amount of CGL of \$3,500.

An employee who is living on the date of this letter and who last worked prior to October 4, 1993, but on or after October 22, 1990, and otherwise is eligible for Continuing Group Life Insurance after age sixty-five (65) shall have a minimum of CGL of \$4,500.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Benefit Planning & Research Department  
Employee Relations Staff

Concur: Ernest Lofton

**EMPLOYEE AND RETIREE GROUP INSURANCE PLAN AUTO,  
HOMEOWNERS AND PERSONAL LIABILITY INSURANCE  
COVERAGE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Employee and Retiree Group Insurance Plan  
Auto, Homeowners and Personal Liability  
Insurance Coverage

This is to confirm that the Company and the Union agree to continue the current Auto, Homeowners, and Personal Liability Insurance Program for the duration of this Agreement and that the following terms and conditions remain applicable to the operation of the Program.

- The program is offered to employees and retirees (including employees on leave of absence) as a convenience and is not to be considered a Company benefit program.
- The Union will not seek employer funding or subsidy of such Insurance Program.
- The Program will be a self-paid optional insurance program funded solely by employee and retiree contributions. The Company will have no financial obligation or other liability for the Program.
- The Program will be maintained separately from the program operated for salaried employees.
- The Company's sole involvement with the operation of the Program shall be limited to providing payroll/pension deduction of the monthly premium due from employees and retirees who participate.
- Any incremental expense incurred by the Company in offering the Program to employees and retirees (e.g., systems modification, consultant fees, communications, or on-going provision of eligibility information) will be reimbursed by the insurer operating the Program.

**EMPLOYEE AND RETIREE GROUP INSURANCE PLAN AUTO,  
HOMEOWNERS AND PERSONAL LIABILITY INSURANCE  
COVERAGE**

- The Company will not be responsible for administration of such insurance and will not become involved in the rate setting process.
- The Company will not be responsible for any quality control issues.
- Any expense related to development and implementation, other than costs to effect payroll or pension deduction of premiums, will be borne by the insurer.
- Any premium or other taxes incurred as a result of the Program are the responsibility of the insurer.
- Premiums will be paid solely by employees and retirees participating in the program and will not be the responsibility of the Company.
- The Company will not be involved in the resolution of any dispute between a participating employee or retiree and the insurer operating the Program. Program participants will follow dispute resolution procedures established by the insurer.
- The parties will mutually select the Program administrator and the insurer.
- The Company has no obligation to bargain over rates, premiums or discounts.

The parties further understand:

- Rates may vary significantly by individual, by state due to state insurance laws, and by county within each state due to claims experience.
- Participation by employees and retirees is voluntary and payroll deduction may not be available to all employees (e.g., employees on leave of absence).
- The Company cannot control the level of discounts offered by the insurer.
- Some of the insurer's administrative conditions (e.g., service center hours of operation) may be negotiable.

**EMPLOYEE AND RETIREE GROUP INSURANCE PLAN AUTO,  
HOMEOWNERS AND PERSONAL LIABILITY INSURANCE  
COVERAGE**

The parties will jointly review the Program, as needed, and mutually agree to any changes, including vendor changes, in the Program. Approved vendors will be required to supply the parties with on-going and annual reports as may be needed for program evaluations.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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## INDEPENDENT MEDICAL EVALUATION PROCESS

September 15, 2003

Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Independent Medical Evaluation Process

During these negotiations, the Company and the Union have agreed to improve the "Independent Medical Evaluation Program", designed to provide independent disability evaluations in disputed Accident and Sickness and Extended Disability Benefit cases.

The Independent Medical Evaluation Program will be implemented as follows:

- Examinations will be performed by private physicians and/or clinics selected by the Insurer with the advice and consent of the Company and Union. The Company-Union Committee for the Group Life and Disability Insurance Program (established according to the provisions of Section 19) shall meet periodically to discuss and review any problems brought to the attention of the Company by the International Union with respect to such examiners. In conjunction with such discussions, the parties may elect to jointly conduct on-site reviews of such examiners. The reviews may consider the performance of individual examiners in meeting acceptable standards for adequacy of examinations, courtesy, cleanliness of facilities, independence, accessibility for employees, promptness in reporting findings and other criteria of mutual concern to the parties. If the parties conclude it is in their best interest for the Insurer not to continue to utilize a particular examiner, the Insurer will be so advised and the examiner or clinic will no longer receive examination assignments. The parties also may explore, during such meetings, recommendations made by either party

## INDEPENDENT MEDICAL EVALUATION PROCESS

with respect to new medical examiners or medical facilities for consideration by the Insurer.

- Western Union, U.S. Postal Service, or another reliable delivery service which provides proof of delivery will be utilized to notify employees to report for examinations.
- The Company will instruct the Insurer to provide examiners with an accurate description of the employee's job classification duties and to encourage the examiner to discuss with the employee the nature of the employee's job and work environment in order to facilitate the examiner's determination as to whether the employee is able to work.
- On a periodic basis, the Company-Union Committee for the Group Life and Disability Insurance Program will meet on problems as to the nature and quality of disability examinations and the performance of the facilities being utilized, to review overall program performance, and to consider recommendations by the Committee or the Insurer to improve the program.
- Persons responsible for administering claims at the Insurer will make a conscientious effort, prior to scheduling examinations, particularly for short-term disabilities to:
  - Make telephone contact with the employee or treating physician to determine the employee's current status, if unknown, and
  - Refrain from scheduling for an examination any employee who has not filed a claim for A&S benefits for a period of 18 consecutive months immediately prior to the disability absence (not including time off the roll due to permanent separation), provided the disability absence does not extend beyond the anticipated duration of disability.
- An employee will be given 48 hours advance written or verbal notification of the scheduling of an examination. Examinations will not be performed during a benefit waiting period.

#### INDEPENDENT MEDICAL EVALUATION PROCESS

- Reasonable effort will be made to determine by telephone or other means why an employee fails to show up for a scheduled examination. Benefits will be suspended for any employee who fails without good cause to appear for a scheduled exam without timely notice supplied to the Insurer.
- Accident and Sickness or Extended Disability benefits shall terminate as of the date of the examination if the employee is determined to be "able to work" and not disabled, except when the examination results are not available to the employee on the day of the examination, in which case benefits will be payable through the date the results are available to the employee.
- The examination report (both verbal and written) will include, in addition to "able to work" or "not able to work", "able to work with restrictions". An employee found "able to work with restrictions" who reports to the plant for reinstatement and is not returned to work as the result of medical restrictions and/or limitations made by the plant physician will continue to receive Accident and Sickness/Extended Disability Benefits. The employee's continuing need for medical restrictions will be monitored by the plant physician. The written notification of results to the employee determined to be "able to work" or "able to work with restrictions" will include instructions to report to the plant medical.
- Benefit payments will continue for an employee found "not able to work" after having been released to work by the attending physician.
- The Insurer will provide to the Company-Union Committee for the Group Life and Disability Insurance Program on a semi-annual basis information as to the number of examinations scheduled by the Insurer at Company locations and the results, e.g. "able to work", "not able to work" and "able to work with restrictions".

While arrangements may differ from one plant area to another due to such factors as the size of the plant, the area



#### INDEPENDENT MEDICAL EVALUATION PROCESS

involved or the availability of qualified medical examiners, the program, to the extent possible, will include the following:

- The results of any examination by an independent examiner, acting as an appropriate medical specialist, will be final and binding on the Company, the Union, the employee and the Insurer;
- Every effort will be made to schedule an IME with an appropriate medical specialist; however, in the event an IME is only possible with a General Practitioner, such results, if in agreement with the findings of the treating physician, will be binding on the parties. If the findings of the General Practitioner who conducted the IME disagree with those of the treating physician, an IME with an appropriate specialist must be scheduled to resolve the difference of opinions.
- An employee may be scheduled for one or more examinations during the same period of disability; and
- An employee examined according to the Independent Medical Evaluation Program will be instructed to call the clinic, plant or Insurer, as appropriate, between designated hours on the day of the examination for a verbal report as to whether he/she is "able to work", "not able to work" or "able to work with restrictions".

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**LETTERS OF UNDERSTANDING**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Letters of Understanding

During these negotiations, the parties reviewed the letters in Volume IV, Letters of Understanding, between Ford Motor Company and the UAW, dated September 17, 1987, and agreed upon those letters which are continued for the term of the 1990 Ford-UAW Collective Bargaining Agreements. Following is a list of letters pertaining to the benefits plans which the parties have agreed need not be included. However, it is our mutual intent that these commitments will be continued during the new Agreement and any substantive changes thereto would require discussion and agreement between the parties.

*Pension*

- Retirement Benefits for Former Employees of Chester and Iron Mountain Facilities 9-17-87
- Additional Credited Service — Coke Ovens and Ingot Mold Foundry 10-4-79
- Foundry Service Retirement 10-31-73

*U.C./SUB*

- Accrual of Credit Units for Certain New Employees Covered by a Comparable SUB Plan 9-17-87
- Notice to Union of Company Appeals on U.C. Cases 9-17-87
- Weekly SUB Data to Local Unions 9-17-87
- TRA Effects on Maximum Funding 10-5-76
- SUB Claims Processing Procedures 10-5-76
- Time Limits on SUB Claims 10-5-76

**LETTERS OF UNDERSTANDING**

*Group Life*

- Improving Payment of Disability Benefits 9-17-87
- Insurance Code on Paycheck Stub 9-17-87
- Reimbursement of Life Insurance Premium 9-17-87

*GIS*

- Notification of GIS Eligibility Termination 9-17-87
- Application to Temporary Part-Time Employees 9-17-87

*Health Care*

- COBRA Changes Notice to Union 10-13-87
- Dental Prophylaxes Study 9-17-87
- Review of Certain Insurance Carriers 9-17-87

*Miscellaneous*

- Availability of IRS Form 5500 9-27-87

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Global Benefits Planning and  
Special Projects  
Compensation and Benefits

Concur: Ernest Lofton

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**MEDICAL LEAVE OF ABSENCE (MLA) INITIATION PROCEDURES  
INTEGRATED WITH DISABILITY CLAIM FILING PROCESS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Medical Leave of Absence (MLA) Initiation  
Procedures Integrated with Disability Claim  
Filing Process**

**During the course of these negotiations, the parties discussed the disability claim process administered by the Insurer of the Group Life and Disability Insurance (GL&DI) Program and the plant-based process utilized to establish a Medical Leave of Absence (MLA). The Union expressed concerns related to the complexity of the dual process and the lack of coordination between the Insurer and the Company medical departments.**

**This letter will confirm the parties' agreement to simplify the two-tier process of requesting a conditional MLA and initiating a claim for Accident & Sickness Benefits/Extended Disability Benefits through the Insurer. Integration of these processes will be limited to the establishment of a disability claim and request for a conditional MLA. The following will apply:**

- 1. A toll free telephone number will be established for employees to initiate a disability claim and request a conditional MLA. Employees will be required to call the toll free number within five working days of their last day of work or be subject to the provisions of Article VIII, Section 5 (4).**

**MEDICAL LEAVE OF ABSENCE (MLA) INITIATION PROCEDURES  
INTEGRATED WITH DISABILITY CLAIM FILING PROCESS**

- 2. A centralized intake process will be established through the toll free number to secure preliminary information about the employee's disability, physician contact information, etc. The preliminary information will be used as a basis to initiate a disability claim with the Insurer and a conditional MLA with the employee's work location.**
- 3. A standardized disability information package will be mailed by the disability unit to the employee containing:**
  - a. Notice of application for Hourly Disability Benefits which is to be signed and returned to the Insurer**
  - b. Family Medical Leave Act (FMLA) eligibility and entitlement information**
  - c. Disability certification form for the physician (applicable 5166 form) which will be accepted by both the Insurer (for consideration of initial benefit eligibility) and the work location (to justify a conditional MLA).**

**The package will not include information concerning various employment laws that are specific to any individual State.**

- 4. The centralized intake process will only be involved for initial claim application. For all matters beyond the initial claim application, the employee must communicate directly and separately with the Insurer and Company employment and/or medical departments servicing the employee's work location.**
- 5. Subsequent to the employee's initial application for disability benefits and initial approval of a MLA, employees who remain disabled will have responsibility for ensuring their physician has supplied the necessary information to:**
  - a. The employee's work location in order to extend the MLA;**

**MEDICAL LEAVE OF ABSENCE (MLA) INITIATION PROCEDURES  
INTEGRATED WITH DISABILITY CLAIM FILING PROCESS**

- b. To the Insurer to make certain there is no disruption in disability benefits.**

**The employee will be responsible for contacting both the work location and the Insurer to determine the appropriate actions in case of extended disability. The Insurer or the Company may require additional information or forms to continue certification of disability.**

**Integration of the disability claim filing process with a request for a conditional MLA does not change any contractual requirements of the Collective Bargaining Agreement.**

**The parties will pursue other approaches by mutual agreement, to further streamline these processes as technologies are improved. To the extent that privacy and medical confidentiality laws allow, the Insurer and Company medical departments can share information regarding an employee's disability. The information to be shared will be restricted to the conditions for which the employee has claimed disability benefits and requested a MLA.**

**The parties will develop and implement detailed procedures, by mutual agreement, based on the overview outlined in this letter. Implementation of this integrated process will be completed by First Quarter 2008, or as soon as practical.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

**This letter replaces the following letter:**

**Coordination of Medical Leave of Absence and  
Disability Program; Payroll Integration,  
September 15, 2003**

**MEDICAL PLACEMENT OF RESTRICTED EMPLOYEES**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear **Mr. King**:

Subject: Medical Placement of Restricted Employees

During these negotiations, the Union expressed concern over the effectiveness of the Company's procedures for returning employees who have medical restrictions to work. **The Company developed standards of practice and guidelines for medical placement of employees to address these concerns.**

**During the term of this agreement, the parties will review the Company guidelines for medical placement of employees which have been implemented to determine whether they are effective.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**MENTAL HEALTH AND SUBSTANCE ABUSE CLAIMS UNDER  
THE GROUP LIFE AND DISABILITY INSURANCE PROGRAM**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Mental Health and Substance Abuse Claims  
under the Group Life and Disability  
Insurance Program**

During these negotiations the parties discussed the prevalence of Mental Health and Substance Abuse (MHSA) conditions within the Accident and Sickness (A&S) and Extended Disability Benefits (EDB) Programs. The parties observed through review of clinical evidence, the under-use of specialty care which has resulted in suboptimal outcomes due to under diagnosis and under treatment. Given that these issues were of serious concern to both parties, the following has been agreed. Employees with a MHSA condition shall be required to treat with a Psychiatrist, who certifies their total continuous disability, within 30 calendar days of the first date of disability or the date a MHSA condition is first diagnosed, in cases where the original diagnosis does not include a MHSA condition. If the employee subsequently qualifies for a reopened A&S or EDB claim, pursuant to Section 11 (C) of the Group Life and Disability Insurance program, the employee shall be required to treat with a Psychiatrist, who certifies their total and continuous disability within 14 calendar days.

Regards,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**



**MILEAGE FOR INDEPENDENT MEDICAL EVALUATION — GL&DI  
PROGRAM**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Mileage for Independent Medical Evaluation —  
GL&DI Program

This will confirm our understanding relative to reimbursement of employees for mileage driven when traveling to and from Independent Medical Evaluation (IME) examinations scheduled by UNICARE during administration of Disability Benefits claims under the GL&DI Program.

UNICARE will make every reasonable effort to schedule employees for IME examinations within a one way distance of 40 miles (or the distance driven by such employees to work, if greater) from their place of residence. When IME examinations are schedule with a medical examiner located more than 40 miles (or the distance driven to work, if greater) from their residence, employees upon request, will be reimbursed by UNICARE at a rate of **forty-eight and one half (48.5)** cents per mile for the actual miles driven from the residence to the physician's office and back using the most direct route available. Mileage reimbursement will be made after employees have kept their appointment with the IME examiner. Mileage reimbursement will not be made for IME examinations conducted within 40 miles of the employees' residence.

**MILEAGE FOR INDEPENDENT MEDICAL EVALUATION — GL&DI PROGRAM**

If employees who would otherwise qualify for the above payment do not have access to a motor vehicle, arrangements may be made with UNICARE, in advance of the examination, for reimbursement of the cost of other transportation approved by UNICARE.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**OPTIONAL EMPLOYEE PAID EXTENDED DISABILITY  
COVERAGE**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Optional Employee Paid Extended Disability  
Coverage

During these negotiations, the Company and Union **discussed the importance of** offering an optional, fully employee-paid long-term disability benefit program for **low seniority employees**. Employees would pay the full cost of any such program. Company involvement with the program shall be limited to providing for payroll deduction of the monthly premiums required of employees who participate in the long term disability program. **Implementation of an Optional Disability Program will require the plan administrator to have the ability to link with Ford payroll systems at no cost to the Company.**

**The parties' agree to explore the availability and viability of such a program at a future date to be mutually determined.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**OPTIONAL GROUP LIFE, DEPENDENT GROUP LIFE, AND  
OPTIONAL ACCIDENT INSURANCE PLANS - UNDERSTANDINGS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Optional Group Life, **Dependent Group Life,**  
**and Optional Accident** Insurance Plans -  
Understandings

During these negotiations, the Union requested that optional life, **dependent life, and optional accident** insurance **carrier** alternatives be studied by the parties. We have agreed **that during the course of this agreement, a joint review of plan design and alternative carriers may be undertaken, the results of which, by mutual agreement, may include changes in carrier or plan design as well as modification to employee and retiree premiums. This review** will be taken up in the Company-Union Committee provided for in Section 19 of the Group Life and Disability Program.

**During prior negotiations, in** response to Company concerns regarding local endorsement of optional insurance plans, you have advised the Company that local unions will not be authorized to enter into agreements with providers, or endorse or recommend providers, unless the International Union has reviewed them with the Company and approved the arrangements.

**OPTIONAL GROUP LIFE, DEPENDENT GROUP LIFE, AND  
OPTIONAL ACCIDENT INSURANCE PLANS - UNDERSTANDINGS**

Dependent Group Life Insurance Plan - Surviving Spouse  
Coverage

**During prior negotiations**, the parties have agreed that in the event of the death of an employee or retiree, future Surviving Spouses will be allowed to continue coverage for themselves and for eligible dependents enrolled at the employee's or retiree's death. Premium amounts will be based on the spouse's age.

Very truly yours,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

Concur: **Bob King**

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**OPTIONAL LIFE INSURANCE PLANS —  
SPECIAL ENROLLMENT PERIODS 2008, 2009, 2010, AND 2011**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Optional Life Insurance Plans — Special  
Enrollment Periods **2008, 2009, 2010, and 2011**

During these negotiations, the Union requested that active employees not participating in the Optional Dependent Group Life and/or Optional Employee Group Life insurance plans be given in **2008, 2009, 2010, and 2011** an opportunity to enroll at the first or second level of coverage without having to provide evidence of insurability; provided however, that employees/**dependents** previously denied coverage due to a medical condition must provide evidence of insurability to enroll in the plans. Coverage for nonparticipating employees enrolling at the first or second levels of coverage during the open enrollment will become effective on the first of the month following receipt of their application. Nonparticipating employees enrolling in a level higher than the first two levels will be required to submit evidence of insurability and be approved for coverage before their application will be effective.

The parties have agreed that **in each year above**, employees will be provided a 45-day period in which to enroll. **The parties will mutually agree on the timing of this window. Suggested timing of this window shall be the first Quarter of each calendar year.** Coverage will become effective on the first day of the calendar month following the date of enrollment, provided the employee is actively at work on such date.

The parties also have agreed that **during each of these open enrollment periods**, employees presently participating in Dependent Group Life Insurance and/or Optional Employee Group Life Insurance will be given an opportunity to increase the amount of coverage in force of 1 level without

**OPTIONAL LIFE INSURANCE PLANS —  
SPECIAL ENROLLMENT PERIODS 2008, 2009, 2010, AND 2011**

providing evidence of insurability; **provided however, that employees/dependents previously denied coverage due to a medical condition must provide evidence of insurability to increase the one level.** The increased amount of insurance will become effective on the first day of the calendar month next following the date the employee elects such increase, provided the employee is actively at work on such date.

**The open enrollments will include an annual postcard notification to employees, at the insurance carrier's expense, advising eligible employees of the open enrollment, unless the parties mutually agree on an alternative notification method.**

**Results of the enrollments will be provided to the Union within 90 days of the end of each open enrollment period.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**PHYSICIAN ABUSE OF DISABILITY PROGRAM**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Physician Abuse of Disability Program**

**The parties recognize that a relatively small number of physicians promote overuse and inappropriate utilization of the Disability provisions of the Group Life & Disability Insurance (GL&DI) Program primarily by certifying that an employee is totally disabled under certain circumstances and for periods of time that are generally not consistent or compatible with the total disability certification issued by physicians generally.**

**In a joint effort to minimize inappropriate use of disability benefits, the parties agree to establish the following arrangement as indicated below.**

**Develop a list of physicians who, based on mutually satisfactory criteria, show a pattern of certifying total disability under circumstances that differ noticeably from those that generally appear in the Program. Certification of total disability from a physician on the list approved by the Committee will no longer be regarded as due proof of disability. A physician may be added to or deleted from the list by the GL&DI Company-Union Committee. Disability benefits shall not be denied to the employee unless it is established that the employee was notified that a certification of disability from a physician on the list would not be regarded as due proof of disability. In addition, any certification from such physician will not be recognized by the Company for purposes of excused absences.**



**PHYSICIAN ABUSE OF DISABILITY PROGRAM**

**The foregoing arrangements will not alter the eligibility and benefit plan requirements of the GL&DI Program with respect to Accident and Sickness benefits or carrier claim administration.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**PROCEDURE FOR GIVING NOTICE TO EMPLOYEES  
FOR IMPARTIAL MEDICAL EXAMINATIONS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Procedure for Giving Notice to Employees for  
Impartial Medical Examinations

During past negotiations, the Union expressed concern about the procedure used to notify employees that they are scheduled for an Independent Medical Examination (IME) in conjunction with their disability benefits claim. The Union expressed specific concern that some employees were not receiving the examination notice in a timely manner. To improve this situation, the parties agreed to an employee notification procedure. This is to confirm that UNICARE Life and Health Insurance Company will continue the following employee notification procedure when processing employee disability claims.

1. An IME appointment Mailgram will continue to be sent to the address provided by the employee on the statement of claim or, in instances in which an address has not been provided, to the employee's address of record with the Company.

The Mailgram will be amended to request that the employee notify UNICARE immediately by calling the toll-free (800) number to be provided on the Mailgram if, for some reason, the appointment cannot reasonably be kept.

2. An IME appointment will be immediately rescheduled for an employee who advises UNICARE within two working days of the scheduled appointment date of an inability to keep the appointment for justifiable cause.

**PROCEDURE FOR GIVING NOTICE TO EMPLOYEES  
FOR IMPARTIAL MEDICAL EXAMINATIONS**

3. Upon receipt of notice from the IME examiner that an employee has failed to keep a scheduled IME appointment, UNICARE will review the time keeping record of the employee's work location to ascertain if the employee has returned to work.

An employee who has failed to keep a scheduled IME appointment and who has not returned to work will be sent a second Mailgram advising the employee that:

- An appointment was scheduled for an IME which the employee did not keep.
  - Disability benefits are suspended as of the date following the scheduled IME appointment.
  - UNICARE should be contacted immediately at the toll-free (800) number provided in the Mailgram to reschedule the IME appointment.
  - Suspended benefits will be restored if the IME confirms the employee's disability.
4. Requests from an employee for reinstatement of suspended benefits will be considered by UNICARE on an individual case basis. Claims which cannot be resolved by UNICARE may be appealed to the Life and Disability Programs Department, Human Resources.

The parties expressed a mutual concern for the fairness and consistent application of the procedures used to administer Impartial Medical Examinations. In the event the procedure does not resolve the Union's concerns, changes may be considered by the Company-Union Committee as provided under Section 19 of the Group Life and Disability Insurance Program.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

**RECOVERY OF OVERPAYMENTS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Recovery of Overpayments

During these negotiations, the parties discussed the need to improve procedures for recovering disability plan benefit overpayments. In addition, the Union expressed concern regarding the Company's practice of not allowing an employee to waive Accident and Sickness (A&S) benefits to receive Retirement Plan benefits in those instances where there is an existing overpayment on an A&S claim.

In recognition of the Union's commitment to support Company efforts in collecting overpayment, the Company has agreed to allow employees to waive A&S eligibility if so requested in those instances where there is an existing overpayment.

It is understood that this letter does not change the obligation of employees to repay benefit overpayments.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Global Benefits Planning and  
Special Projects  
Compensation and Benefits

Concur: Ernest Lofton

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**SOCIAL SECURITY DISABILITY INSURANCE BENEFITS (SSDIB)  
FILING PROCEDURES AND THE GROUP LIFE AND DISABILITY  
INSURANCE PROGRAM (GL&DI)**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Subject: Social Security Disability Insurance  
Benefits (SSDIB) Filing Procedures and  
the Group Life and Disability Insurance  
Program (GL&DI)**

**Dear Mr. King:**

**This is to confirm our understanding regarding events associated with Accident and Sickness (A&S) and Extended Disability Benefits (EDB) as they relate to Social Security Disability Insurance Benefits (SSDIB). Outlined below are the mutually agreed upon procedures that will apply with regard to Section 11 (h) and Section 13(b) (1) (iii) of the GL&DI Program:**

- 1. In the twenty-fourth week of disability, the Insurer will send notice to the employee to explain the application requirements for SSDIB. Employees who do not expect to be disabled in excess of 12 months can submit a written statement to that effect from their legally licensed physician. A standardized form will be provided for this purpose. The physician statement must be supplied to the Insurer before expiration of the twenty-eighth week of disability. If the information is satisfactory to the Insurer and timely, the employee will be exempt from the SSDIB application requirement except as noted below.**
- 2. Between the twenty-eighth and thirtieth week of disability, based on referral from the Insurer, the Social Security advocacy group, UAW-Ford Legal Services Plan (provided the Plan meets the requirements described in the Legal Ser-**

**SOCIAL SECURITY DISABILITY INSURANCE BENEFITS (SSDIB)  
FILING PROCEDURES AND THE GROUP LIFE AND DISABILITY  
INSURANCE PROGRAM (GL&DI)**

vices Plan letter *Social Security Insurance Benefit Claims*), will evaluate those claims for which no physician statement has been received as referenced in (1) above.

- a. For cases selected for SSDIB application process by the Social Security advocate, the employee will receive written notification from the Insurer outlining his/her responsibilities and the application assistance that will be provided to the employee through the advocate.
  - b. Cases that do not immediately proceed through the Social Security advocacy process may be referred by the Insurer to the advocate at a future date and the employee may be notified at that time, that an application for SSDIB is required.
3. Social Security advocates will be used to assist the employee with the SSDIB application process and oversee the progression of the employee's case through to completion. Electronic withdrawal from the employee's bank account (account sweep) will be utilized by the Social Security advocate to efficiently recover the disability overpayment associated with any retroactive award of SSDIB.
  4. The Insurer will reduce employee's A&S and EDB benefits by the amount of SSDIB for which the employee is presumed to be eligible if the employee fails to complete the initial SSDIB application within 45 days from the date of notification.
  5. The Insurer will reduce an employee's A&S and EDB benefits by the amount of SSDIB for which the employee is presumed to be eligible effective the date of the original SSDIB application if:
    - a. The employee chooses to stop working with the Social Security advocate at any time.

**SOCIAL SECURITY DISABILITY INSURANCE BENEFITS (SSDIB)  
FILING PROCEDURES AND THE GROUP LIFE AND DISABILITY  
INSURANCE PROGRAM (GL&DI)**

- b. The employee fails to agree to an electronic sweep of his/her account for purposes of collection of a retroactive award of SSDIB.**
- 6. In the event the employee is referred for Social Security advocacy and the advocacy group determines the employee is not likely to be approved for SSDIB, a presumed SSDIB offset will not be applied.**
- 7. In the event of a denial of SSDIB, the employee will be required to pursue any further action recommended by the Social Security advocate (e.g., reconsideration/appeal; hearing). If at any time the employee decides not to work with the Social Security advocate, the Insurer will reduce employee's A&S and EDB benefits by the amount of SSDIB for which the employee is presumed to be eligible effective the date of the original SSDIB application.**
- 8. At the recommendation of the Social Security advocacy group, an employee may be directed to make a second application for SSDIB. The request of the Insurer would be based on worsening of an employee's condition, continued disability, changes in Social Security rules, etc. In such cases, all of the above outlined actions would apply.**
- 9. Employees who pursue a SSDIB application outside of the Social Security advocacy process must supply the Insurer with notice of SSDIB filing within 30 days of the application and provide the Insurer with notification of award/denial within 30 days of the decision. In the event of a denial of SSDIB, the Insurer may refer the case to the Social Security advocacy group to assist the employee with the appropriate next step in the review process. Cooperation by the employee is required to avoid a presumed offset of SSDIB.**

**SOCIAL SECURITY DISABILITY INSURANCE BENEFITS (SSDIB)  
FILING PROCEDURES AND THE GROUP LIFE AND DISABILITY  
INSURANCE PROGRAM (GL&DI)**

- 10. At any time while an A&S or EDB claim is pending, upon request from the Insurer or Social Security advocate, an employee may be instructed to supply a completed authorization for the release of Social Security information. Failure to supply the authorization to the Insurer within 30 days of the request will result in a presumed offset of SSDIB effective the first of the month following the 30 day period.**
- 11. If SSDIB is presumed pursuant to the foregoing provisions and the employee subsequently makes the required filing with Social Security and provides proof of the same to the Insurer, the employee will be refunded any benefits presumed on and after the date the required filing was actually made with Social Security. Any benefits presumed prior to the filing date with Social Security will remain offset against the employee's A&S or EDB for the duration of non-compliance.**

**Reminder notices will be sent to the employees throughout the claim process to help ensure the employee's understanding of his or her responsibilities in the process. In all cases, overpayments associated with a retroactive SSDIB award must be repaid in full to the Insurer within 30 days of award unless other repayment arrangements have previously been approved by the Insurer and/or Company. Failure to repay the full amount of overpayment within 30 days may result in a referral of the overpayment amount to a collection agency, which may result in legal action. No presumption will be made regarding Social Security old age insurance benefits unless the employee refused to provide evidence that such a benefit is not being received.**



**SOCIAL SECURITY DISABILITY INSURANCE BENEFITS (SSDIB)  
FILING PROCEDURES AND THE GROUP LIFE AND DISABILITY  
INSURANCE PROGRAM (GL&DI)**

**This process will be implemented as soon as practical following the conclusion of these negotiations. All processes, procedures, form/statements associated with this letter will be developed by mutual agreement by the parties.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

**This letter replaces the following letter:**

**Integration of A&S and Social Security Benefits  
(SSDIB), October 9, 1999**

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**ADMINISTRATIVE SERVICES ONLY (ASO)  
AND SELF INSURANCE**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Administrative Services Only (ASO) and Self  
Insurance

Pursuant to your request, we have reviewed the concerns expressed regarding changing to an Administrative Services Only (ASO) or Self Insured arrangement. The following is our response to these concerns:

*Conversion Privileges:* Ford Motor Company will provide that all carriers or Administrators who administer the Company's Self Insurance or ASO arrangements will provide the same group conversion privileges offered under the insured program.

*"Social Subsidies":* Ford Motor Company will pay to BCBSM or any other participating local plan or carrier that administers Self Insurance or ASO insurance programs, the same "social subsidy" or community charge level (including, but not limited to, conversion privilege charge or other-than-group subsidy) that it would pay as a purchaser of insured programs.

*Expeditious Payment:* Reimbursement of claims and payment for the delivery of benefits will be paid on the same timely basis as with insured plans so as not to negatively affect the delivery of benefits.

**ADMINISTRATIVE SERVICES ONLY (ASO)  
AND SELF INSURANCE**

The level, scope and delivery of benefits will not be altered as a result of changing from an insured plan to an ASO or Self Insurance.

Yours very truly,

PAUL J. RYDER, Director  
Hourly Benefits Planning and  
Administration Office  
Labor Relations Staff

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**ALTERNATIVE PLAN VALUE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Alternative Plan Value

In calculating the Company's monthly contributions (and any required member contributions) under Section 4(f) of the H-S-M-D-D-V Program toward the cost of coverage for eligible members subscribing to an alternative plan under Section 2 of the Program, the following method will be used:

1. At the time of any change in the component premium rates (i.e., single, two-party, family) of either an alternative plan or the corresponding local plan, the alternative plan composite premium shall be compared to an adjusted local plan composite premium developed by using comparable local plan component rates and the alternative plan enrollment mix of Company employees who are then members of the alternative plan. If less than thirty (30) employees of the Company are then members of the alternative plan (which includes all new alternative plans), the national enrollment mix of all Company employees who are enrolled in alternative plans will be used in calculating its composite premium rate and comparing its rate to that of the corresponding local plan so as to produce more reasonable statistical results. Whenever possible, these calculations will employ separate enrollment mixes for Company hourly and salaried employee groups, respectively.
2. If the adjusted local plan composite premium is in excess of the alternative plan composite premium, the Company shall pay the full premiums of eligible members subscribing to the alternative plan. See Example #1 on the attachment.

**ALTERNATIVE PLAN VALUE**

3. If the alternative plan composite premium is in excess of the adjusted local plan composite premium, the Company's contribution on behalf of an eligible member enrolled in such alternative plan shall be limited to the amount obtained by multiplying the amount of the applicable component premium rate for the alternative plan by the ratio derived from the adjusted local plan composite premium divided by the alternative plan composite premium. The alternative plan member contribution amount shall be the difference between the appropriate alternative plan component rate less the applicable Company contribution. See Example #2 on the attachment.

Very truly yours,

**LEE MEZZA, Director**  
**Employee Benefits**  
Human Resources

Attachment

Concur: **Bob King**

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**ALTERNATIVE PLAN VALUE**

ATTACHMENT

**Example #1**

	<u>Alternative Plan</u>		<u>Local Plan</u>
	<u>Enrollment Mix</u>	<u>Monthly Rates*</u>	<u>Monthly Rates*</u>
Single	16%	\$ 35.00	\$ 30.00
Two-Party	23	75.00	70.00
Family	63	100.00	110.00
Composite		\$ 85.00	\$ 88.00

The adjusted local plan composite rate of \$88.00 is in excess of the alternative plan composite premium of \$85.00. Therefore, even though the alternative plan single and two-party component rates exceed those of the local plan, the Company will pay the full premiums of all members enrolled in the alternative plan.

**Example #2**

Single	16%	\$ 35.00	\$ 30.00
Two-Party	23	75.00	60.00
Family	61	100.00	100.00
Composite		\$ 83.85	\$ 79.60

The alternative plan composite premium of \$83.85 is in excess of the adjusted local plan composite premium of \$79.60. Shown below is the payment of the alternative plan premiums.

- Alternative plan composite rate: \$83.85
- Adjusted local plan composite rate: \$79.60
- Ratio of the adjusted local plan composite premium to the alternative plan composite premium: \$79.60 divided by \$83.85 = .949
- Company and member monthly liability

	<u>Alternative Plan Component Rates*</u>	<u>Company Liability (Component x .949)</u>	<u>Member Liability</u>
Single	\$ 35.00	x .949=\$33.22	\$ 1.78
Two-Party	75.00	x .949=\$71.18	3.82
Family	100.00	x .949=\$94.90	5.10

\* The calculation of Company and member liability would be based on each specific alternative plan component rate.

**AMBULATORY SURGICAL FACILITIES (ASF) AND  
FREESTANDING AMBULATORY SURGICAL CENTERS (FASC)**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Ambulatory Surgical Facilities (ASF) and  
Freestanding Ambulatory Surgical Centers  
(FASC)

During these negotiations, the parties discussed the criteria that would be applicable for determining coverage for services provided by ASF and FASC. The parties agreed that, subject to approval for benefit payment by the carrier, the criteria that is applicable for a ASF/FASC to be recognized as an approved facility under the H-S-M-D-D-V Program is shown below:

- must meet all local state licensing and any Certificate of Need (CON) requirements that may exist in the state; and
- be accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the American Osteopathic Association for the Accreditation Association for Ambulatory Health Care (AAAHC), and
- be approved for reimbursement as an ambulatory surgical center (ASC) under Medicare; and
- have a written referral agreement with at least one acute care hospital; and
- if required by the carrier, meet any carrier-designated need tests and enter into a written agreement with the local carrier to provide services in accordance with established reimbursement and utilization review policies for such facilities.
- if limiting services to a single specialty, be subject to a Certificate of Need (CON) required by the state or other carrier-designated need tests.

**AMBULATORY SURGICAL FACILITIES (ASF) AND  
FREESTANDING AMBULATORY SURGICAL CENTERS (FASC)**

To the extent a local carrier has a process for relating approved capacity to anticipated need and actual capacity within the area exceeds anticipated need, the carrier may, with the approval of the parties, contract with a limited number of facilities. Similarly, the Company and the Union may conclude that it is in the best interest of the Program to limit approved outpatient surgical capacity in a geographic area. In such cases, selections will be made on the basis of quality and cost. Further, the Company and the Union may withdraw approval of particular facilities in the event of quality concerns.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**BENEFIT CRITERIA FOR HMOS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Benefit Criteria for HMOs

During these negotiations, the Company and Union discussed the benefit criteria for HMOs. It was agreed that all new HMOs offered to Ford hourly employees represented by the Union will be expected to provide the benefit levels described in the Letter of Understanding, "Criteria for Reviewing HMOs", or as otherwise agreed to by the parties. Under the prior provisions, some HMOs did not provide benefits meeting these Criteria or other agreed upon changes. As soon as practical after the effective date of this Agreement, the Company will ask HMOs not meeting these Criteria or other agreed upon changes to make required benefit changes to meet the standards set forth in the Letter or other agreed upon changes. These benefit changes will be effective on or before March 1, **2008**. A list of HMOs subject to the Letter on "Criteria" or other agreed upon changes, and expected to improve in one or more aspects, is attached. The Company will continue to survey other HMOs to ensure compliance.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Attachment

Concur: **Bob King**

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**BENEFIT CRITERIA FOR HMOS**

ATTACHMENT

**Revised HMO Criteria  
HMOs Expected to Improve to Ford Level**

<b><u>Plan Name</u></b>	<b><u>Location</u></b>
HMO Health Ohio	Ohio
<b>Unicare Health Plan Midwest</b>	<b>Illinois</b>

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**BENEFITS TRAINING AND EDUCATION**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Benefits Training and Education

During the current negotiations, the parties renewed their commitment to provide on-going training programs for Company and Union Benefits Representatives in order to improve the quality of service provided to hourly employees by the National Employee Services Center (NESC) and the Union Benefits Representatives at their various locations. The parties also recognized the importance of communications programs aimed at educating employees about their benefits. It was agreed that such training and education programs will be developed jointly by the Company and National Ford Department teams at the NESC and the cost of developing and implementing such programs properly may be paid from the National Program Center as approved by the Joint Governing Body. These include, but are not limited to, the following:

- The annual joint Company-Union Benefits Training Conference.
- Continuing education program for Union Benefits Representatives provided by the NESC.
- Periodic training needs assessments to evaluate training and education needs to improve employee service.
- Ad hoc training meetings on legal developments or other special needs.
- Training or instruction deemed necessary to qualify properly appointed alternate Union Benefits Representatives to perform their function satisfactorily.

Included also are any travel, lodging and living expenses incurred by Company and Union representatives in relation to the above. In addition, the Fund will pay for lost time

**BENEFITS TRAINING AND EDUCATION**

(eight hours per day base rate plus COLA) of full-time and alternate Union Benefits Representatives attending such programs away from their locations. The Company will pay for the time (eight hours per day base rate plus COLA) of alternate Union Benefits Representatives who replace those attending such programs.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**BLOOD SERVICES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Blood Services

During these negotiations, the Company and the Union discussed the medical plan exclusion for whole blood and packed red blood cells and the Union expressed concern that some members might be adversely impacted by this exclusion.

The Company and Union agreed that this exclusion will be removed from the Traditional Plan and the PPO effective September 29, 2003, and references to whole blood and packed red blood cells will be removed from the list of excluded services in the Administrative Manual when it is next revised.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**CARRIER ADMINISTRATION**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Carrier Administration

During present negotiations, the Company and Union discussed the feasibility of pursuing competitive bids related to the administration of the H-S-M-D-D-V Program with the objective of improving the quality of Program administration, reducing administrative costs, promoting practices which lower claims costs, and improving customer service. The Union stated that, alternatively, it would be more appropriate to develop and implement performance standards that would enhance the present carriers' performance and cost effectiveness.

We agree that as soon as practicable after the conclusion of the present negotiations, the Company-Union Committee, as described in Section 12 of the H-S-M-D-D-V Program, will meet to discuss the establishment of such performance standards. The standards will be designed to encourage carriers to achieve a higher level of administrative performance in such areas as claims Management, employee/retiree servicing, record keeping, reporting capability, cost containment programs administration, data processing, and overall cost effectiveness.

**CARRIER ADMINISTRATION**

If it is determined after an appropriate period of time that certain carriers are not meeting the agreed-upon performance standards, the Company-Union Committee will consider requesting competitive bids for the services provided by those carriers with poor performance. Following receipt of the competitive bids, the Company-Union Committee will review the proposals and jointly determine the course of action to be taken.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**CAT SCANS — ST. LOUIS**

October 14, 1984

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: CAT Scans — St. Louis

During these negotiations, the Company and the Union discussed the approval requirements for CAT scanning equipment involving nine facilities in the St. Louis, Missouri area. The Missouri Attorney General has ruled that these facilities were in existence and operation prior to the effective date of the Missouri Certificate of Need Law and therefore approved by the state. Medicare has also accepted this “grandfathering” situation.

The parties agree that CAT scans performed on or after October 1, 1984 at the following facilities will be approved for the applicable payment under the H-S-M-D-D-V Program:

- Alexian Brothers Hospital
- Incarnate Word Hospital
- St. Anthony’s Medical Center
- Columbia Regional Hospital
- Doctors Regional Medical Center
- St. Joseph Health Center
- Springfield Community Hospital
- St. John’s Regional Medical Center
- Lester E. Cox Medical Center



**CAT SCANS — ST. LOUIS**

Claims involving CAT scanning services performed at these facilities after November 1, 1983 but before October 1, 1984 will be reviewed by the parties on a case-by-case basis for appropriate payment.

Very truly yours,

PAUL J. RYDER, Director  
Hourly Benefits Planning  
and Administration Office  
Labor Relations Staff

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**COMMUNITY HEALTH CARE INITIATIVES**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Community Health Care Initiatives

This letter shall confirm our mutual understanding that all consultant fees incurred by the Company-Union Committee described in Section 12 of the H-S-M-D-D-V Program in connection with community health care initiatives will be charged against the National Program joint funds.

Community Initiative Directors (CIDs) shall be employees of the Company, and receive pay and benefits from the Company, which shall be treated as an administrative expense of the H-S-M-D-D-V Program.

It is further understood that the UAW Co-Initiative Director positions are not permanent positions; that such positions shall cease when the local initiative is deemed, at the sole discretion of either party, to have reached a conclusion; and that, upon termination, the holders of such positions shall return to a job at their home plant in accordance with the provisions of the Collective Bargaining Agreement.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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COMMUNITY HEALTH CARE INITIATIVES

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Community Health Care Initiatives

During these negotiations, the Union and the Company conducted extensive discussions regarding the continued development of the Community Health Care Initiatives process. In designated communities the Company and the Union work with others in the community to initiate community activities designed to improve the overall health status of area residents and improve the quality and cost effectiveness of the local health care delivery system.

The parties reaffirm that Community Health Care Initiatives Programs have the potential to promote high quality, cost effective health care delivery systems for the entire community and thereby enhance the effectiveness and value of the health care benefits provided to UAW-represented eligible Ford enrollees, under the H-S-M-D-D-V Program. Accordingly, the Company and Union have agreed that as soon as practicable following ratification of the Agreement, the Company-Union Committee described in Section 12 of the H-S-M-D-D-V Program will meet to further develop specific measurable objectives focusing on cost-effective, quality action plans, to be **used in ongoing activities** as soon as practicable in the Kansas City pilot and in Louisville. The objectives will be consistent with the principles outlined in the attached Vision-Mission Statement.

The parties are committed to work closely together to **effectively monitor the results** of these initiatives.

## COMMUNITY HEALTH CARE INITIATIVES

The Action Plans will identify areas for program activities designed to achieve demonstrable improvements in health status, quality and cost effectiveness of the health care delivery system over time. Typical community activities would include, but not be limited to:

- collaboration with consumers, purchasers, providers, health care plans, carriers and other interested parties to develop activities that will assist a community in utilizing all its health care resources effectively, and balancing those resources with its health care needs,
- evaluation of provider cost disparities as well as practice variations,
- creation of specific programs that incorporate pharmacy data with medical data so that treatment patterns may more accurately reflect evidence-based medicine,
- identification of best practices of care and delivery, and encouragement of their adoption by local health care providers,
- improvement in the health status of all members of the community through the use of community activities, such as educational and informational programs, and
- provision of environmental scans, resource and needs assessments and other data that give the community access to significant data and information to enable it to develop action planning.

The Action Plans developed by the Company-Union Committee will be tailored to reflect the unique environment of each community. The Committee will jointly adopt specific short-term and ongoing measurable goals for each location, monitor the activity within each of the two communities and receive quarterly reports from the Community Initiatives Directors. The parties agree to collaborate with other organizations involved in community health care initiatives programs to ensure maximum effectiveness of the programs.

Further, the parties will evaluate on or before January 1, 2010, those initiatives based on the adopted measurable goals. Based on the results of these evaluations, the parties

#### COMMUNITY HEALTH CARE INITIATIVES

may agree to take appropriate actions including the termination of the Community Health Care Initiatives and expansion to a third community as determined by the Committee. Two Community Initiatives Directors (CIDs) will be assigned to each targeted community and will be responsible for working as a team to implement each Action Plan under the oversight of the Company-Union Committee. One CID will be appointed by the Company and one by the Union. The CIDs will be employees of the Company and receive pay and benefits from the Company. Any consulting fees will be reimbursed from National Program Center funds.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Attachment

Concur: **Bob King**

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## COMMUNITY HEALTH CARE INITIATIVES

ATTACHMENT

### COMMUNITY INITIATIVES VISION - MISSION STATEMENT

We are firmly committed to encourage the development of community health care delivery systems that provide high quality health services, promote disease and accident prevention, expand health education, improve community health status and enhance the quality of life, while reducing costs by efficient and appropriate cost-effective delivery of services.

The Community Initiatives process will stimulate community activity, including coalitions and other consensus building forums, to encourage collaboration and cooperation of consumers, purchasers, providers, health care plans, carriers and other interested parties to improve the health care system by promoting:

- the delivery of high quality health care;
- a culture of “best practice”;
- state-of-the-art data collection and information systems;
- a balancing of the health care resources of the community with the community’s health care needs; and
- cost effective care delivery.

Community activity supported by information acquired through the assessment of community needs and resources and a survey of national and local “best practices”, will generate the development and implementation of action plans to ensure that health care resources in the community are used efficiently and effectively to meet its needs.

This commitment to community activity and collaboration will be ongoing and emphasize continuous improvement of the delivery system. An immediate goal will be achieving a voluntary community commitment to a moratorium on expansion that does not have a consensus of need.

**CONFIDENTIALITY OF HEALTH CARE INFORMATION**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Confidentiality of Health Care Information

During these negotiations, the Company and the Union agreed on the desirability of maintaining a set of principles concerning the confidentiality of medical information. The Company reviewed with the Union its processes and practices in this regard. The parties acknowledged that medical information means any record, written or electronic, identifying a participant in the Ford-UAW Retirement Plan or the H-S-M-D-D-V Program or the Group Life and Disability Insurance Program (collectively, "Benefits Programs"), containing diagnostic or treatment information and used in connection with the administration of the Benefits Programs. Accordingly, the following are understood:

- Participants in the Benefits Programs have a legitimate interest in the confidentiality of medical information pertaining to them.
- The Company, third party administrators, and other parties acting on behalf of the Company or third party administrators in connection with the Benefits Programs ("Other Parties") have a legitimate need to collect, maintain, and use medical information in the course of performing administrative and other fiduciary functions required by the Benefits Programs and the law (e.g., verifying eligibility and benefit status, claims adjudication, audits for payment purposes, case management, coordination of benefits).
- The Company, third party administrators and Other Parties have a legitimate need to collect, maintain and use aggregate medical information for purposes of analysis, evaluation, oversight and quality control.

#### **CONFIDENTIALITY OF HEALTH CARE INFORMATION**

- In addition to applicable legal requirements, access to medical information maintained by the Company, third party administrators and Other Parties will be limited to persons having a need to use the information in the course of performing their job duties, and where appropriate and feasible, narrowly tailored in terms of scope and detail to achieve intended business purposes. Aggregate data and/or summaries will be used by the Company to the extent feasible.
- Medical information exchanged with Other Parties for analysis and evaluation will be used and maintained only for the purpose for which it is provided and not redisclosed by Other Parties without the prior consent of the Company and the Union.
- The Company will establish internal safeguards concerning the exchange of medical information by the Company. Employees who inappropriately exchange medical information will be subject to disciplinary action. The Company will also require third party administrators and Other Parties to establish and enforce policies and procedures consistent with this letter.
- Medical information may be exchanged with Other Parties for clinical, public health and academic research only if a meaningful purpose is to benefit participants in the Benefits Programs. Absent such purpose, the prior agreement of the Company and Union on all aspects of the research (e.g., topics, selection of researchers, distribution of results) is required.
- Benefits Programs treatment interventions should not be made by employees of the Company other than its medical personnel in the course of their normal activities, e.g., in-plant medical facilities.

The Vice President and Director, UAW, National Ford Department will designate an International Union, UAW, individual to participate in the consensus building atmosphere in the activities of the Quality Consortium and the Scientific Review Board. At the discretion of the Vice President and Director, UAW, National Ford Department, the individual who participates in the Quality Consortium and the Scientific Review Board need not be the same person.



**CONFIDENTIALITY OF HEALTH CARE INFORMATION**

The parties agree that a medical ethicist will be jointly selected as a member of the Scientific Review Board.

The Company, in consultation with the Union, is committed to continuing its development of processes and practices regulating the use of medical information within the Company and by third party administrators and Other Parties. The Company and the Union also discussed proposed federal legislation and the possibility of new regulations addressing specific uses of medical information. In the event that federal standards are adopted, the parties will meet to discuss plans for compliance. Should issues arise during the course of the agreement concerning the confidentiality of medical information, the Company will meet with the Union to discuss mutually agreeable solutions.

The Company agrees that it shall indemnify and hold the Union harmless for any sums paid by the Union to any person or persons as a result of the Company's use of medical information pursuant to or in violation of this Agreement.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**CRITERIA FOR REVIEWING HMOs**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Criteria For Reviewing HMOs

During these negotiations, the parties discussed criteria to be considered when reviewing Health Maintenance Organizations (HMOs).

The Company agrees that HMOs selected for joint approval, for offer to Ford hourly employees represented by the Union during future open enrollments, must provide benefits equivalent to the specifications described in the attached. These benefits may be modified upon agreement by the parties.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Attachment

Concur: **Bob King**

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**CRITERIA FOR REVIEWING HMOs**

ATTACHMENT

**SCHEDULE OF BENEFITS FOR EVALUATING  
HMOs TO BE OFFERED TO FORD HOURLY  
EMPLOYEES REPRESENTED BY THE UAW**

<b>Benefit</b>	<b>HMO</b>
<b>INPATIENT-HOSPITAL</b>	All services must be provided, ordered, prescribed, or recommended by the HMO or plan physician except in the case of emergencies where the HMO rules of reporting shall apply.
Room and Board	Semi-Private room covered in full. Private room covered, if medically indicated.
Benefit Period	Unlimited.
Maternity Admission	Unlimited.
Surgery (includes plastic, cosmetic, and reconstructive surgery for congenital anomalies, correction of conditions resulting from accidental injuries or traumatic scars, and correction of deformities resulting from cancer surgery, such as following medically necessary mastectomies).	No charge - covered in full.
Hospital Physician Service	No charge - covered in full.
Surgical Assistance	No charge - covered in full, when medically necessary.
Ancillary Services	No charge - covered in full.
Physical Therapy	No charge - covered in full.
Consultations	No charge - covered in full.
Pulmonary Tuberculosis	No charge - covered in full.
Affiliated Hospitals	No charge - covered in full.
Non-Participating Hospitals	No charge if admitted by a plan doctor, or for an emergency.

## CRITERIA FOR REVIEWING HMOs

### OUT-PATIENT SERVICES

Outpatient Surgery	No charge - covered in full.
Hospital Services	No charge - covered in full.
Diagnostic Laboratory and X-Ray	No charge - covered in full.
Routine Office Visits	<b>\$25 Co-payment per visit.</b>
Doctor's Home Visit	No charge - covered in full when medically indicated.
Physical Exams	<b>\$25 office visit co-pay.</b>
Pediatric Exams	<b>\$25 office visit co-pay.</b>
Allergy Testing and Injections	<b>\$25 office visit co-pay (if involves an office visit).</b>
Other Injections and Immunizations	<b>\$25 office visit co-pay (if involves an office visit).</b>
Pap Smears (Annually)	No charge - covered in full.
Physical Therapy	No charge - up to 60 visits per condition per year.

### EXTENDED CARE FACILITY

Benefit Period	No charge - covered in full. Unlimited number of days. Custodial care not covered.
Physician Services	No charge. Unlimited number of visits.
Consultation	No charge - covered in full.

### EMERGENCY

In-Area	<b>\$100 co-payment (waived if admitted).</b> Authorization must be obtained as soon as possible either before or after treatment.
Out-of-Area	<b>\$100 co-payment (waived if admitted).</b> Authorization must be obtained as soon as possible either before or after the occurrence. This is world-wide coverage.
Ambulance	No charge - covered in full when medically necessary, to or from hospital, or both ways.

## CRITERIA FOR REVIEWING HMOs

### MENTAL HEALTH CARE

Hospital Inpatient	No charge for 1st 45 days, per disability. This benefit renews when member has been out of the hospital for 60 days.
Extended Care Facility	No charge - covered in full. 90 days per disability. This benefit renews when member has been out of the hospital for 60 days. Custodial care not covered.
Partial Hospitalization/ Psychiatric Admission	No charge for 90 days, per disability. (Two days for each unused day of psychiatric hospitalization). This benefit renews when member has been out of the hospital for 60 days.
Out-Patient Psychiatric	First twenty (20) visits covered at no charge, per contract year or calendar year.
Psychological Testing	No charge - covered in full.
Electroshock Therapy	No charge - covered in full.

### ALCOHOLISM AND DRUG ADDICTION CARE

In-Hospital	No charge - covered in full. Up to 45 days as medically indicated. The benefit renews when member has been out of hospital for 60 days.
Out-Patient Therapy	No charge - covered in full. Up to 35 visits/calendar year or contract year.

## CRITERIA FOR REVIEWING HMOs

### OTHER SERVICES<sup>1</sup>

Prescription Drugs  
In-Area and Out-of-Area  
Participating Pharmacy

\$2.00 charge per prescription for each separate prescription order and refill filled at a retail pharmacy prior to January 1, 2004; and, on or after January 1, 2004, (i) with a co-payment of two dollars (\$2.00) for each separate prescription order and refill for retirees who retire prior to January 1, 2004 and their eligible spouses, surviving spouses and dependents; and (ii) a co-payment of five dollars (\$5.00) for each separate generic prescription order and refill and ten dollars (\$10.00) for each separate brand-name prescription order and refill for employees and retirees who retire on or after January 1, 2004, and their eligible spouses, surviving spouses and dependents.

**The co-payment is fifteen dollars (\$15.00) for each separate erectile dysfunction medication prescription order and refill.**

**These co-payments for each separate prescription order or refill of a covered drug will increase annually as of the beginning of each calendar year at the lesser of the Actual OPEB Trend**

<sup>1</sup> Prescription Drug coverage as noted applies to employees, retirees and surviving spouses.

**CRITERIA FOR REVIEWING HMOs**

**Rate or 3%. The calculated co-payment will be rounded to the nearest whole dollar amount in accordance with the Engineering Method of Rounding.**

Insulin and Insulin needles and syringes are covered as well as valid dental prescriptions for a dental service provided by a licensed dentist who may or may not be participating with the HMO.

In-Area and Out-of-Area  
Non-Participating Pharmacy

\$2.00 charge per prescription for each separate prescription order and refill filled at a retail pharmacy prior to January 1, 2004; and, on or after January 1, 2004, (i) with a co-payment of two dollars (\$2.00) for each separate prescription order and refill for retirees who retire prior to January 1, 2004 and their eligible spouses, surviving spouses and dependents; and (ii) a co-payment of five dollars (\$5.00) for each separate generic prescription order and refill and ten dollars (\$10.00) for each separate brand-name prescription order and refill for employees and retirees who retire on or after January 1, 2004, and their eligible spouses, surviving spouses and dependents when approved.

**CRITERIA FOR REVIEWING HMOs**

**The co-payment is fifteen dollars (\$15.00) for each separate erectile dysfunction medication prescription order and refill.**

**These co-payments for each separate prescription order or refill of a covered drug will increase annually as of the beginning of each calendar year at the lesser of the Actual OPEB Trend Rate or 3%. The calculated co-payment will be rounded to the nearest whole dollar amount in accordance with the Engineering Method of Rounding.**

Chemotherapy	No charge - covered in full. Inpatient and out-patient.
Blood	No charge - covered in full for administration and plasma, whole blood covered if replaced.
Coordinated Home Care	No charge - covered in full when medically indicated.
Hemodialysis	No charge - covered in full. Inpatient and out-patient.
Radiation Therapy	No charge - covered in full.
Prosthetic and Orthotic Appliances	No charge - covered in full.
Durable Medical Equipment	No charge - covered in full.
Private Duty Nursing	No charge - covered in full when medically necessary.
Family Planning and Infertility Services	No charge - covered in full.
Sterilizations	No charge - covered in full.



## CRITERIA FOR REVIEWING HMOs

### HEARING AID BENEFITS

Examinations	No charge - covered in full.
Hearing Aid	No charge - covered in full when medically indicated.
Limitation	As medically indicated. (Repair of broken aids or replacement of lost aids may be restricted to not sooner than 36 months from day of acquisition of a hearing aid.)

### VISION CARE

Regular size lenses and frames	Vision Benefits continued under current Employer Plan if not offered by HMO as a benefit.
Per Examination (including prescription)	If Vision Benefits are offered by HMO, benefit must be equivalent to Employer Plan.
Combined Lenses and Frames Limitation Contact Lenses Allowance (Following cataract surgery, lenses or, glasses are covered under basic benefits not the vision program.)	Following cataract surgery, lenses, frames, or glasses are covered under Corrective Appliance Benefit.

### MISCELLANEOUS

When Medicare is Primary	Complementary Benefits.
Maternity Benefits	Immediate.
Eligibility Provisions	Based on eligibility provisions as described under Section 10 of the H-S-M-D-D-V Agreement.
Patient Grievance Procedure	Provided.
Conversion Privilege	Provided.
Enrollment Outside HMO Service Area	Not covered unless HMO can accommodate the enrollment.

**DENTAL PREFERRED PROVIDER ORGANIZATION**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Dental Preferred Provider Organization

During the course of these negotiations, the parties discussed the quality and cost-effectiveness of the "Enhanced Traditional Dental Plan" as described in that Letter of Understanding dated September 15, 2003. The parties agreed to evaluate this offering as soon as practicable after these negotiations with the intent of replacing the "Enhanced Traditional Dental Plan" with a nationwide arrangement based on a revised dental Preferred Provider Organization. This network would consist of a closed panel network that would provide dental services as mutually agreed to by the parties.

If this evaluation indicates a higher quality and more cost-effective program can be achieved, the parties may mutually agree to implement such program.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**DISEASE MANAGEMENT, HEALTH IMPROVEMENT AND  
WELLNESS PROGRAMS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: **Disease Management, Health Improvement  
and Wellness Programs**

During **2003** negotiations **and thereafter**, the Company and the Union discussed health care management and the importance of providing quality **evidence-based** health care in a cost-effective **and affordable** manner. These discussions included the **Continuum of Care Program implemented during the term of the 2003 Agreement as well as discussions about the** Coordinated Care Management (CCM) program, the pilot Cardiac Rehabilitation Program, the Centers of Excellence concept, the Franklin Health or similar program(s), and Hospice care.

**The** Company and Union **completed a thorough evaluation** through the Company-Union Committee, as defined in Section 12 of the H-S-M-D-D-V Program, **of** these existing programs **and decided on the Healthy Highways Program (the "Program"), which** combines the best features of the existing programs and includes other care management provisions such as those listed in this letter. The Program includes the following elements:

- **Personal Health Assessment (PHA),**
- **Online Access to Health Resources,**
- **Next steps focused intervention,**
- Effective population identification,
- Positive enrollment,
- Evidence-based practice guidelines,
- Collaborative practice models,
- Patient self-management education, **newsletter,**  
**helpline,**

#### DISEASE MANAGEMENT, HEALTH IMPROVEMENT AND WELLNESS PROGRAMS

- Decision support, **Nurse support,**
- **24-hour Nurseline services,**
- **Live online nurse chat,**
- Provider accountability, **and**
- Routine reporting/feedback involving patients, physicians, plan and care teams.

The parties:

- Evaluated **the** current utilization review programs and focused utilization review and other review formats that take into account various hospital reimbursement methodologies (such as the new Blue Cross-Blue Shield of Michigan Hospital Agreements). Consideration **was** given to revising the existing predetermination process with the objective of enhancing efficiency and effectiveness, taking into consideration new information, practice patterns and technological advances, prior experience, and new utilization review programs and reimbursement methods.
- Reviewed, the Case Management Program with respect to the nature of cases receiving consideration, the effective use of existing Program coverages prior to the development and implementation of Alternative Benefit Plans, early identification of cases, and Case Management for outpatient conditions **and decided to continue the Case Management Program with the present vendor.**
- Reviewed H-S-M-D-D-V **Plan** provisions relating to transplant surgeries **and considered** the development of pilot programs involving the "Centers of Excellence" concept as a means of enhancing both quality and cost-effective delivery of covered services. **The parties agreed to continue this review process.**

The parties evaluated multiple vendors, including the current vendor, **and determined the Healthy Highway Program would** provide the most positive results with respect to quality, cost-effectiveness **and affordability** for eligible enrollees. **It was** determined that **the Healthy Highway**

**DISEASE MANAGEMENT, HEALTH IMPROVEMENT AND  
WELLNESS PROGRAMS**

**Program could demonstrate successful outcomes and meet the objective of providing quality evidence-based health care in a cost-effective and affordable manner.**

The parties agree to continue **the Healthy Highways Program and** existing programs listed in this letter **that were not specifically included in the Healthy Highways Program including, but not limited to, Cardiac Rehabilitation Program pilot, Paradigm Health (formerly Franklin Health), and Hospice Care and continue to review the Centers of Excellence concept. In addition, the parties agree to conduct an independent outcomes evaluation after the first full calendar year the Program is in effect. The parties will jointly select the independent evaluator to be paid for by the Company. The evaluation will measure the Program's effectiveness in reducing risk, improving clinical outcomes, and obtaining a positive ROI.**

**In addition, the parties will benchmark the wellness functions of the Healthy Highways program against current best practices in their industry, and in particular will review the effectiveness of those program components which engage the active worker at the plant-level. By mutual agreement, if the parties determine the plant-level practices are not effectively engaging the active workforce, the parties may consider pilot programs or practices that will further engage the active workforce.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**EFFECT OF 2007 NEGOTIATED PENSION INCREASES ON  
PROTECTED RETIREES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Effect of 2007 Negotiated Pension Increases  
on Protected Retirees**

During the course of these negotiations, the parties discussed the impact of any pension increases on the retirees and surviving spouses who are currently considered as "protected retirees" under the terms of the settlement agreement approved by the court in the case of *Int'l Union, UAW, et. Al. v Ford Motor Company.*, Civil Action No. 05-74730 (the "Settlement Agreement").

The Union expressed concern over any increases moving retirees and surviving spouses from "protected" status to "general" status due to their Life Income Benefit Rate increasing above \$33.33 or their annual pension benefit income under the Pension Plan increasing above \$8,000 solely due to the pension benefit rate increases negotiated in the 2007 Ford-UAW Retirement Plan.

As a result of these discussions, the parties agreed that the Pension Plan benefit rate increases and the additional annual amounts associated with these increases will not be included in the two-part affordability test. This agreement applies only to the increases negotiated in the 2007 Ford-UAW Retirement Plan and does not amend or modify any other provisions of the Settlement Agreement.

Sincerely,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

**ELIGIBILITY VERIFICATION OF 19-YEAR-OLD CHILDREN**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Re: Eligibility Verification of 19-Year-Old Children

Dear Mr. Bantom:

During these negotiations, the parties discussed the benefit overpayment recovery process as provided in Exhibit VI, Article XVI of the H-S-M-D-D-V Program. In order to attempt to reduce the number of primary enrollees affected under the provision and the extent of overpayments, the parties agree to remove from coverage dependent children upon reaching age 19 unless the respective primary enrollees respond to the Company's request for eligibility verification.

The Company will identify dependent children approximately 60 days prior to the month in which they will reach age 19 and will mail a communication to the respective primary enrollees. The communication will contain an explanation of the Ford Healthcare Plan dependent eligibility requirements and a Letter of Relationship, Residency and Intent to Claim form. Primary enrollees will be instructed to review the Ford Healthcare Plan dependent eligibility requirements in order to conclude whether their dependents meet the eligibility requirements.

If a primary enrollee concludes that his or her dependent does not meet the Ford Healthcare Plan eligibility criteria, he or she is not required to respond to the Ford communication. The dependent will be removed automatically from coverage effective on his or her 19th birthday. The primary enrollee will not be required to repay any overpayment for such dependent.

**ELIGIBILITY VERIFICATION OF 19-YEAR-OLD CHILDREN**

If a primary enrollee concludes that his or her dependent meets the Ford Healthcare Plan eligibility criteria, he or she must submit a completed Letter of Relationship, Residency and Intent to Claim form to the National Employee Service Center (NESC). By completing the form and submitting it to the NESC, the enrollee certifies that his or her dependent meets the Ford Healthcare Plan eligibility criteria.

If a primary enrollee concludes that his or her dependent meets the Ford Healthcare Plan eligibility criteria, and he or she submits a completed Letter of Relationship, Residency and Intent to Claim form to the NESC after a dependent has been removed from coverage, the dependent will be reinstated to coverage retroactive to the date removed.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**ENHANCED TRADITIONAL DENTAL PLAN**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Enhanced Traditional Dental Plan

During the course of these negotiations, the parties discussed the quality and value of the Dental Expense Benefits Program as described in Exhibit 1 of this Agreement. The parties recognize the importance of dental hygiene and its value on the total health of an individual. In an effort to increase quality and cost-effectiveness of the dental program, an enhanced schedule of benefits has been implemented when a preferred provider is utilized for dental services.

Presently, Blue Cross and Blue Shield of Michigan/DenteMax has been selected to provide such network and services.

For covered dental services provided by an in-network provider for eligible employees, retirees, surviving spouses and their eligible dependents, the reimbursement levels are those listed on the attachment to this letter.

For covered dental services received from a provider who is not participating in the network, the reimbursement levels will be those described in Exhibit 1 of this Agreement for Traditional Plan coverage (TRAD).

**ENHANCED TRADITIONAL DENTAL PLAN**

In either case, the maximum payments for services will be those as described in Exhibit I of this Agreement. It is the intent of the parties to jointly encourage Blue Cross and Blue Shield of Michigan/DenteMax, or other carrier(s) as mutually agreed upon by the Company and the Union, to continue to develop and expand the number of preferred providers in the preferred provider network. It also is the intent of the parties to jointly provide educational materials to eligible members under the program in an effort to increase the level of understanding of this enhanced traditional dental plan and to promote a higher quality of dental health care.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom  
Attachment

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ENHANCED TRADITIONAL DENTAL PLAN

ENHANCED TRADITIONAL DENTAL PROCEDURE  
CODE CHART

Procedure code	Nomenclature	Trad	In network
	<b>00100-00999 I. Diagnostic</b>		
	<b>Clinical oral evaluations</b>		
00120	Periodic oral evaluation	100%	100%
00140	Limited oral evaluation—problem-focused, by report	100%	100%
00150	Comprehensive oral evaluation	100%	100%
00160	Detailed and extensive oral evaluation—problem-focused, by report	100%	100%
	<b>Radiographs</b>		
00210	Intraoral—complete series (including bitewings)	90%	100%
00220	Intraoral—periapical, first film	90%	100%
00230	Intraoral—periapical, each additional film	90%	100%
00240	Intraoral—occlusal film	90%	100%
00250	Extraoral—first film	90%	100%
00260	Extraoral—each additional film	90%	100%
00270	Bitewing—single film	90%	100%
00272	Bitewing—two films	90%	100%
00274	Bitewings—four films	90%	100%
00290	Posterior-anterior or lateral skull and facial bone survey film	90%	100%
00330	Panoramic film	90%	100%
	<b>Test and laboratory examinations</b>		
00460	Pulp viability tests	90%	100%
00470	Diagnostic casts	90%	100%
00999	Unspecified diagnostic procedure, by report	100%	100%
	<b>01000-01999 II. Preventive</b>		
	<b>Dental Prophylaxis</b>		
01110	Prophylaxis—adult	100%	100%
01120	Prophylaxis—child	100%	100%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>Topical fluoride treatment (office procedure)</b>		
01201	Topical application of fluoride (including prophylaxis)—child	100%	100%
01203	Topical application of fluoride (prophylaxis not included)—child	100%	100%
01204	Topical application of fluoride (prophylaxis not included)—adult	100%	100%
01205	Topical application of fluoride (including prophylaxis)—adult	100%	100%
	<b>Space maintenance (passive appliances)</b>		
01510	Space maintainer—fixed—unilateral	100%	100%
01515	Space maintainer—fixed—bilateral	100%	100%
01520	Space maintainer—removable—unilateral	100%	100%
01525	Space maintainer—removable—bilateral	100%	100%
01550	Recementation of space maintainer	100%	100%
	<b>02000-02999 III.Restorative</b>		
	<b>Amalgam restorations (including polishing)</b>		
02110	Amalgam—one surface, primary	90%	100%
02120	Amalgam—two surfaces, primary	90%	100%
02130	Amalgam—three surfaces, primary	90%	100%
02131	Amalgam—four or more surfaces, primary	90%	100%
02140	Amalgam—one surface, permanent	90%	100%
02150	Amalgam—two surfaces, permanent	90%	100%
02160	Amalgam—three surfaces, permanent	90%	100%
02161	Amalgam—four or more surfaces, permanent	90%	100%
	<b>Silicate Restorations</b>		
02210	Silicate cement—per restoration	90%	100%
	<b>Resin restorations</b>		
02330	Resin—one surface, anterior	90%	100%
02331	Resin—two surfaces, anterior	90%	100%
02332	Resin—three surfaces, anterior	90%	100%
02335	Resin—four or more surfaces or involving incisal angle, anterior	90%	100%
02336	Composite resin crown, anterior—primary	90%	100%
02380	Resin—one surface, posterior—primary	90%	100%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
02381	Resin—two surfaces, posterior—primary	90%	100%
02382	Resin—three or more surfaces, posterior—primary	90%	100%
02385	Resin—one surface, posterior—permanent	90%	100%
02386	Resin—two surfaces, posterior—permanent	90%	100%
02387	Resin—three or more surfaces, posterior—permanent	90%	100%
	<b>Gold foil restorations</b>		
02410	Gold foil—one surface	90%	100%
02420	Gold foil—two surfaces	90%	100%
02430	Gold foil—three surfaces	90%	100%
	<b>Inlay/onlay restoration</b>		
02510	Inlay—metallic—one surface	90%	90%
02520	Inlay—metallic—two surfaces	90%	90%
02530	Inlay—metallic—three or more surfaces	90%	90%
02543	Onlay—metallic—three surfaces	90%	90%
02544	Onlay—metallic—four or more surfaces	90%	90%
02610	Inlay—porcelain/ceramic—one surface	90%	90%
02620	Inlay—porcelain/ceramic—two surfaces	90%	90%
02630	Inlay—porcelain/ceramic—three or more surfaces	90%	90%
02642	Onlay—porcelain/ceramic—two surfaces	90%	90%
02643	Onlay—porcelain/ceramic—three surfaces	90%	90%
02644	Onlay—porcelain/ceramic—four or more surfaces	90%	90%
02650	Inlay—composite/resin—one surface (laboratory processed)	90%	90%
02651	Inlay—composite/resin—two surfaces (laboratory processed)	90%	90%
02652	Inlay—composite/resin—three or more surfaces (laboratory processed)	90%	90%
02662	Onlay—composite/resin—two surfaces (laboratory processed)	90%	90%
02663	Onlay—composite/resin—three surfaces (laboratory processed)	90%	90%
02664	Onlay—composite/resin—four or more surfaces (laboratory processed)	90%	90%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>Crowns—single restorations only</b>		
02710	Crown—resin (laboratory)	90%	90%
02720	Crown—resin with high noble metal	90%	90%
02721	Crown—resin with predominantly base metal	90%	90%
02722	Crown—resin with noble metal	90%	90%
02740	Crown—porcelain/ceramic substrate	90%	90%
02750	Crown—porcelain fused to high noble metal	90%	90%
02751	Crown—porcelain fused to predominantly base metal	90%	90%
02752	Crown—porcelain fused to noble metal	90%	90%
02790	Crown—full cast high noble metal	90%	90%
02791	Crown—full cast predominantly base metal	90%	90%
02792	Crown—full cast noble metal	90%	90%
02810	Crown—3/4 cast metallic	90%	90%
	<b>Other restorative services</b>		
02910	Recement inlay	90%	100%
02920	Recement crown	90%	100%
02930	Prefabricated stainless steel crown—primary tooth	90%	90%
02931	Prefabricated stainless steel crown—permanent tooth	90%	90%
02932	Prefabricated resin crown	90%	90%
02933	Prefabricated stainless steel crown with resin window	90%	90%
02940	Sedative filling	90%	100%
02950	Core buildup, including any pins	90%	90%
02951	Pin retention—per tooth, in addition to restoration	90%	90%
02952	Cast post and core in addition to crown	90%	90%
02954	Prefabricated post and core in addition to crown	90%	90%
02955	Post removal (not in conjunction with endodontic therapy)	90%	100%
02960	Labial Veneer	90%	100%
02961	Labial Veneer	90%	100%
02962	Labial Veneer	90%	100%
02970	Temporary Crown (Fractured tooth)	90%	90%
02980	Crown repair, by report	90%	100%
02999	Unspecified restorative procedure, by report	90%	90%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>03000-03999 IV. Endodontics</b>		
	<b>Pulp capping</b>		
03110	Pulp cap—direct (excluding final restoration)	90%	100%
03120	Pulp cap—indirect (excluding final restoration)	90%	100%
	<b>Pulpotomy</b>		
03220	Therapeutic pulpotomy (excluding final restoration)	90%	100%
	<b>Endodontic therapy on primary teeth</b>		
03230	Pulpal therapy (resorbable filling)—anterior, primary tooth (excluding final restoration)	90%	100%
03240	Pulpal therapy (resorbable filling)—posterior, primary tooth (excluding final restoration)	90%	100%
	<b>Endodontic therapy (including treatment plan, clinical procedures and follow-up care)</b>		
03310	Anterior (excluding final restoration)	90%	100%
03320	Bicuspid (excluding final restoration)	90%	100%
03330	Molar (excluding final restoration)	90%	100%
	<b>Endodontic retreatment</b>		
03346	Retreatment of previous root canal therapy—anterior	90%	100%
03347	Retreatment of previous root canal therapy—bicuspid	90%	100%
03348	Retreatment of previous root canal therapy—molar	90%	100%
	<b>Apexification/recalcification procedures</b>		
03351	Apexification/recalcification—initial visit (apical closure/calific repair of perforations, root resorption, etc.)	90%	100%
03352	Apexification/recalcification—interim medication replacement (apical closure/calific repair of perforations, root resorption, etc.)	90%	100%
03353	Apexification/recalcification—final visit (includes completed root canal therapy—apical closure/calific repair of perforations, root resorption, etc.)	90%	100%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>Apicoectomy/periradicular services (periapical)</b>		
03410	Apicoectomy/periradicular surgery—anterior	90%	100%
03421	Apicoectomy/periradicular surgery—bicuspid (first root)	90%	100%
03425	Apicoectomy/periradicular surgery—molar (first root)	90%	100%
03426	Apicoectomy/periradicular surgery—each additional root	90%	100%
03430	Retrograde filling—per root	90%	100%
03450	Root amputation—per root	90%	100%
	<b>Other endodontic procedures</b>		
03920	Hemisection (including root removal), not including root canal therapy	90%	100%
03999	Unspecified endodontic procedure, by report	90%	100%
<b>33990*</b>	<i>Emergency procedure (open and drain), provided by dentist other than practitioner completing the root canal</i>	90%	100%
	<b>04000-04999 V. Periodontics</b>		
	<b>Surgical services (including usual post-operative services)</b>		
04210	Gingivectomy or gingivoplasty—per quadrant	90%	100%
04211	Gingivectomy or gingivoplasty—per tooth	90%	100%
04220	Gingival curettage, surgical, per quadrant, by report	90%	100%
04240	Gingival flap procedure, including root planing—per quadrant	90%	100%
04249	Clinical crown lengthening—hard tissue	90%	100%
04250	Mucogingival surgery—per quadrant	90%	100%
04260	Osseous surgery (including flap entry and closure)—per quadrant	90%	100%
04263	Bone replacement graft—first site in quadrant	90%	100%
04264	Bone replacement graft—each additional site in quadrant	90%	100%
04270	Pedicle soft tissue graft procedure	90%	100%
04271	Free soft tissue graft procedure	90%	100%
04273	Subepithelial connective tissue graft procedure (including donor site surgery)	90%	100%
04274	Distal or proximal wedge procedure (when not performed in conjunction with surgical procedures in the same anatomical area)	90%	100%



**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>Adjunctive periodontal services</b>		
04341	Periodontal scaling and root planing—per quadrant	90%	100%
04355	Full mouth debridement	90%	100%
	<b>Other periodontal services</b>		
04910	Periodontal maintenance procedures (following active therapy)	100%	100%
04920	Unscheduled dressing change (by someone other than treating dentist)	90%	100%
04999	Unspecified periodontal procedure, by report	90%	100%
	<b>05000-05899 VI. Prosthodontics, removable</b>		
	<b>Complete dentures (including routine post-delivery care)</b>		
05110	Complete denture—maxillary	50%	70%
05120	Complete denture—mandibular	50%	70%
05130	Immediate denture—maxillary	50%	70%
05140	Immediate denture—mandibular	50%	70%
	<b>Partial dentures (including routine post-delivery care)</b>		
05211	Maxillary partial denture—resin base (including any conventional clasps, rests and teeth)	50%	70%
05212	Mandibular partial denture—resin base (including any conventional clasps, rests and teeth)	50%	70%
05213	Maxillary partial denture—cast metal framework with resin	50%	70%
05214	Mandibular partial denture—cast metal framework with resin denture bases (including any conventional clasps, rests and teeth)	50%	70%
05281	Removable unilateral partial denture—one piece cast metal (including clasps and teeth)	50%	70%
	<b>Adjustments to dentures (removable prostheses)</b>		
05410	Adjust complete denture—maxillary	90%	100%
05411	Adjust complete denture—mandibular	90%	100%
05421	Adjust partial denture—maxillary	90%	100%
05422	Adjust partial denture—mandibular	90%	100%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>Repairs to complete dentures</b>		
05510	Repair broken complete denture base	90%	100%
05520	Replace missing or broken teeth—complete denture (each tooth)	90%	100%
	<b>Repairs to partial dentures</b>		
05610	Repair resin denture base	90%	100%
05620	Repair cast framework	90%	100%
05630	Repair or replace broken clasp	90%	100%
05640	Replace broken teeth—per tooth	90%	100%
05650	Add tooth to existing partial denture	50%	70%
05660	Add clasp to existing partial denture	50%	70%
	<b>Denture rebase procedures</b>		
05710	Rebase complete maxillary denture	90%	100%
05711	Rebase complete mandibular denture	90%	100%
05720	Rebase maxillary partial denture	90%	100%
05721	Rebase mandibular partial denture	90%	100%
	<b>Denture reline procedures</b>		
05730	Reline complete maxillary denture (chair-side)	90%	100%
05731	Reline complete mandibular denture (chair-side)	90%	100%
05740	Reline maxillary partial denture (chairside)	90%	100%
05741	Reline mandibular partial denture (chair-side)	90%	100%
05750	Reline complete maxillary denture (laboratory)	90%	100%
05751	Reline complete mandibular denture (laboratory)	90%	100%
05760	Reline maxillary partial denture (laboratory)	90%	100%
05761	Reline mandibular partial denture (laboratory)	90%	100%
	<b>Other removable prosthetic services</b>		
05820	Interim partial denture (maxillary)	50%	70%
05821	Interim partial denture (mandibular)	50%	70%
05850	Tissue conditioning, maxillary	90%	100%
05851	Tissue conditioning, mandibular	90%	100%
05899	Unspecified removable prosthodontic procedure, by report	50%	70%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>06200-06999 IX. Prosthodontics, fixed</b>		
	<b>Fixed partial denture pontics</b>		
06210	Pontic—cast high noble metal	50%	70%
06211	Pontic—cast predominantly base metal	50%	70%
06212	Pontic—cast noble metal	50%	70%
06240	Pontic—porcelain fused to high noble metal	50%	70%
06241	Pontic—porcelain fused to predominantly base metal	50%	70%
06242	Pontic—porcelain fused to noble metal	50%	70%
06250	Pontic—resin with high noble metal	50%	70%
06251	Pontic—resin with predominantly base metal	50%	70%
06252	Pontic—resin with noble metal	50%	70%
	<b>Fixed partial denture retainers—inlays/onlays</b>		
06520	Inlay—metallic—two surfaces	50%	70%
06530	Inlay—metallic—three or more surfaces	50%	70%
06543	Onlay—metallic—three surfaces	50%	70%
06544	Onlay—metallic—four or more surfaces	50%	70%
06545	Retainer—cast metal for resin bonded fixed prosthesis	50%	70%
	<b>Fixed partial denture retainers—crowns</b>		
06720	Crown—resin with high noble metal	50%	70%
06721	Crown—resin with predominantly base metal	50%	70%
06722	Crown—resin with noble metal	50%	70%
06750	Crown—porcelain fused to high noble metal	50%	70%
06751	Crown—porcelain fused to predominantly base metal	50%	70%
06752	Crown—porcelain fused to noble metal	50%	70%
06780	Crown—3/4 cast high noble metal	50%	70%
06790	Crown—full cast high noble metal	50%	70%
06791	Crown—full cast predominantly base metal	50%	70%
06792	Crown—full cast noble metal	50%	70%
	<b>Other fixed partial denture services</b>		
06930	Recement fixed partial denture	90%	100%
06970	Cast post and core in addition to fixed partial denture retainer	50%	70%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
06971	Cast post as part of fixed partial denture retainer	50%	70%
06972	Prefabricated post and core in addition to fixed partial denture retainer	50%	70%
06973	Core build up for retainer, including any pins	50%	70%
06980	Fixed partial denture repair, by report	90%	100%
06999	Unspecified fixed prosthodontic procedure, by report	50%	70%
	<b>07000-07999 X. Oral and maxillofacial surgery</b>		
	<b>Extractions (includes local anesthesia, suturing, if needed, and routine postoperative care)</b>		
07110	Single tooth	90%	100%
07120	Each additional tooth	90%	100%
07130	Root removal—exposed roots	90%	100%
	<b>Surgical extractions (includes local anesthesia, suturing, if needed, and routine postoperative care)</b>		
07210	Surgical removal of erupted tooth, requiring elevation of mucoperiosteal flap and removal of bone and/or section of tooth	90%	100%
07220	Removal of impacted tooth—soft tissue	90%	100%
07230	Removal of impacted tooth—partially bony	90%	100%
07240	Removal of impacted tooth—completely bony	90%	100%
07241	Removal of impacted tooth—completely bony, with unusual surgical complications	90%	100%
07250	Surgical removal of residual tooth roots (cutting procedure)	90%	100%
	<b>Other surgical procedures</b>		
07270	Tooth reimplantation and/or stabilization or accidentally evulsed or displaced tooth and/or alveolus	90%	90%
07280	Surgical exposure of impacted or unerupted tooth for orthodontic reasons (including orthodontic attachments)	90%	90%
07281	Surgical exposure of impacted or unerupted tooth to aid eruption	90%	90%
07285	Biopsy of oral tissue—hard	90%	90%
07286	Biopsy oral tissue—soft	90%	90%
07291	Transseptal Fiberotomy	90%	90%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
	<b>Alveoplasty—surgical preparation of ridge for dentures</b>		
07310	Alveoplasty in conjunction with extractions—per quadrant	90%	90%
07320	Alveoplasty not in conjunction with extractions—per quadrant	90%	90%
	<b>Excision of bone tissue</b>		
07470	Removal of exostosis—maxilla or mandible	90%	90%
	<b>Surgical incision</b>		
07510	Incision and drainage of abscess—intraoral soft tissue	90%	90%
	<b>Other repair procedures</b>		
07960	Frenulectomy (frenectomy or frenotomy)—separate procedure	90%	90%
07970	Excision of hyperplastic tissue—per arch	90%	90%
07971	Excision of pericoronal gingival	90%	90%
07999	Unspecified oral surgery procedure, by report	90%	90%
	<b>08000-08999 XI. Orthodontics</b>	50%	60%
	<b>09000-09999 XII. Adjunctive general services</b>		
	<b>Unclassified treatment</b>		
09110	Palliative (emergency) treatment of dental pain—minor procedure	100%	100%
	<b>Anesthesia</b>		
09220	General anesthesia—first 30 minutes	90%	90%
09221	General anesthesia—each additional 15 minutes	90%	90%
09240	Intravenous sedation	90%	90%
	<b>Professional consultation</b>		
09310	Consultation (diagnostic service provided by dentist or physician other than practitioner providing treatment)	90%	90%
09930	Treatment of Complications unusual circumstances, by report	90%	100%
09410	House call, by report	90%	100%

**ENHANCED TRADITIONAL DENTAL PROCEDURE CODE CHART**

<b>Procedure code</b>	<b>Nomenclature</b>	<b>Trad</b>	<b>In network</b>
09420	Hospital call, by report	90%	100%
09430	Office visit for observation—no other service performed	90%	100%
09610	Therapeutic drug injection, by report	90%	100%
09920	Behavior management, by report	90%	100%
09940	Occlusal guard, by report	90%	90%
09951	Occlusal adjustment—limited	90%	90%

ENROLLMENT IN MEDICARE PART A

November 3, 2007

Mr. **Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Enrollment in Medicare Part A

During **the term of the 2003 Agreement**, the parties discussed the issue of H-S-M-D-D-V **and Blue Preferred Plus PPO** enrollees (Ford enrollees) who are eligible for but not enrolled in Medicare Part A.

The parties **developed** an educational program designed to provide advance notice to affected Ford enrollees of the importance of enrolling in Medicare Part A and the steps required to do so. **This program was initiated October 26, 2005, under the auspices of the Company-Union Committee.**

**The parties agreed that** enrollees who subsequently join Medicare Part A and, in doing so, incur a payment required by Medicare due to delayed or discontinuous enrollment **would** receive a lump sum payment from the Company equivalent to the amount of such payments required for Medicare Part A participation.

**ENROLLMENT IN MEDICARE PART A**

**The parties agreed to instruct Blue Cross and Blue Shield of Michigan (BCBSM) and the Blue Preferred Plus PPO that health claims incurred on or after November 1, 2005** will be paid with the presumption of enrollment in Medicare Part A for those eligible for premium-free coverage under Medicare. The Company-Union Committee will resolve any matters in dispute over such benefit offsets.

Very truly yours,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

Concur: **Bob King**

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**GENERIC PRESCRIPTION DRUG PROGRAM**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Generic Prescription Drug Program

This is to confirm our understanding that we agree to apply the Generic Prescription Drug Program described in the Letter of Understanding: H-S-M-D-D-V and Self-Funded PPO Prescription Drug Program dated September 15, 2003, to all enrollees (employees, retirees, surviving spouses and eligible dependents) if either DaimlerChrysler or General Motors obtains a comparable commitment.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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## HEALTH CARE COMMUNICATIONS STRATEGY

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Health Care Communications Strategy

During the course of these negotiations, the parties discussed the concept of ongoing development and implementation of the health care communications strategy. The purpose would be to further educate eligible enrollees about their health care benefit improving quality of care through informed decision-making and health care issues in general. It was acknowledged that the parties would continue to work with the National Programs Center and other groups within the Company and the Union, as well as health care plan carriers and outside organizations, to continue communication strategy efforts in order to educate covered persons on the advantages of seeking quality health care in a cost-effective manner, understanding their health care benefit plans, how to obtain care, becoming more involved in the health care treatment decision making process, the importance of participation in wellness programs and seeking out providers and community groups to discuss local quality of care issues.

It was further agreed that during the term of this agreement the following items will be specifically addressed by the Health Care Communications Strategy Committee:

- continue to provide information and education on Hormone Replacement Therapy (HRT) for women who are beginning to experience signs and symptoms of menopause,
- continue the information/education campaign related to organ donations,

#### HEALTH CARE COMMUNICATIONS STRATEGY

- expand the educational communication initiative designed to raise employee awareness around the issues of bone marrow transplantation, the difficulties associated with finding suitable donors and registering donors on the national donor registry,
- continue to support blood donation efforts which include employee education and onsite blood drives,
- implement an information/education campaign designed to raise employee awareness around the issue of HIV/AIDS, address the facts and fiction of HIV transmission, inform about the risks and educate employees about ways to minimize their exposure,
- promote educational programs about good health habits and early detection procedures, and furnish general information about health issues,
- implement an educational program about the differences between generic and brand-name prescription drugs, prescription drug safety, and the costs associated with the various aspects of the prescription drug program, and
- engage in communications activities which expand retiree awareness of health care issues and raise awareness around health care quality issues.

The parties agreed that the cost associated with the continuation of the development of such a communications strategy and efforts to continue and improve the online decision support tool would not exceed \$500,000 annually and that half of the annual cost would be paid through National Programs joint funds while the other half would be paid by the Company.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

## HEALTH CARE QUALITY

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Health Care Quality

During these negotiations the Company and the Union discussed their joint concerns regarding wide variations in the quality of health care by location and by provider, and the risks our employees, retirees and their dependents are exposed to because of such variations. We agreed that it is essential to encourage evidence-based medicine and the development and implementation of clinical practice guidelines. We also agreed that measurement of outcomes and effectiveness of care, by hospital and physician, and communication of that information to our employees, retirees and their dependents is necessary to allow them to make informed decisions regarding their health care.

The Company and the Union have a long history of working together to improve the quality of health care including our Community Health Care Initiatives and the requirement for HMO NCQA accreditation incorporated in the last Agreement and the requirement for NCQA or URAC accreditation of PPOs in this Agreement. To supplement those efforts and accelerate the pace of change each HMO, PPO, or hospital-surgical-medical-drug-dental-vision-hearing aid coverage plan provided in Section 1 (a) of the H-S-M-D-D-V Program offered shall be required to submit by April 1, 2000 detailed quality improvement plans on how such Plan will:

- Encourage evidence-based medicine and the development and implementation of clinical practice guidelines (including pharmaceutical-prescribing guidelines).
- Develop measurements of outcomes and effectiveness of care by hospital and physician.

#### HEALTH CARE QUALITY

- Communicate provider specific outcomes/effectiveness information to participants.

The Plan(s) should work to the extent possible with providers, local coalitions, other health plans, unions and employers, etc. to achieve these objectives on a community basis. These quality improvement plans should include an implementation start date of not later than January 1, 2001 with substantial progress to be achieved by December 31, 2002. Plans that do not meet these requirements will not be offered in the open enrollment period for 2002 unless mutually agreed to otherwise.

Very truly yours,

LEE MEZZA, Manager  
Director Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**HEALTH MAINTENANCE ORGANIZATIONS (HMOS) AND  
PREFERRED PROVIDER ORGANIZATIONS (PPOS)-  
PSYCHIATRIC AND SUBSTANCE ABUSE TREATMENT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Health Maintenance Organizations (HMOs) and  
Preferred Provider Organizations  
(PPOs)-Psychiatric and Substance Abuse  
Treatment

During these negotiations, the parties discussed the delivery of psychiatric and substance abuse treatment through Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs). The parties recognize the receipt of such care in an appropriate setting and a timely manner is critical to successful outcomes.

The parties agreed that for UAW-represented Ford employees and their eligible dependents who are enrolled for coverage under an approved HMO or PPO, psychiatric and substance abuse treatment will be provided and administered as specified under the H-S-M-D-D-V Program as defined in the letter "Psychiatric and Substance Abuse Managed Care Program" (MCP), dated September 15, 2003.

To ensure that high quality, cost-effective care is provided under the MCP Program, and prior to extending the program coverage to eligible HMO/PPO enrollees, the parties have agreed to take the following actions:

- Analyze the quality and cost-effectiveness of the present CDRs with the understanding that the MCP arrangement will not exceed the cost of the present benefits under the HMO/PPO plans;
- Review the financial arrangements, including the addition of a provision for the CDR to assume financial risk for high quality, cost effective administration and/or claims management of the Program for all eligible Ford enrollees;

**HEALTH MAINTENANCE ORGANIZATIONS (HMOS) AND  
PREFERRED PROVIDER ORGANIZATIONS (PPOS)-  
PSYCHIATRIC AND SUBSTANCE ABUSE TREATMENT**

- Provide for a transition of coverage which maintains continuity and quality of care; and
- Communicate and educate the HMO/PPO plans, participating providers, and our enrollees concerning effective use of the Psychiatric and Substance Abuse Program, and any changes to the delivery of these covered services.

HMOs/PPOs, to continue to be made available to Ford enrollees, must reduce their rates to reflect the transfer of this coverage. The parties recognize the value of this Program and the need to improve its effectiveness without incurring additional costs. Therefore, the parties will develop and implement this action plan as soon as practicable after these negotiations but no later than April 1, 2004.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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HIPAA

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: HIPAA

**The** Company and the Union agree on the desirability of maintaining a set of principles concerning the confidentiality of medical information. The parties recognize their responsibility to protect the privacy of the medical information they have access to and will continue to be in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). In accordance with 45 CFR §164.504(f)(2), the H-S-M-D-D-V Program **has been** amended to include any necessary provisions, **and will be further amended upon mutual agreement as necessary to continue compliance with HIPAA.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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HOME DELIVERY MAINTENANCE DRUG LIST

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Home Delivery Maintenance Drug List**

**This is to confirm our understanding that the Home Delivery Maintenance Drug List as described in Exhibit VI, Understandings with Respect to the H-S-M-D-D-V Program—General, Section VI, for all enrollees (employees, retirees, surviving spouses and eligible dependents) will be modified to be consistent with the 2007 General Motors pattern maintenance drug list, regarding a limited group of drugs which it is unclear whether GM and the UAW agreed to add them to the Home Delivery Maintenance Drug List (i.e. Actos, Aetosplusmet, Avandryl, Estraderm, Vivelle and Vytorin).**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**HOSPITAL-SURGICAL-MEDICAL-DENTAL-VISION-HEARING AID  
PROGRAM COVERED SERVICES WITH FREQUENCY  
LIMITATIONS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Hospital-Surgical-Medical-Dental-Vision-  
Hearing Aid Program Covered Services with  
Frequency Limitations**

**During these negotiations, the parties discussed  
Hospital-Surgical-Medical-Dental-Vision-Hearing Aid  
Program covered services that have frequency limita-  
tions.**

**The parties discussed this issue and agreed that effec-  
tive January 1, 2008, a change will be made to the  
administration of limitations on the frequency of appli-  
cable Hospital-Surgical-Medical-Dental-Vision-Hearing  
Aid services (but not Prescription Drug limitations).  
This change will allow a covered service with frequency  
limitations to be paid when that service is received  
during the calendar month the limitation would have  
been satisfied.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**H-S-M-D-D-V AND SELF-FUNDED PPO PRESCRIPTION DRUG PROGRAM**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: H-S-M-D-D-V and Self-funded PPO Prescription Drug Program

During **the term of the 2003 contract**, the parties discussed the quality, safety, efficacy, delivery, and cost-effectiveness of the H-S-M-D-D-V Prescription Drug Program, as well as the self-funded Preferred Provider Organizations (PPOs) Prescription Drug Programs. **As a result of this joint effort**, the Company and Union implemented, effective January 1, 2004, the following changes to these Prescription Drug Programs.

**Generic Prescription Drug Program**  
**(Effective January 1, 2004)**

In order to promote the usage of generic prescription drugs to reduce costs while maintaining the quality of care, the Pharmacy Benefit Manager (PBM) will automatically substitute an approved generic drug for prescriptions written for multi-source brand name drugs, except for a list of narrow therapeutic index agents, e.g. dilantin.

1. In those instances when a physician prescribes a multi-source brand name drug and indicates on the prescription, Dispense As Written or DAW, the brand name drug will be dispensed and the enrollee will pay the brand name co-payment specified in Section 1 (a) of the H-M-S-D-D-V Program plus the difference (up to a maximum of \$10.00) in cost between the generic drug and the brand name drug. The enrollee may request a

#### **H-S-M-D-D-V AND SELF-FUNDED PPO PRESCRIPTION DRUG PROGRAM**

review of the medical necessity for the brand name drug. If the medical necessity is not established, future dispensing will be subject to section 3 below.

2. In the case described in Section 1, above, the enrollee may request a review of the medical necessity for the brand name drug through the PBM's process. If it is found that dispensing of the brand name drug was medically necessary, amounts paid by the enrollee in excess of the brand name co-payment will be refunded to the enrollee. The PBM's record systems will be adjusted to allow dispensing of the brand name drug for the period of time the eligible enrollee is receiving that drug.
3. If the brand name drug is dispensed at the enrollee's request or after the determination in Section 2 above that the brand name drug is not medically necessary, the enrollee will pay the appropriate generic drug co-payment plus the full difference in cost between the generic drug and the brand name drug.

Employees who retired on or before January 1, 2004 (and their eligible dependents), are exempt from the Generic Prescription Drug Program as described in this letter. All other existing provisions of the Prescription Drug Program shall continue to apply as described elsewhere in this Agreement.

#### **Mail Order Prescription Drug (Home Delivery) Program (Effective January 1, 2004)**

1. Prescription medications on the **Home Delivery** Maintenance Drug List (MDL), and used on a long-term basis will be available only through home delivery, following an original prescription and two refills **which each may be dispensed in maximum quantities of a 34-day supply**. After an original prescription order and two refills for the same prescription drug at the same therapeutic strength, additional refills will be available only through the home delivery program. Additional refills obtained at retail of MDL drugs and related supplies if applicable are subject to 100% enrollee co-payment.

**H-S-M-D-D-V AND SELF-FUNDED PPO PRESCRIPTION DRUG PROGRAM**

2. Additions and deletions to the **H**ome **D**elivery Maintenance Drug List may be made during the term of the Agreement by mutual agreement of the parties. The parties further agree to continue their efforts to improve the quality, delivery and cost-effectiveness of the Prescription Drug Programs.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**IMPROVING BENEFITS SERVICE THROUGH TECHNOLOGY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Improving Benefits Service Through Technology

During these negotiations, the parties recognized the need to continue the development of systems and applications and to provide ongoing technical support to improve the quality of service provided to hourly employees.

The parties recognize the need to provide new tools to full-time Union Benefits Representatives so that they may improve the service they are providing to hourly employees. Plant Union Benefits Representatives fully support the services provided by the NESC and are an essential force in promoting its use. At the same time, Union Benefits Representatives require basic information that can be accessed quickly in order to confidently and accurately answer many of the questions they receive.

The parties recognize the need to provide access to pension related data to Union Benefits Representatives. The parties agree that access to Pension data in the Defined Benefits Client Server (DB c/s) will assist Union Benefit Representatives in servicing hourly employee concerns regarding their creditable pension service. The Company and National Ford Department teams at the NESC will mutually agree on the elements and screens of information that would be provided.

The Union Benefits Representatives will continue to have view-only access to information for UAW hourly employees at the particular location. Any training requirements associated with this effort will be proposed to the National Programs Joint Governing Body to be charged to the Education, Development and Training Program Fund.

### **IMPROVING BENEFITS SERVICE THROUGH TECHNOLOGY**

The present method of providing benefit services to hourly employees involves an on-line benefit documentation system that enables Union Benefit Representatives to use the computer to search documentation for relevant plan data needed to resolve employee inquiries. Therefore, the parties agree that upgrades to Union Benefit Representative computer hardware and software (and ongoing support requirements) will be included in the Corporate "Bulldozer" Program at each location. The cost of computer equipment, software, and support and training for Union Benefits Representatives will be charged to the Education, Development and Training Program Fund as approved by the Joint Governing Body.

The parties agreed to continue using voice response technology to handle investment of all or a part of profit sharing distributions in the TESPHE. Employees will be able to elect cash or direct their distribution to their Ford Money Market Account. In addition, employees making regular contributions to the TESPHE will need only to designate the portion of the profit share distribution to be invested and it will be invested according to the investment election already in place in the account. Employees not making regular contributions to the TESPHE also will be able to invest in the TESPHE from their profit share and to select among the investment options. The process will provide voice confirmation at each step of the transaction, followed by a printed confirmation sent to the employee following the transaction. Employees would be provided a reasonable time following receipt of the confirmation to call Fidelity for a correction. Employees will be provided all necessary assistance to assure their transaction is received. Such assistance will be available from representatives at Fidelity during normal business hours. Employees may also seek assistance from their Local Union Benefit Representative.

**IMPROVING BENEFITS SERVICE THROUGH TECHNOLOGY**

In conclusion, during the term of the new Agreement, the Company and National Ford Department teams at the NESC pledge to carefully consider every opportunity to improve quality and efficiency in benefits delivery.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**LOCAL UNION ENDORSEMENT OF HEALTH CARE PROVIDERS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Local Union Endorsement of Health Care  
Providers

The Company has indicated concerns about local endorsement of fee-for-service providers and the potential impact upon utilization and quality of services for which benefits are provided under the H-S-M-D-D-V Program. You have advised the Company that it is not the current policy of the International Union to provide for unilateral local union endorsement of fee-for-service providers. Consequently, you have advised the Company that local unions will not be authorized to enter into agreements with providers of health care, or endorse or recommend providers, unless the International Union has approved the arrangements and reviewed them with the Company for approval.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**LONG-TERM CARE DISCUSSIONS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Long-Term Care Discussions

During these negotiations, the UAW has expressed an interest in a beneficiary-paid long-term care insurance (LTC) product for its members. The parties have discussed the advantage of making this insurance available to UAW-represented employees at an affordable price. The UAW has stated that it is not seeking employer funding or subsidy of such insurance.

Based upon the latter commitment by the Union regarding funding and subsidy, the Company has agreed to study with the UAW the feasibility of offering a beneficiary-paid LTC product. It is anticipated that such a product would not be employer-specific and could be offered to all UAW-represented employees and others, as determined by the Union and the insurance carrier, regardless of employer.

The purpose of the feasibility study would be to understand the requirements of the UAW as well as to understand the needs and demographics of prospective beneficiaries. The study also would survey the marketplace with the goal of evaluating the products available, their designs, underwriting criteria, premium structures and administrative processes. The feasibility study should identify an appropriate benefit design, the population to be served and key bid specifications.

**LONG-TERM CARE DISCUSSIONS**

It is understood that the Company would not bear responsibility beyond participation in the study and contributing appropriate, non-confidential data and experience from the salaried program and the UAW hourly pilot. It also is understood that if the offering of such a product is determined to be feasible, any further participation by the Company will be subject to the conditions in the Attachment to this letter.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Attachment

Concur: Gerald D. Bantom

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## **LONG-TERM CARE DISCUSSIONS**

Attachment

### **LONG-TERM CARE DISCUSSIONS MINIMUM CONDITIONS FOR FORD PARTICIPATION IN ANY LONG-TERM CARE INSURANCE OFFERING**

- The Company will not be responsible for administration of such insurance;
  - The Company will not be solely responsible for the review, selection or endorsement of the insurance carriers;
  - The Company will not be responsible for any quality control issues;
  - Any expense related to development will be borne by the insurance carrier and could be incorporated in the premiums;
  - Any incremental Company expense involved in an offering (e.g., systems modifications, consultant fees, communications or ongoing provision of eligibility information) will be reimbursed by the selected insurance carrier;
  - Premiums will be paid solely by beneficiaries; and
  - In the event a dispute arises between a beneficiary and the insurance carrier, the Company will not be involved in the resolution of such dispute. Beneficiaries will follow the formal procedures established by the insurance carrier for resolving disputes.
-

LONG-TERM CARE PILOT PROGRAM

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Long-Term Care Pilot Program

During these negotiations, the Company and the Union discussed the issue of long-term care benefits and the present long-term care pilot program. The present pilot was implemented in Louisville in April 1989.

The Company and Union agree to **continue** the present pilot program **for those individuals who are receiving services under the Program as of November 19, 2007**. However, **the parties agree that, effective November 19, 2007, the Program will not accept new participants. Further, this Pilot Program will be terminated at the earlier of the date that care for present enrollees is no longer necessary and appropriate under the Pilot Program provisions or the funding is exhausted.**

The design of the program, **which** incorporates the features of the program described in a memo dated September 14, 1987 **and the present** benefit coverages will **continue and** the annual benefit maximum per enrollee per benefit year for home and community services shall be \$9,300. The cost of the program will be no more than two and one-half cents (2.5¢) per hour worked by employees at the pilot site. Such funding commenced effective October 3, 1988, and will continue **until the Program is terminated.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**MEDICAL EMERGENCY CARE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Medical Emergency Care

During these negotiations, situations were discussed in which medical emergency care that meets the coverage definition of the H-S-M-D-D-V Plan was provided to Ford-UAW members but the resulting claims for these services were denied.

The Blue Cross and Blue Shield of Michigan Participating Hospital Manual directs hospitals to evaluate medical emergencies by use of the following criteria:

- “The criteria for judging a medical emergency will be based on the signs or symptoms shown by the patient as verified by the physician at the time of treatment and not on the basis of final diagnosis.”

In administering the medical emergency benefit, hospitals also are guided by the following information:

- “A provisional or working diagnosis as determined by the attending physician, rather than a final diagnosis, will be used to administer the medical emergency benefit.”

Blue Cross and Blue Shield and UNICARE Life & Health Insurance Company require hospitals when completing the Universal Claim Form UB-82 for medical emergency claims to reflect the Admitting Diagnosis Code. In addition, a separate Principal Diagnosis Code is required when the final diagnosis is completed.

## MEDICAL EMERGENCY CARE

The above criteria also relate to billings for physician services. In Michigan, the standardized admitting form requires both an Admitting Diagnosis Code and a Final Diagnosis Code. Similar claim forms are used in other plan areas. The Medical Emergency Benefit for physician services in other plan areas also is based on the same admitting criteria that is utilized in Michigan.

Since both claim forms require data that reflect the admitting diagnosis code, and policy requires that this code be used when determining if a medical emergency exists, the Control Plan will immediately implement an action plan to include the following:

### Step 1. Conduct Audits of Medical Emergency Room Claims at Selected Locations

Certain Participating Plans will be instructed to:

- A. Reopen claims for a specific twelve-month period.
- B. Obtain medical records.
- C. Verify the admitting code.
- D. Determine whether or not the claim was rejected appropriately.

Audit sites for consideration could include: Florida, Georgia, Kansas City, Kentucky, Michigan, Ohio and Tennessee. Locations will be chosen upon mutual agreement of the parties.

In addition, all Participating Plans will be instructed to reopen claims and obtain medical records to verify the admitting code when they receive an inquiry on a rejected medical emergency claim.

### Step 2. Develop an Aggressive Provider Education Program

Participating Plans will be re-instructed in the scope and critical importance of the medical emergency benefit, and their respective provider communities will also be re-educated on an ongoing basis to ensure a better understanding of the reporting process and benefit coverage.

**MEDICAL EMERGENCY CARE**

Step 3. Additional Actions

When the audits are completed (Step 1.), the parties will meet to determine what further corrective actions should be taken. Additional corrective actions could include:

- A. Continuous monitoring of local plan rejection rates of medical emergency claims. Should such rejection rates exceed a standard rejection rate that would be developed from the audits, the Control Plan, after discussions with the Company and Union, would then take corrective action at those aberrant plans.
- B. A process whereby any claim that cannot be paid on the basis of the diagnosis listed and on which there is not a clear indication of the presenting symptoms and initial diagnosis will be pended and returned to the facility for resubmission. Such claim shall remain pended until the carrier receives sufficient information to process the claim.
- C. Or other necessary actions.

The Company believes that it is essential that all negotiated health care benefits be delivered effectively to Ford-UAW members. The Company stands ready to work with the Union and will direct the Control Plan to take whatever steps are necessary to ensure that these benefits are delivered in accordance with H-S-M-D-D-V Program requirements.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**NATIONAL HEALTH INSURANCE**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: National Health Insurance

As we discussed during negotiations, national health care reform is an important objective for the Company and Union. Consequently, the parties have participated in a number of joint activities at the state level and in Washington. The Company and Union seek to achieve health care reform that will address issues that are important to the welfare of the U. S. auto industry and specifically to the well-being of the Company and its employees.

The impact national health reform may have on the H-S-M-D-D-V Program cannot be predicted with any certainty. Because these matters are unsettled, the Company and Union have agreed to maintain the following understandings regarding national health insurance:

Notwithstanding Section 11(b) of the H-S-M-D-D-V Program, if during the term of the Collective Bargaining Agreement between the Company and the Union signed today, any national health insurance act (other than a Workers' Compensation or occupational health law) is enacted or amended to provide hospital, surgical, medical, prescription drug, dental, vision or hearing aid benefits for employees **(or retired employees, and surviving spouses while covered by the Company's H-S-M-D-D-V Program)**, and their dependents, which in whole or in part duplicate or may be integrated with the benefits under the H-S-M-D-D-V Program, the benefits under the H-S-M-D-D-V Program shall be modified in whole or any part, so as to integrate or so as to eliminate any duplication of such benefits with the benefits provided by such Federal law. This integration shall be designed to maintain such integrated benefits as nearly comparable as practicable to the benefits

## NATIONAL HEALTH INSURANCE

provided in the H-S-M-D-D-V Program. Such integration shall not result in persons covered under the H-S-M-D-D-V Program having to pay deductibles or co-payments for H-S-M-D-D-V benefits which they would not otherwise pay under the H-S-M-D-D-V Program.

If any such Federal law is enacted or amended, as provided in the paragraph above, the Company will pay beginning with the date benefits under such law become available and continuing through [September 14, **2011**] any premiums, taxes or contributions that employees who are eligible for Company-paid coverage under the H-S-M-D-D-V Program may be required to pay under the law for benefits which may be integrated with the H-S-M-D-D-V Program.

This includes payments that are specifically earmarked or designated for the purpose of financing the program of benefits provided by law, in addition to any premiums, taxes or contributions required of the Company by law. If such premiums, taxes or contributions are based on wages, the Company will pay only the premiums, taxes or contributions applicable to wages received from the Company.

Any savings realized by the Company from integrating or eliminating any duplication of benefits provided under the H-S-M-D-D-V Program with the benefits provided by law, shall be retained by the Company.

These understandings are conditioned on the Company obtaining and maintaining such governmental approvals as may be required to permit the integration of the benefits provided under the H-S-M-D-D-V Program with the benefits provided by any such law; otherwise the Company and the Union shall meet and develop an acceptable alternative to accomplish the intent of this letter for the remaining term of the agreement. The

**NATIONAL HEALTH INSURANCE**

parties will meet promptly following the enactment of such legislation in order to assure a smooth implementation of and transition to the integrated program addressed in this letter.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: **Bob King**

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**NATIONAL HEALTH PLAN REFORM**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: National Health Plan Reform

During these negotiations, the Company and the Union discussed initiatives presently under consideration at the federal government level to reform the health care delivery system. The proposed reforms include provisions that would impose, among other things, (i) liability on health care plans, employers, employees, agents and other entities for punitive and compensatory damages arising out of the provisions of benefits, (ii) requirements for timely decisions of certain benefit claims, (iii) access to external, independent claim reviews, (iv) access to speciality care, and (v) protections for the provider/patient relationship.

The likelihood of any initiatives becoming law is unknown, and the elements and impact of any legislation cannot be predicted. Nonetheless, the parties agreed that if any national health plan reform legislation is enacted during the term of the agreement, the Company and the Union, through the Company-Union Committee, will discuss and implement modifications to the H-S-M-D-D-V Program that comply with federal standards as they become effective. The compliance effort will also be undertaken in a manner that achieves the following objectives.

- Minimizes litigation risk to the H-S-M-D-D-V Program and its fiduciaries.
- Provides greater opportunities for participants to resolve denied claims through the H-S-M-D-D-V Program appeal processes.
- Addresses the legitimate concerns of participants in awareness and understanding of health care issues and benefit terms.

**NATIONAL HEALTH PLAN REFORM**

- Corrects any H-S-M-D-D-V Program terms that constitute unintended violations of new legislation.

The parties agreed to meet during the term of the agreement to discuss the status of proposed federal legislation and take measures consistent with this letter to expeditiously address the mutual objectives of the parties.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**NEW PROCEDURES**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: New Procedures

During the 1999 negotiations, it was agreed by the Company and Union that, in accordance with and subject to the written benefit descriptions, limitations and understandings as recommended by Blue Cross and Blue Shield of Michigan (BCBSM), benefit coverage under the Traditional Hospital-Surgical-Medical Program will be provided for the procedures listed on the Attachment. Benefit coverage for these procedures will become effective with respect to surgical-medical coverage provided by BCBSM and UNICARE Life & Health Insurance Company as of the date indicated on the Attachment.

Also during these negotiations, the Company and the Union discussed improving the process to ensure new procedures or substituted procedures proposed by BCBSM, as the Control Plan, and mutually agreed to by the parties, are implemented on a timely basis. The parties have agreed that such proposals will be reviewed promptly and, upon mutual agreement of the parties, implemented with an effective date as recommended by BCBSM.

The parties also agreed that if issues regarding the new procedure approval process results in untimely implementation of mutually agreed to procedures, the Company-Union

**NEW PROCEDURES**

Committee defined in the H-S-M-D-D-V Program will meet with the intent of continuously improving the implementation process of new procedures.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Attachment

Concur: Ron Gettelfinger

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**NEW PROCEDURES**

ATTACHMENT

**MVF Procedures**

<u>Procedure Code</u>	<u>Procedure Name</u>	<u>Effective Date</u>
82523	Collagen cross links, any method (Serum and urinary, enzyme linked immunosorbent assay using a specific monoclonal antibody) This procedure involves the measurement of bone resorption through the use of a marker of bone resorption.	5/1/99
53852	Transurethral Radiofrequency Needle Ablation of the Prostate (TUNA) for Benign Prostatic Hypertrophy	7/1/99
55859	Transperineal placement of needles or catheters into prostate for interstitial radioelement application, with or without cystoscopy. Procedure used on men diagnosed with localized prostate cancer. This new service will be submitted with one of the following three procedures (77776, 77777, 77778):	7/1/99
77776	Interstitial radioelement applications; simple	
77777	Interstitial radioelement application; intermediate	
77778	Interstitial radioelement application; complex	



**NEW PROCEDURES**

<u>Procedure Code</u>	<u>Procedure Name</u>	<u>Effective Date</u>
	The following procedures are used to detect the site of a neuroendocrine tumor. Scan is proposed to detect the site of the primary tumor and any metastasis throughout the body. With multiple metastatic sites, an attempt at curative surgery of the primary tumor would not be taken.	
A4641	Supply of radiopharmaceutical diagnostic imaging agent.	7/1/99
78990	Provision of diagnostic radiopharmaceutical(s) reported with one of the following procedure codes:	7/1/99
78800	Radiopharmaceutical localization of tumor, limited area or	7/1/99
78801	Radiopharmaceutical localization of tumor; multiple areas or	7/1/99
78802	Radiopharmaceutical localization of tumor; whole body and	7/1/99
78803	Radiopharmaceutical localization of tumor; tomographic - (SPECT)	7/1/99
S2140	Cord Blood harvesting for transplantation, allogenic	9/1/99
S2142	Cord Blood derived stem cell transplantation, allogenic	9/1/99

**PHARMACEUTICAL COMPANY DRUG PROMOTIONS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Pharmaceutical Company Drug Promotions

During these negotiations, the Company and the Union discussed the issue of rising prescription drug costs and the efforts of major pharmaceutical companies to increase the use of high cost prescription drugs through a variety of promotional programs. Both parties expressed concern that the widespread practice of providing sample medications and various promotional incentives to providers has most likely had an adverse impact on drug costs by encouraging physicians to prescribe drugs that may not be the best value for patients or the health care plans that provide prescription drug coverage.

The Company and the Union agreed to work jointly with the various health care plans offered to Ford employees and retirees to assist them in developing professional standards that would minimize the influence that pharmaceutical company representatives may have on network physicians. The Company-Union Committee described in Section 12 of the H-S-M-D-D-V Program will meet as soon as practical to develop such performance standards and will jointly determine the specific course of action to be taken.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**PRESCRIPTION DRUG LEGISLATION**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Prescription Drug Legislation

During these negotiations, the Company and the Union discussed **the possibility of future** initiatives at the federal government level **that may impact** prescription drug coverage to eligible recipients of Medicare benefits.

The parties agreed that if any prescription drug benefit initiatives are enacted into federal law during the term of the Agreement, the Company-Union Committee is authorized to evaluate the impact of the legislation on the H-S-M-D-D-V Program and shall design and implement H-S-M-D-D-V Program changes to implement the legislation. Implementation of the law shall be accomplished in a manner that promotes the purposes of the H-S-M-D-D-V Program to make available high quality, cost effective benefits for eligible enrollees. In particular, the Company and the Union recognize and agree that the integration of such legislation into the H-S-M-D-D-V Program shall not reduce the level of benefits provided in the H-S-M-D-D-V Program and, to the extent allowed by law, shall permit the Company to administer the H-S-M-D-D-V Program as a secondary payor of prescription drug benefits.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: **Bob King**

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**PRESCRIPTION DRUG PROGRAM PHARMACY  
COMMITTEE-UAW/FORD DRUG COVERAGE REVIEW PROCESS  
FOR EMPLOYEES, RETIREES, AND SURVIVING SPOUSES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Prescription Drug Program Pharmacy Committee -  
**UAW/Ford Drug Coverage Review Process for  
Employees, Retirees, and Surviving Spouses**

During these negotiations, the parties discussed the safety, efficacy and cost-effectiveness of prescription drugs covered under the H-S-M-D-D-V and self-funded Preferred Provider Organizations (PPOs) Prescription Drug Program. The parties agree that many new drugs may exhibit little if any improved therapeutic effect or enhanced safety when compared to existing treatments. In order to promote safety, efficacy and cost-effectiveness, the parties mutually agreed to implement a Pharmacy Committee, consisting of the members of the Company-Union Committee specified in Section 12 of the H-S-M-D-D-V Program effective **November 19, 2007**.

**The Company-Union Committee has adopted a UAW/3-Company Drug Coverage Review Process based on the following criteria for decision making: safety, efficacy, appropriateness and cost effectiveness. Decision (action) options for drug coverage treatment approaches are:**

- **Include as covered with no management provisions;**
- **Include and monitor (with evaluation but no immediate intervention);**
- **Include with pharmacy management tool application (e.g., step therapy, prior authorization, quantity, dose and time limits, and others as agreed upon); or**
- **Exclude**

**PRESCRIPTION DRUG PROGRAM PHARMACY  
COMMITTEE-UAW/FORD DRUG COVERAGE REVIEW PROCESS  
FOR EMPLOYEES, RETIREES, AND SURVIVING SPOUSES**

**FDA-approved drugs allowable under benefit design but not selected for coverage review are covered unless agreed upon by the parties.**

**The parties will discuss possible changes to the process used to evaluate Pharmacy Quality and Safety Components. The following will be considered:**

- **PBMs will be encouraged to advance proposals to the parties for consideration.**
- **Proposals will be submitted to the independent pharmacy consultant by the parties, not the PBMs, but only after the parties have reached agreement to advance the proposal.**
- **The role of PBMs will be to serve as a resource for the parties and to the Consultant.**
- **Once the independent pharmacy consultant evaluation is completed, the parties are free to accept as is or with mutually agreed upon modifications.**

**The UAW and 3-Companies will meet regularly and will utilize the University of Minnesota Pharmacy Group, or other mutually agreed upon group(s) as a consultant. The companies will pay the cost for the University of Minnesota services related to this review process.**

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**PRESCRIPTION DRUG PROGRAM PHARMACY MANAGEMENT  
TOOLS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear **Mr. King**:

Subject: Prescription Drug Program **Pharmacy**  
Management Tools

During these negotiations, **(as well as during the negotiations which resulted in the 2005 Memorandum of Understanding)**, the parties discussed the quality, delivery, safety, efficacy and cost-effectiveness of the H-S-M-D-D-V and self-funded Preferred Provider Organizations (PPOs) Pharmacy Programs. The parties concluded that there are opportunities for improvement in these areas within the Prescription Drug Programs. As a result, as soon as practical after these negotiations, the following changes **(for eligible employees, retirees and surviving spouses)** to these Programs through the Pharmacy Benefit Manager (PBM) **will be implemented:**

- Pharmacy Network - the parties will review, with the PBM, the effectiveness of narrowing the retail pharmacy network while maintaining adequate enrollee access.
- **Effective January 1, 2008 or as soon as practicable thereafter, but no later than June 1, 2008, the Company-Union Committee has agreed to implement pharmacy management tools (PMT) - edits as described in the attachment. These tools are designed to improve quality of care while reducing costs by encouraging prescribing, dispensing, and use of drugs consistent with accepted standards of care.**

## PRESCRIPTION DRUG PROGRAM PHARMACY MANAGEMENT TOOLS

The H-S-M-D-D-V Committee **will** evaluate **additional PMTs on an ongoing basis, which may be implemented** upon mutual agreement. **PMTs include, but are not limited, to:**

- Prior Authorization (**PA**) Program.
- Various Dispensing Protocols to encourage appropriate utilization and promote safety.
  - Dose optimization protocols,
  - Dispensing quantity protocols,
  - Quantity-duration protocols,
  - Dose-duration protocols, and
  - Standard exclusions: drugs **used** exclusively **for** cosmetic or experimental uses, over-the-counter drugs.
- Drug Utilization Review (DUR) to determine whether patients receive appropriate drug therapy as measured against generally accepted pharmaceutical practices. DUR includes:
  - Drug-disease conflicts;
  - Drug-drug interactions;
  - Allergy alerts;
  - Therapeutic duplicates;
  - Early refills;
  - Age/gender prescription conflicts;
  - Over-utilization;
  - Under-utilization; and
  - Quantity limits.
- **Step Therapy**
- **RationalMed is a patient safety program which identifies patients at risk for possible adverse pharmacy treatment outcomes, communicates the potential risks to treating physicians and provides information to support therapy decisions. The program uses combined drug and medical data to enable safer use of medications, and identify high**

**PRESCRIPTION DRUG PROGRAM PHARMACY MANAGEMENT  
TOOLS**

**utilization that increases the quality of patient care and decreases avoidable hospitalizations. The goals are safer patient care and better pharmacy value. Effective January 1, 2008, the Company will pay for the ongoing RationalMed costs as described in the contract between the Third Party Administrator, the Pharmacy Benefit Manager and the Company.**

The parties will continue to pursue quality, safety, efficacy, and delivery issues in an effort to improve these Programs.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**  
**Attachment**



**PRESCRIPTION DRUG PROGRAM PHARMACY MANAGEMENT  
TOOLS**

**Attachment**

**Pharmacy Management Tool Edits**

<b>Drug Class</b>	<b>Used for</b>	<b>Drug Tools*</b>
Alzheimer's Agents (Aricept only)	Alzheimer's Disease	DO
Angiotensin Receptor Blockers (ARBs)	High Blood Pressure	DO
Anti-emetics	Vomiting	QD-DD
Antivirals	Viral infections	QD-DD
Atypical Antipsychotic agents	Psychosis	DO
CNS Stimulants and Amphetamines	Attention Deficit	PA, QD-DD
Cox-II Inhibitors	Pain	ST
Erythroid Stimulants	Anemia	QD-DD
Growth Stimulating Drugs	Growth Hormone Deficiency	PA
Hypnotics	Insomnia	QD-DD
Immune Globulins	Immune Deficiency, Hepatitis	PA
Inhaled Bronchodilators	Restricted Airway	QD-DD
Inhaled Short-Acting Beta Agonists	Asthma	ST
Interferons	Multiple Sclerosis	PA
Migraine Medications	Migraine Headaches	QD-DD
Multiple Sclerosis	Multiple Sclerosis	PA
Narcolepsy	Narcolepsy	PA, QD-DD
Osteoporosis	Osteoporosis	ST, QD-DD
Psoriasis Therapy	Psoriasis	PA, QD-DD
Ribavirin	Hepatitis	ST
Selected Androgens & Anabolic Steroids	Steroid Replacement Therapy	PA
Specific Antibiotic Agents	Infections	QD-DD
Topical Anesthetics	Pain	PA, QD-DD
Urinary Anticholinergics	Leakage	DO
Weight Loss Agents	Weight Loss	PA

**\* Drug Tools Abbreviation Table**

Step Therapy	ST
Prior Authorization	PA
Quantity Duration-Dose Duration	QD-DD
Dose Optimization	DO

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Psychiatric and Substance Abuse Managed Care  
Program

During the 2003 negotiations, the parties discussed the Psychiatric and Substance Abuse Managed Care Program and concluded changes to this program were necessary. The parties also discussed the changes made during the term of the 1999 Agreement where the parties reduced the role of the Administrator in this Program by either re-assigning those responsibilities to the CDRs or eliminating those items from this Program. This Program was designed to improve care for patients/clients, including alternative plan enrollees (such enrollees are covered under a separate Letter of Understanding). This Program provides, among other features, an effective follow-up plan for after-care essential for recovery. The Company and Union continue to support their commitment and agree to a managed care, limited provider psychiatric and substance abuse program with the following objectives:

- To create an environment for all hourly employees and their eligible dependents to receive psychiatric care and substance abuse treatment most appropriate to their condition and obtain care from quality providers.
- To place substantial emphasis upon follow-up care as a necessary part of the recovery plan.
- To recognize that the most appropriate course of treatment will be the most cost effective in the longer term.

The parties reaffirm the components listed below which, when taken together, comprise the Managed Psychiatric and

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

Substance Abuse Program. The provisions cover all hourly active employees represented by the UAW enrolled for **National PPO** Plan coverage and their eligible dependents. Hourly retirees, surviving spouses and their eligible dependents will continue to receive psychiatric and substance abuse benefits under present arrangements. The Company and Union will consider whether to include these persons under a managed care plan at a later date. Until such effective date, provisions for psychiatric care and substance abuse treatment as contained in the 2003 Collective Bargaining Agreement and in the Administrative Manual dated March, 2001 (or as may be updated by the parties), shall remain in effect.

A. *Program Structure*

1. A Managed Care Program (MCP) with panels comprised of a limited group of participating providers for psychiatric care and substance abuse treatment have and will continue to be developed for all hourly employees and their eligible dependents.
2. A nationwide, inpatient, limited panel of facilities (hospital, day/night programs, halfway houses, detoxification facilities and residential facilities) and an outpatient limited panel of psychiatric and substance abuse professionals (Psychiatrists, Ph.D. Psychologists, Masters degreed and licensed Psychiatric Social Workers, and Clinical Nurse Specialists with advanced training in adolescent or adult mental health nursing) and approved Outpatient Psychiatric Care facilities **have been** established.
3. The Company and Union have established an Oversight Committee for the MCP. **The Committee consists of a representative from the:**
  - **UAW National Ford Department – Benefits**
  - **Ford Healthcare Management**
  - **UAW Employee Support Services Program (ESSP), UAW National Ford Department**
  - **Ford ESSP National Programs Center Office**

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

**The Managed Care Oversight Committee will meet no less frequently than quarterly.** The goal of the Committee is to enhance provider accessibility, quality care, and cost effectiveness. The Committee will perform evaluations of the MCP, including establishing criteria and selecting and approving CDRs, on an as needed basis, but not less than once annually, that will include data provided by the CDR's. Based on such evaluations, the Company and Union may address changes to the MCP (not related to enrollee eligibility or benefit provisions except as contemplated under the last paragraph in Section C. 1.) that would improve MCP effectiveness.

4. The **administrator** identification card contains an 800 number for pre-authorization information.

B. *CDR Responsibilities*

1. The CDR under contract with **Ford Healthcare Management** is the Case Manager for the MCP. The CDR provides to Ford hourly employees and dependents enrolled in **National PPO** plan coverage the following services: assessment, differential diagnosis, treatment plan development, referral, consensus with the client and provider on the treatment plan, and follow up to support a continuum of care. The CDR, as Case Manager, provides the hospital pre-determination function for psychiatric and substance abuse admissions presently performed by the **Administrator** except that the Administrator may provide such functions for emergency and out-of-area cases as described in Section C. 2. a.
2. If the CDR, the provider and/or the patient/client could not reach a consensus on the treatment plan, the enrollee/patient or enrollee's/patient authorized representative has the right to appeal the CDR's decision. Claims for benefits under this Plan, or with respect to an enrollee's right under the Plan, **are** administered in accordance with the Plan's appeal procedures as described in the CDR Program Manual to be updated during the term of this Agreement.

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

3. When referring patients/clients, the CDR uses the most appropriate providers for that case chosen from the available participating providers. In exceptional cases, the CDR, after consultation with the Administrator, may refer to a non-participating provider.
  4. Follow-up protocols by the CDR, respectful of confidentiality, **are** emphasized to prevent relapse and the progressive dysfunction that occurs as a result of relapse. Following completion of the formal course of treatment, the CDR **is** responsible for follow-up with the patient/client to encourage receipt of the recommended continuum of care. In addition, the CDR (with the permission of the patient/client) **elicits** the involvement and support of the plant ESSP representative.
  5. The CDR provides short-term problem solving services.
  6. **The cost for CDR services** will be paid by the Company **in accordance with the contract between the CDRs and the Company.**
- C. *Program Benefits*
1. The following psychiatric and substance abuse coverages **are** provided to hourly employees and their eligible dependents enrolled in **National PPO** Plan coverage who receive the services listed in Section B. 1. from the CDR and receive treatment from a participating provider:
    - a. Inpatient - 45 day limit
      - including detoxification days
      - renewable after 60 days under the same terms as with existing hospital renewal provisions
    - b. Outpatient - 35 visits; annual (calendar year) limit
      - visits 1 - 20 paid in full
      - visits 21 - 35 paid in full for substance abuse services
      - visits 21 - 35 paid at 75% for psychiatric services

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

Utilization of CDR for outpatient psychiatric or substance abuse assessment, referral, and short-term problem solving do not count as outpatient visits.

- c. Day/Night - 90 visits; each visit reduces the number of remaining inpatient days by one-half day.
- d. Halfway House - 120 days lifetime maximum; no more than 90 days in any one calendar year.
- e. Psychological testing - Covered only when authorized by the CDR as medically necessary and administered by a participating provider; or when authorized by the Administrator as medically necessary in an emergency situation.

The Company and Union have expressed a mutual concern for employees and dependents who fail to complete their substance abuse continuing care treatment plans. The parties agree to monitor such use patterns. If upon consultation with the CDR the Company and Union determine that a prevalent problem exists and needs to be addressed, the Company and Union will discuss appropriate corrective actions. By mutual agreement such actions may include future financial penalty for persons who do not complete their substance abuse treatment plans.

- 2. Notwithstanding the provisions of Section C. 1., there would be certain exceptions where the patient/client may bypass the CDR but still receive full MCP benefits:
  - a. For emergency or out-of-area (i.e. away from home plan area) cases, providers must call the Administrator at the 800 number within 24 hours of providing initial care to receive full MCP payment. The Administrator will approve the initial care and refer the case to the appropriate CDR. This referral will allow the CDR to consult with the provider regarding their treatment plan and to monitor the prescribed care. As soon as the CDR, after consultation with the attending

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

provider, determines it is appropriate, the patient/client will be referred to a participating provider. In such situations, the CDR, after consultation with the Administrator, may judge it appropriate to treat a non-participating provider as a participating provider under the MCP for that case if the provider agrees to abide by MCP provisions.

- b. Full MCP benefits also may be provided to non-participating providers in exceptional cases where the CDR, after consultation with the Administrator, makes a specific referral of the patient/client to such provider.
- c. For outpatient psychiatric cases in which the patient/client goes directly to a participating provider under the MCP, the provider will receive full payment for the initial service if the provider contacts the CDR within 24 hours of providing such service. Thereafter, payment for subsequent services will be contingent upon the CDR, provider and the patient/client reaching consensus on a treatment plan. The CDR will perform its usual Case Manager responsibilities.
- d. For outpatient psychiatric cases in which the patient/client goes directly to a physician general practitioner, a non-participating provider, the provider will receive full reasonable payment for the initial service if the provider contacts the Administrator at the 800 number within 24 hours of providing such service. The Administrator will approve payment for the initial service and refer the case to the appropriate CDR. Up to two additional visits may be approved by the CDR if the CDR and the physician general practitioner agree upon the necessity of care. If continuing care is needed, the CDR will facilitate transfer of the patient/client to an approved provider.

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

3. Except for Subsection 2. a., b. and d. of this Section C., patients/clients who receive psychiatric and substance abuse services from non-participating providers will receive the following benefits:
    - a. Psychiatric Care
      - Inpatient facility care—for general acute care hospital admissions, up to \$160 per day plus \$20 per day for ancillaries; for other facilities, \$15 per day.
      - Outpatient facility care—50% of participating provider reimbursement.
      - Inpatient physician care—50% of participating provider reimbursement. Non-physician services will not be covered under the MCP.
      - Outpatient physician care—50% of participating provider reimbursement. Non-physician services will not be covered under the MCP.
    - b. Substance Abuse Treatment—no benefits are payable.
- D. *ESSP Responsibilities*
1. Local ESSP representatives continue to be integral participants and use of the ESSP representatives remains a voluntary part of the MCP.
  2. Employees and their dependents **are** encouraged by the CDR to use the ESSP representative. In addition, the CDR requests authorization from the patient/client to consult with the ESSP representative on the individual's behalf. The relationship between the ESSP representative and the patient/client is important because the ESSP representative can provide valuable support to the patient/client and family members during the recovery process.



**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

E. *Administrator Responsibilities*

**Blue Cross and Blue Shield of Michigan (BCBSM) has been** mutually selected by Company and Union representatives **as the Administrator for the MCP.** The Administrator **has** the following responsibilities:

1. The Administrator **has** established a panel of **local** participating providers, **i.e., the National PPO Plan Network. The local Blue Cross and Blue Shield plans** will ensure that the providers fully understand the provisions of the MCP including benefit levels and “hold harmless” provisions. The size of the panel should be sufficient to provide appropriate access. The **local plan** will negotiate appropriate fees with such participating providers.
2. The Administrator **has** established an 800 number that **is** staffed 24 hours a day for use by Ford members who need services under the MCP in an emergency situation or where the patient/client is out-of-area. By using the 800 number, the Ford members **are** able to obtain from the Administrator referrals to providers, to a CDR and/or approval for initial necessary care. The Administrator refers a case to the appropriate CDR in that area who manages the case.
3. The Administrator makes benefit payments to the participating providers or, in the case of services received from non-participating providers, the Administrator makes benefit payments to the member or non-participating provider, as appropriate.
4. It is expected that the Administrator will **continue to** cooperate with the CDR to enable the CDR to perform its responsibilities contained in this Letter of Understanding. Such cooperation includes, but **is** not limited to, sharing data necessary to perform the Case Manager function.
5. The Administrator **has** undertaken these responsibilities through a contract with the Company that places the Administrator at a business risk **in accordance with the Administrator’s modified role as defined in the contract.**

**PSYCHIATRIC AND SUBSTANCE ABUSE  
MANAGED CARE PROGRAM**

It is believed that this psychiatric and substance abuse program accomplishes the goal of the Company and Union of maintaining a limited provider plan for such services that meets the needs of Ford-UAW enrollees.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**PSYCHIATRIC CARE AND SUBSTANCE ABUSE TREATMENT —  
ALTERNATIVE CARE PLANS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Psychiatric Care and Substance Abuse  
Treatment — Alternative Care Plans

During the past several negotiations, the Company and Union expressed their joint concern regarding the adequacy of delivery of psychiatric care and substance abuse treatment by certain approved alternative care plans. The parties also discussed the need for closer coordination between the UAW-Ford Employee Support Services Program (ESSP) and alternative care plans in connection with early identification and treatment of psychiatric and substance abuse conditions.

The Company and Union have agreed upon a Managed Care Program for psychiatric care and substance abuse services for all Ford hourly active employees represented by the UAW and their eligible dependents enrolled under **National PPO** coverage. Under this Program, to receive benefits, all such Ford hourly members generally must obtain certain services (assessment, differential diagnosis, treatment plan and referral) from the Central Diagnostic and Referral Agencies (CDR) before receiving services for psychiatric and substance abuse conditions. The Program will also encourage strongly hourly active employees represented by the UAW and their eligible dependents enrolled under alternative plan coverages to receive an assessment, diagnosis and treatment plan from the CDR before receiving services for psychiatric and substance abuse conditions from their respective alternative plan providers. In the event that the alternative plan member requests treatment from the alternative plan without first contacting the CDR, the plan is expected to coordinate treatment for such patient/client with the CDR who should act as Case Manager. Such coordination should

**PSYCHIATRIC CARE AND SUBSTANCE ABUSE TREATMENT —  
ALTERNATIVE CARE PLANS**

recognize any limitations to comply with confidentiality restrictions.

The parties' expectation is that:

- the CDR's recommended treatment for the first 24 hours of care in emergency cases will be given due consideration by the alternative plan in which the member is enrolled, provided the CDR notifies the alternative plan of the action the CDR has taken within 12 hours of commencement of treatment.
- the alternative plans will provide expedited assessment of serious cases.

This Program will require close coordination between the CDR and the alternative plans. In this regard, the parties expect the alternative plans' full participation in this Program. If these arrangements are to be effective, the relationship between the CDR and the alternative plans must be based on mutual trust, full cooperation and professionalism. Should problems arise where alternative plans and CDRs are unable to coordinate care, the parties, through the Managed Care Oversight Committee, will intervene, as appropriate.

As soon as practicable after these negotiations, the Managed Care Program Oversight Committee, **as defined in the Letter of Understanding, Psychiatric and Substance Abuse Managed Care Program, dated November 3, 2007**, will establish a **new** process whereby CDRs and alternative plans may raise concerns **about** each other **directly with a representative of the Company's Healthcare Management Department**.

**PSYCHIATRIC CARE AND SUBSTANCE ABUSE TREATMENT —  
ALTERNATIVE CARE PLANS**

In the event **the Company's representative is unable to resolve the issue, he/she will make a recommendation to the Managed Care Oversight Committee. The Managed Care Oversight Committee may take corrective action plan(s) to the H-S-M-D-D-V Committee and recommend actions to be taken. The H-S-M-D-D-V Committee may take action** which may result in removal of the plan as a health care option for Ford hourly enrollees represented by the UAW.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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## QUALITY AND COST-EFFECTIVE HEALTH CARE

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Quality and Cost-Effective Health Care

During these negotiations, the Company and Union discussed and recognized the importance of providing high quality, cost effective health care to eligible members. The Company recognizes the contributions made by the UAW National Ford Department towards reducing health care cost increases during the 1999 agreement. These contributions include improving the cost-effectiveness and efficiency of health care plan administration, re-bidding selected health care plan providers, improving the quality of plan delivery and administration, and improving member access to plan providers.

The parties also acknowledge that, in spite of these and other joint efforts, additional efforts are necessary to help control the increase in health care costs. The Company and Union agree that even more aggressive efforts must be pursued during the term of this agreement. These efforts will include the following measures, as well as others mutually agreed to by the parties and are intended to provide improved quality of delivery and reduce Company costs while maintaining reasonable access.

- Conduct re-bids of selected health care plans to improve member service and reduce costs.
- Review the availability of alternative plans in large markets and, where feasible, reduce the number of plan offerings to create market competition while assuring reasonable access to members.
- Identify efficient health care plans and study their administrative practices and procedures for possible inclusion in the H-S-M-D-D-V program.

#### QUALITY AND COST-EFFECTIVE HEALTH CARE

- Review alternative plan administrative processes including prescription drug management and disease management processes and, if appropriate, approve modifications through the Company-Union Committee.
- Evaluate through the Quality, Utilization, Evaluation and Satisfaction Team (QUEST) alternative plan evaluation criteria that would be required of all alternative health care plans to be offered to eligible members. Proposed changes in provider networks and administrative processes would be reviewed by the QUEST team for recommendation to the Company-Union Committee.
- Evaluate the service delivery quality and cost effectiveness of service specific PPOs to determine if they should be continued, expanded or discontinued. Identify new service specific PPOs to include in the health care plan to improve service and cost.
- Evaluate collaboration with other plan sponsors in the health plan bidding process to improve costs by leveraging the size of contracts.

The parties strongly support the development of new activities that will enhance quality of care and cost effectiveness and mutually agree that the Company-Union Committee will explore these and other activities. The Company-Union Committee will meet after these negotiations and develop an action plan that addresses the measures listed above by January 1, 2004.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**QUALITY HEALTH CARE ACTIVITIES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Quality Health Care Activities

The Company and Union have recognized the importance of providing quality health care in a cost-efficient manner by addressing these issues in previous negotiations and by implementing pilot programs which have met our mutual objectives. The parties believe that joint efforts addressing both quality improvement and the ongoing cost effectiveness of benefits provided to employees should be continued.

During these negotiations, the Company and Union reemphasized their commitment that the Company-Union Committee defined in Section 12 of the H-S-M-D-D-V Program is to investigate, consider and, upon mutual agreement, engage in activities that may have high potential for cost savings and improvement of quality of care. These activities may also include the implementation of Pilot Programs to maximize coverage under the H-S-M-D-D-V Program for the money spent for such protection.

Other activities to be considered by the parties include, but are not necessarily limited to, the following:

1. Develop performance standards that **alternative plans** must meet for acceptance and continued participation as a health care plan option under the H-S-M-D-D-V Program. These standards will address such issues as provider selection and retention, quality, cost, utilization, price, administration and expansion of the availability of cost-effective managed care options for the Medicare enrolled retiree and surviving spouse population.



#### QUALITY HEALTH CARE ACTIVITIES

2. Conduct audits of the eligibility of guardianships, sponsored dependents and other categories of dependents where abuse of the eligibility provisions may occur. The intent of such audits will be to ensure that those entitled to coverage are enrolled, and that the Program provisions are not being utilized to transfer to the Program the responsibilities of other parties.
3. Explore with the carriers and the Center for Medicare Services (CMS) methods of expediting the processing and administration of claims for enrollees with Medicare-primary coverage (e.g., Medicare "Crossover" system).
4. Engage in efforts to increase enrollee awareness of the positive impacts of effective coordination of benefits administration and to assist in effective and expeditious carrier implementation of a pilot project to emphasize cost avoidance.
5. Explore pilot programs, individually or in concert with other payers, to develop relationships with high quality, cost-effective providers and to encourage enrollee use of such providers.
6. Review, evaluate, and act upon the recommendations of the Company-Union Committee (using the assistance of outside advisors, as appropriate) regarding matters concerning the overall performance and continuation of individual **alternative plans** on the basis of: quality, access, benefit design, cost effectiveness, and delivery of services. This review and evaluation shall utilize, in addition to the current standards, demographic adjustments for variations in age, gender, and family size, as well as other available information including health status and utilization patterns. Work with carriers to promote the development of cost-effective **alternative plan** options which may include offerings to Medicare and non-Medicare enrollees, in areas where not available currently.

## QUALITY HEALTH CARE ACTIVITIES

7. Work with dental carriers and Dental Health Maintenance Organizations (DHMOs), to monitor utilization and to determine if there is a potential for abuse in the performance of such dental procedures as root planing and sealing, application of fluoride, occlusal equilibration and gingival curettage.
8. Continue to have **alternative plans** develop and distribute informational materials through direct mailings or otherwise about how members may: obtain coverage and receive care; gain access to other plan services, including referrals outside of the plan network; and register complaints and utilize the plan's grievance process. The parties intend that the plans will continue to make such information available. The parties can take such mutually agreed upon steps as they deem appropriate (including termination of the plan offering) should a plan refuse to comply.
9. Explore non-traditional services that would assist in the management of serious health conditions including treatment that can alleviate chronic debilitating pain and alternative treatment modalities which will enhance recovery during an inpatient admission.
10. Gather and evaluate data relative to fertility services, as soon as practicable after these negotiations, and determine the feasibility of delivering such services in accordance with the concept described below:

The benefit will be designed so that a common treatment approach is achieved. Panel providers will be credentialed who:

- are qualified in their field;
- agree to abide by a consistent treatment of diagnostic tests, drugs, and protocols;
- maintain quality standards; and
- are willing to meet conditions as the parties may require.

Eligibility for services under this fertility program may be limited to those received from the panel providers. Once a pregnancy has been confirmed, the patient may continue obstetrics services with her regular doctor.

## QUALITY HEALTH CARE ACTIVITIES

To the extent feasible the benefits may be carved out from all plans and centered in a national reproductive services program and done in concert with the Union and their other employer partners.

The benefits may include, but not necessarily be limited to, counseling, treatment for underlying conditions of sexual dysfunction, diagnostic services, pharmaceuticals, artificial insemination, in vitro fertilization, surgical intervention, cryopreservation, transvaginal ultrasound, and donor gamete. The parties may also consider adopting:

- a set number of cycles for services (because of the declining probability of success).
  - a maximum number of transfers per cycle (in order to reduce the likelihood of multiple birth).
  - a number of episodes of treatment that will be covered under the program or otherwise set a frequency limitation.
11. Gather and evaluate data relative to the new procedures for early detection of diseases or routine screening for conditions to determine the viability of incorporating such procedures into the hospital-surgical-medical-drug-dental-vision-hearing aid coverage provided in Section 1 (a) of the H-S-M-D-D-V Program as they are recommended by public health and/or medical professionals. This process also would allow for the review of the mechanism to update newly covered services as such emerge from experimental status according to standard Company-Union Committee procedures.
  12. Work with carriers in an attempt to resolve disputes with hospitals or hospital organizations over participating status.
  13. **By July 1, 2008, evaluate and implement initiatives related to the use of specialty medications. These initiatives will include, but are not limited to, a specialty drug retail network (to improve enrollee care and achieve better pricing), a program that would address limits**

**QUALITY HEALTH CARE ACTIVITIES**

**on quantity in retail and mail order when enrollees are initiating treatment (to avoid excess loss and potential waste) and the adoption of prescription drug tools as soon as practicable prior to or after marketing (to ensure appropriate use, enhance medication, safety, and promote quality for specialty drugs).**

The parties support the development of new pilot programs and activities which enhance quality of care and cost effectiveness and agree that the Company-Union Committee will begin to explore such topics as well as others mutually agreed to by the parties as soon as practicable following negotiations.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**SALARIED EMPLOYEES RETURNING TO FORD HOURLY  
EMPLOYMENT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Salaried Employees Returning to Ford Hourly  
Employment

During these negotiations, the Company and the Union discussed situations where certain salaried employees at their own initiative elect to return to UAW hourly-rated employment and do promptly thereafter retire. Such employees presently would be eligible to participate under the UAW negotiated hourly postretirement welfare benefits provided for under Volume I, Article IX, Section 27 of this Agreement, Insurance. We agreed that this practice is not within the objectives for these plans.

Accordingly, we agreed that salaried employees who voluntarily return to hourly-rated UAW employment on or after October 1, 2003 shall be required to remain in hourly-rated UAW employment for a period of at least two calendar years prior to their retirement in order to be eligible for such insurance programs. Employees who fail to meet this condition shall not be eligible for postretirement insurance benefits as an hourly retiree under this Agreement.

However, it is also agreed that for operational and other reasons the following situations shall be exempt from the two-year requirement:

**SALARIED EMPLOYEES RETURNING TO FORD HOURLY  
EMPLOYMENT**

- An Assistant Supervisor, Supervisor, or other employee in a supervisory position who was acting as a vacation replacement as provided in Volume 1, Article VIII, Section 34.

Very truly yours,

Lee Mezza, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**SAME-SEX DOMESTIC PARTNER BENEFITS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: Same-Sex Domestic Partner Benefits

The parties agreed to offer domestic partner benefits in recognition that the Company employs, and the UAW represents, people from various and diverse backgrounds. Consistent with our belief that a diverse workforce is an important asset, and in line with the interest to be fair, equitable and fiscally responsible, the Company and the UAW agreed to expand the eligibility requirements to eligible same-sex domestic partners of eligible active employees for hospital, surgical, medical, prescription drug, dental, vision and hearing-aid coverages effective August 1, 2000.

**Eligibility Rules for Same-Sex Domestic Partners**

The Company offers domestic partner H-S-M-D-D-V coverages to eligible active employees who have a qualifying same-sex domestic partner relationship. Employees who retired effective August 1, 2000 or after under the Ford-UAW Retirement Plan or employees who terminated effective August 1, 2000 or after as provided under Section 4 (d) of the H-S-M-D-D-V Program, while covering a domestic partner and/or a domestic partner's eligible children, will be permitted to cover those dependents under the Company's hospital, surgical, medical, prescription drug, dental, vision and hearing-aid coverages during retirement, subject to the applicable terms and conditions which apply to all other H-S-M-D-D-V Program participants. Additionally, in the event a retiree under the Ford-UAW Retirement Plan dies while having an eligible and enrolled domestic partner, the domestic partner (and eligible and enrolled children, if any) will be eligible for coverage in the same manner as if the

#### **SAME-SEX DOMESTIC PARTNER BENEFITS**

domestic partner were a surviving spouse under Section 4 (e) (1) of the H-S-M-D-D-V Program. No new same-sex domestic partner dependents may be added after retirement.

This understanding is an expansion of Section 10, Dependent Eligibility Provision, H-S-M-D-D-V Program presently available under our Agreement for active employees and their eligible dependents. In addition, all other applicable provisions of the H-S-M-D-D-V Program shall apply.

In the event an active employee dies while having an eligible domestic partner enrolled for coverage, the Company will continue hospital, surgical, medical, prescription drug, hearing-aid expense coverages (but not dental or vision expense coverages) for the enrolled and eligible domestic partner (and eligible and enrolled children, if any) as if the domestic partner were a surviving spouse under Section 4 (e) (2) or (3) of the H-S-M-D-D-V Program provided such domestic partner otherwise meets the terms of Section 4 (e) (2) or (3) (a domestic partner for this purpose will be treated as a Class A or Class B Survivor if the domestic partner relationship has existed for at least 1 year immediately prior to his/her death). Nothing contained herein shall be construed as providing eligibility for monthly survivor income benefits.

The parties agree that a same-sex domestic partnership is defined as a relationship between two people who meet ALL of the following criteria:

- Are the same sex,
- Have shared a continuous committed relationship with each other for no less than 6 (six) months, intend to do so indefinitely, and they have no such relationship with any other person,
- Are jointly responsible for each other's welfare and financial obligations,
- Reside in the same household,
- Are not related by blood to a degree of kinship that would prevent marriage from being recognized under the laws of their state of residence,



#### **SAME-SEX DOMESTIC PARTNER BENEFITS**

- Must reside in a state where marriage between persons of the same sex is not recognized as a valid marriage by the state, or, if residing in a state which recognizes same-sex unions, have entered into such union as recognized by the state,
- Each is over age 18, of legal age, and legally competent to enter a contract, and
- Neither is married to a third party.

Employees will be required to submit a notarized affidavit attesting that their domestic partner relationship meets all of the above criteria. The effective date of coverage will be the date the affidavit is notarized provided the employee is otherwise eligible for health care coverage and notifies the Company within 30 days from the date the affidavit is notarized or, if later, the first of the month following receipt of the affidavit by the Company.

The Company shall have the right of determining eligibility for the benefit, consistent with the provisions described above. The primary enrollee claiming initial or continuing eligibility of a domestic partner and/or dependent(s), if any, shall furnish any documentation that may be necessary to substantiate the claimed eligibility of the domestic partner and/or dependent(s).

The parties agreed that in those instances where a legal jurisdiction (i.e., state) recognizes same-sex marriages, or other forms of same-sex unions, a legal marriage, or other legal union, will be required to establish or continue coverage for those employees who reside in such jurisdiction.

In these cases, coverage will be effective as of the date of the marriage, or other such state recognized union, provided the employee is otherwise eligible for health care coverage and notifies the Company within the time limitations presently in place for adding a dependent.

Children of an employee's domestic partner will be considered eligible if they meet the requirements to be the employee's dependents under Section 151 and 152 of the Internal Revenue Code. In those cases, employees will not be taxed on the value of the child's coverage (see Tax Consequences below).

## **SAME-SEX DOMESTIC PARTNER BENEFITS**

It continues to be the employees' responsibility to remove dependents who are no longer eligible for coverage under the Company provided health care plans, i.e., at the point in time when they are no longer eligible under the provisions of our negotiated agreements and this letter of understanding.

### **Continuation of Coverage**

Same-sex domestic partners, when deleted from Company provided coverage, do not qualify for COBRA coverage under the federal government's regulations regarding COBRA continuation of coverage. In addition, certain alternative plans may not provide COBRA-like coverage. The Company has made arrangements for a COBRA-like cash pay continuation of coverage with eligibility rules and payment arrangements as apply under COBRA, for persons who no longer meet the eligibility rules as defined in this letter and under our bargaining agreement.

### **Tax Consequences**

Because of IRS regulations, enrollment of a domestic partner is likely to result in tax consequences to the employee since the IRS and state laws as of the date of this agreement do not recognize a same-sex partner as a legal spouse. In those instances when the non-employee partner does not qualify as a dependent of the employee under Sections 151 and 152 of the Internal Revenue Code, the fair market value of the benefits provided for the partner will be imputed (taxable) income to the employee.

The Company will assume that when employees enroll same-sex domestic partners for hospital, surgical, medical, prescription drug, dental, vision and hearing-aid coverages, the domestic partner does not meet the Internal Revenue Code requirements for dependent status, unless the employee provides acceptable proof to the Company to the contrary.

## SAME-SEX DOMESTIC PARTNER BENEFITS

### Confidentiality

As with all personnel files, health care elections are treated as strictly confidential information. Company and UAW Benefits Representatives will be instructed regarding the confidentiality of all benefit matters and to apply strict confidentiality regarding the issue of domestic partner eligibility.

### Health Care Plan Options Accepting Same-Sex

#### Domestic Partners

It is the intent of the Company to make same-sex domestic partner coverage available under all health care plans offered by the Company to eligible members. Some Health Maintenance Organizations, (HMOs), Preferred Provider Organizations (PPOs), and Dental Health Maintenance Organizations (DHMOs) may not make such coverage available to the Company and therefore, the Company will not be able to make such coverages available to employees who are enrolled under these plans.

Some state laws may not allow insured plans to provide same-sex domestic partner benefits for health care. In these instances, employees eligible for **National PPO** Plan coverage who elect domestic partner coverage may change their health care plan to the **National PPO** Plan (which is self-insured and therefore not subject to such state laws) or to another available alternative plan that does accept domestic partner coverage, concurrent with the effective date of adding a qualifying domestic partner for coverage.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**SVS BENEFIT CHANGES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: SVS Benefit Changes

During these negotiations, the Company and Union agreed that the benefits paid under the SVS Program to enrolled employees, retirees and surviving spouses and their eligible dependents, who reside less than twenty-five (25) miles from an SVS office or affiliated provider office, and who choose to receive vision care from a provider other than SVS or an affiliate, will be \$13.00 for frames and \$13.00 for lenses, \$52.50 for medically necessary contact lenses and \$37.00 for other contact lenses.

In addition, it was agreed that for lenses ordered under the SVS Program and received from an SVS office or affiliated provider office, coverage will be provided for scratch-guard coating of the lenses. This provision applies only to lenses ordered prior to the enrollee's thirteenth birthday. Scratch-guard coating will be covered under the Program not more frequently than once every two calendar years.

The parties further agreed to separate the covered charges for the contact lens professional fees and the contact lens material, when service is received from a SVS or affiliated provider on or after January 1, 2000. On or after January 1, 2000, the contact lens professional fee benefit amount will be \$40.00 and the contact lens material benefit amount will be \$75.00.

The Company has instructed SVS to continue the same general level of SVS frame quality and selection as administered under the previous Agreement, **with a** panel frame benefit **of** \$21.50 wholesale cost (\$40.00 retail cost).

#### SVS BENEFIT CHANGES

The parties also have agreed that the benefits paid under the SVS Program to enrolled employees, retirees and surviving spouses and their eligible dependents, who reside more than twenty-five (25) miles from an SVS office or affiliated provider office, and who choose to receive vision care services from a non-affiliated provider, will receive reimbursement for covered vision services that will be the lesser of charges or the amounts shown on the attached schedule. These increased amounts will go into effect with services received on or after January 1, 2000.

Effective September 29, 2003, persons enrolled for coverage under the H-S-M-D-D-V Program, who are insulin-dependent diabetics and present a letter from their physician stating such, **who during the previous 12 months have had a change of .5 diopter or 10 degree axis will be eligible for** one pair of lenses at the new prescription will be provided. For enrollees enrolled in an HMO or PPO Plan and who are covered under the SVS Program, the annual eye examination for insulin-dependent diabetics will be provided under the HMO or PPO Plan and the lenses, if necessary, will be provided by SVS.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Attachment

Concur: **Bob King**

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**SVS BENEFIT CHANGES**

ATTACHMENT

<b><u>Complete Services</u></b>	<b><u>Benefit Amount For Services Received</u></b>	
	<b><u>Prior To January 1, 2000</u></b>	<b><u>On Or After January 1, 2000</u></b>
• Vision examination, frame single vision lenses	\$132.00	\$153.00
• Vision examination, frame and bifocal lenses	144.00	173.00
• Vision examination, frame and trifocal lenses	153.00	193.00
• Vision examination, frame and special lenses	161.00	163.00
<b><u>Separate Services</u></b>		
• Vision testing examina- tion	\$ 45.00	\$ 45.00
• Re-examination by ophthalmologist	45.00	45.00
• Frame only	47.00	49.00
• Regular Lenses		
- Single Vision	40.00	59.00
- Bifocal	52.00	79.00
- Trifocal	61.00	99.00
- Special (lenticular, aspheric, etc.)	69.00	99.00
• Contact Lenses		
- Hard, including pro- fessional fees	63.00	89.00
- Soft, including profes- sional fees	63.00	89.00
- To achieve 20/70 or for keratoconus, ir- regular astigmatism or irregular corneal curvature, including professional fees	171.00	200.00

#### SVS BENEFIT CHANGES

**Frequency:**

If a covered person has received a vision testing examination, for which benefits were payable under the Program, benefits will be payable for each subsequent vision testing examination only if received more than twelve (12) months after receipt of the most recent previous vision testing examination for which benefits were payable under the Program. If a covered person has received lenses or frames for which benefits were payable under the Program, benefits will be payable for lenses or frames only if received more than twenty-four (24) months after receipt of the most recent lenses or frames for which benefits were payable under the Program.

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## **TRADITIONAL PLAN PPO NETWORK**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Traditional Plan PPO Network

### **Introduction**

During these negotiations, the Company and the Union discussed the various health care plans that currently are available to Ford employees and retirees. The Company expressed concern that the Traditional Plan has become increasingly less cost-effective and indicated that more favorable provider rates might be obtained if the network of participating providers was narrowed.

The Company and Union mutually agreed to develop and implement a program to administer the Traditional Plan through a national Preferred Provider Organization (PPO) in those states in which Blue Cross Blue Shield (BCBS) is the claims processor. The basic benefit schedule will be identical to Traditional Plan benefits, except for psychiatric care and substance abuse treatment, which will be administered separately as described in the Letter of Understanding, subject: Psychiatric and Substance Abuse Managed Care Program, dated September 15, 2003. The following details some of the features which will comprise the basis for the new plan.

### **Control Plan Responsibilities**

The Control Plan, Blue Cross Blue Shield of Michigan (BCBSM), will assume responsibility for establishing the new PPO network and for managing day-to-day operations subject to the approval of the Company-Union Committee described in Section 12 of the H-S-M-D-D-V Program who will retain general oversight of the plan and will work with BCBSM to ensure that all enrollees have adequate provider access.



## TRADITIONAL PLAN PPO NETWORK

The PPO plan will be based on a panel of providers within a defined service area. In establishing and maintaining the panel of providers in each state, BCBSM will be responsible for:

- defining the network and recruiting providers (physicians, hospitals, laboratories, therapists, etc.)
- establishing the terms for provider participation in the panel network, including payment rates
- credentialing providers, as appropriate
- periodically evaluating the performance of the panel providers
- conducting the Predetermination Program and utilization reviews
- monitoring the appropriateness of referrals by panel physicians

### **The Benefit Schedule**

The Traditional Plan basic benefit schedule as of September 15, 2003, will be unchanged. The enrollee's share of the cost will be determined by whether or not the provider is:

- a panel provider
- a BCBS participating provider
- located within the network service area

### **Payment in Full**

Benefits will be paid in full if services are received from:

- a panel provider
- a non-panel provider *outside* the plan's service area, if the provider is a BCBS participating provider
- any provider the enrollee is referred to by a panel provider

### **Enrollee Co-payments**

Each enrollee will be responsible for paying 10% of the reasonable and customary rate, but not more than \$250 per individual or \$500 in each plan year for the entire family, if services are received from:

- A non-panel provider inside the plan's service area, if the provider is a BCBS participating provider

#### **TRADITIONAL PLAN PPO NETWORK**

- A non-panel provider either inside or outside the service area, and the provider is not a BCBS participating provider.

#### **Office Visit Charges**

Special rules apply to office visit charges by panel providers. In order to afford enrollees in the new PPO plan the opportunity to take advantage of the lowest rates paid to panel providers, office visits will be regarded as a covered service, but with a 100% co-pay. Enrollees will be responsible for paying office visit charges, but will pay the discounted PPO rate. Office visit charges paid by the enrollee will not apply to the \$250 individual or \$500 family annual out-of-pocket maximum described above. This special arrangement for office visits does not apply to non-panel providers.

#### **Timing**

The Company and Union recognize that there are several issues concerning the transitioning of enrollees to the new program and developing appropriate adjustments to calculating the local plan's composite premium rates (as defined in the letter of understanding: Alternative Plan Value, dated October 9, 1999) to account for the differences in provider discounts. Therefore, the parties agree to further develop the specific design, resolve associated issues, develop a transition plan, and to implement the plan no later than March 1, 2005.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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UAW-FORD RETIREE SERVICING CENTER

November 3, 2007

**Mr. Bob King**  
**Vice President and Director**  
**UAW, National Ford Department**  
**8000 East Jefferson Avenue**  
**Detroit, Michigan 48214**

Dear Mr. **King**:

Subject: UAW-Ford Retiree Servicing Center

During **the 2003** negotiations, the parties discussed servicing issues with **the UAW-Ford Retiree Servicing Center, administered by Blue Cross and Blue Shield of Michigan and agreed to** move all non-claim related inquiries from the Retiree Servicing Center to the National Employee Services Center (NESC). **The implementation of this has been successfully completed.**

It is the intention of the Company and Union to continue the **National PPO** Plan claims related services presently provided through the UAW-Ford Retiree Servicing Center during the term of the **2007** Collective Bargaining Agreement so long as the Center's activities continue to meet the objectives established for it by the parties.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**1990 AGREEMENT LAYOFFS AND CONTINUING SUB BENEFITS**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

Subject: 1990 Agreement Layoffs and Continuing SUB Benefits

During these negotiations, the parties recognized the need to increase employment opportunities for laid-off Employees and improve the operational effectiveness throughout the Company.

The parties agreed, for certain Employees on layoff status as of the Effective Date, to make SUB Benefits available.

For Employees laid off during the term of the 1990, 1993, 1996 and 1999 Agreements with one or more years of Seniority as of their last day worked prior to layoff, SUB Benefits will be payable to such otherwise eligible Employees under the terms of the **2007** SUB Plan.

The following Continuing SUB Benefit provisions are applicable to Employees laid off prior to the 1990 Agreement:

1. For Employees with 10 or more years of Seniority as of their last day worked prior to layoff and after exhausting SUB Benefit entitlement under the 1987 Plan, an additional 52 weeks of "Continuing SUB Benefits" will be payable to such otherwise eligible Employees.
2. For Employees with 1 but less than 10 years of Seniority as of their last day worked prior to layoff and after exhausting SUB Benefit entitlement under the 1987 Plan, an additional 26 weeks of "Continuing SUB Benefits" will be payable to such otherwise eligible Employees.

**1990 AGREEMENT LAYOFFS AND CONTINUING SUB BENEFITS**

3. All employees' eligibility for "Continuing SUB Benefits", as detailed in (1) and (2) above, will expire at the earliest of (a) returning to work for the Company, or (b) the end of the **2007** Agreement, or (c) exhaustion of the SUB Maximum Financial Liability Cap with respect to this Plan.
4. The "Continuing SUB Benefits" will be in an amount equal to a Regular SUB Benefit paid without regard for the status of the SUB Trust Fund. "Continuing SUB Benefits" payable under this letter agreement will be charged against the SUB Maximum Financial Liability Cap established under the **2007** Agreement.
5. "Continuing SUB Benefits" paid under this letter agreement are payable in lieu of any "Continuing SUB Benefits" payable under any other letter agreement.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**ACT OF GOD DETERMINATIONS FOR EMPLOYEES REPORTING FOR WORK**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Act of God Determinations for Employees  
Reporting for Work

During the present negotiations the Union requested an explanation as to how the Company determines when weather conditions are sufficiently severe to be considered an Act of God under the Supplemental Unemployment Benefit Plan.

In making this decision the Company considers the specific weather conditions in relation to normally expected weather for the area. The weather conditions must not merely be adverse but severe. Severe weather would be expected to create hazardous travel conditions which prevent a meaningful number of Employees from reporting for work despite the exercise of reasonable effort and foresight. However, the weather conditions that would constitute an Act of God for employees who were sent home when operations were suspended would be less severe than the conditions described in the September 17, 1987, letter entitled "Act of God Determinations - Employees Not Reporting for Work".

**ACT OF GOD DETERMINATIONS FOR EMPLOYEES REPORTING  
FOR WORK**

Employees who report for work and are sent home when operations are suspended due to absenteeism of other Employees shall be considered on a qualifying layoff for the balance of the shift if the Company determines the severe weather constitutes an Act of God for such Employees reporting for work.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Global Benefits Planning and  
Special Projects  
Compensation and Benefits

Concur: Ernest Lofton

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**ACT OF GOD DETERMINATIONS —  
EMPLOYEES NOT REPORTING FOR WORK**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Act of God Determinations — Employees Not  
Reporting for Work

During the present negotiations, you requested an explanation as to how Company determinations are made that Employees are or are not on a qualifying layoff, within the meaning of Article I, Section 3 of the Supplemental Unemployment Benefit Plan, in the event of severe weather constituting an Act of God.

In making these decisions the Company considers the following factors:

- Weather conditions in relation to normally expected weather for the area and the experience of local governmental agencies and the population in dealing with such weather.
- Existence of legally enforceable government directive affecting a substantial number of Employees, that any motorist will receive a fine for any driving in the affected area including television or radio announcements that driving is prohibited due to road closings.
- Disaster area declarations.
- Weather related experience of other area employers (especially any other automotive manufacturers in the area).
- Road closings in the vicinity of the facility which prevent reasonable access to the facility.
- Effect of severe weather on the facility, e.g., collapsed walls, power outages, inability to move stock, etc.
- School closings.
- Airport closings.



**ACT OF GOD DETERMINATIONS —  
EMPLOYEES NOT REPORTING FOR WORK**

- Government office closings.
- Postponement or cancellation of public or private events.
- Shutdown or serious weather-related impairment of rail and truck transportation.
- Attendance and tardiness patterns in the Plant and other Company Facilities in the area.

No single factor in and of itself may be determinative. These factors are considered as a whole based on a reasonable assessment. The critical determination is the impact of the severe weather, based on the pertinent factors listed above, on Employees and Facilities.

With respect to a day during which a plant operates in an area in which severe weather conditions have occurred, if over 40% of the Employees scheduled to report for work on a shift do not report to work at any time during their shift, the facts and circumstances of the local situation will be reviewed by the Company and a decision shall be made with respect to any SUB Plan eligibility for an Employee for such day.

It was also agreed by the parties during these negotiations that in the case of an Employee who reports for work on a day for which a Company determination is made that a qualifying layoff, by reasons of severe weather, exists with respect to Employees in such plant who did not report for work, all hours worked by such reporting Employee will be disregarded in calculating Compensated or Available Hours for the Week and such Employee shall be deemed to be on qualified layoff for the shift.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**ACTS OF TERRORISM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Acts of Terrorism**

**During the 2007 negotiations, the parties discussed issues concerning acts of terrorism worldwide. The parties recognize that the Acts of Terrorism provisions of Article I Section 3 (b) (2) (vi) provide that layoff resulting from these types of events are not qualifying layoffs under the Plan.**

**The parties further recognize that the desirability of providing income security to employees impacted by these events must be balanced with overall impact on the Company.**

**The parties agreed that should events occur that would fall under these provisions, they would discuss the circumstances surrounding each event before relying on the above cited provisions.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**AUTOMATED SUB APPLICATION PROCEDURE**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Automated SUB Application Procedure

During these negotiations, the Company and Union recognized the need to improve the timeliness and accuracy of SUB Regular Benefit payments and to improve the efficiency of the application procedure.

The parties agreed to pursue the implementation of an Automated SUB Regular Benefit Application Procedure. The procedure would be implemented initially in Michigan with roll out to other states on a mutually-agreed basis as these other states develop the ability to provide the requisite information to the Company.

The automated procedure would be applicable to laid off Employees eligible for Regular Benefits under the Ford-UAW SUB Plan who receive a State System Benefit. The contemplated procedure described below is subject to the development of specific business process rules and the establishment of effective means of transferring potentially large volumes of information from the states to the Company.

Under the automated procedure, the Company would utilize State System Benefit payment information provided by the states to calculate the payment of Regular Benefits for each full week of layoff. For this purpose, each otherwise SUB eligible Employee's application for a State System Benefit for each week will constitute an application for a SUB Regular Benefit for the respective week. The submission of a written Regular Benefit application for each week of layoff will not be required by an Employee otherwise eligible under the automated procedure.

#### **AUTOMATED SUB APPLICATION PROCEDURE**

A laid off Employee ineligible for a State System Benefit will be required to submit an application form for each week of layoff in accordance with the present Regular Benefit application procedure.

A basic condition upon which the automated SUB application procedure would be implemented is the Company's ability to obtain from the states in a timely and acceptable format, all State System Benefit payment information, including, but not limited to, any weekly Unemployment Compensation (UC), Trade Readjustment Allowance (TRA), Extended Unemployment Compensation and Emergency Unemployment Compensation (EUC), necessary for the Company's determination of an Employee's eligibility for, and the amount of, a Regular Benefit under the Ford-UAW SUB Plan. If timely and acceptable State System Benefit information becomes unavailable from a state after an automated procedure has been implemented, the automated procedure will be suspended in that state immediately and eligible Employees will be required to submit applications in accordance with the present Regular Benefit application procedure.

As noted, when these automated SUB application procedures apply, an Employee's application for a State Benefit will constitute submitting an application (and supporting information) for Regular Benefits from the SUB Plan with the same force and effect as though the Employee had provided the application (and related information) directly to the Plan on a paper application. Although information initially is submitted to the State Benefit system, as it affects SUB processing, the Employee will have the same responsibility for providing accurate information as applies for paper SUB applications (with determinations and appeals regarding possible SUB errors or misrepresentations determined solely under the present SUB review provisions).

In the event a significant number of Employees at a plant receive a State System Benefit and are determined by the Company to be ineligible for a Regular Benefit because they are not on a qualifying layoff under the provisions of Article I, Section 3(b)(2) of the SUB Plan, the Company will promptly notify the National Ford Department and Local Unions of such determination. In addition, the Company's determination will be posted on local plant bulletin boards in accordance with

**AUTOMATED SUB APPLICATION PROCEDURE**

local practices. Such posting will be deemed to satisfy the denial of benefits notice requirements as provided under Article V, Section 2(c) of the SUB Plan. This provision is intended solely to prevent substantial and duplicative SUB administrative processing and will not be interpreted in such a manner as to preclude any Employee from filing an appeal with respect to any such Company determination.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Benefits Planning and Research Department  
Employee Relations Staff

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**BASE HOURLY RATE DEFINITION  
UNDER CERTAIN CIRCUMSTANCES**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Base Hourly Rate Definition Under Certain  
Circumstances

During the present negotiations, the parties discussed provisions in the Supplemental Unemployment Benefit (SUB) Plan and the Guaranteed Income Stream (GIS) Benefit Program which define "Base Hourly Rate". The concern was with Employees who experience reclassification to lower hourly rated jobs as a result of Seniority layoffs in connection with the gradual curtailment of operations prior to a plant closing.

The parties agreed that effective for a layoff on or after the Effective Date the references in Article IX(4) of the SUB Plan and in Section 19C of the GIS Program to ninety (90) calendar days will be changed to one year if an Employee experiences a permanent layoff due to a plant closing.

Very truly yours,

PETER T. ZACHARY, Manager  
Employee Benefits Department  
Employee Relations Staff

Concur: Stephen P. Yokich

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**ELIMINATION OF THE GUARANTEED INCOME STREAM  
BENEFIT (GIS) PROGRAM**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Elimination of the Guaranteed Income  
Stream Benefit (GIS) Program**

**This letter confirms our understanding reached during these negotiations regarding the elimination of the Guaranteed Income Stream Benefit (GIS) Program. The Company and the Union have agreed that the GIS Program will be eliminated with the effective date of this Agreement. Should the Job Security Program (JSP), provided for under Appendix M, be eliminated prior to the expiration of the 2011 Agreement, the parties have agreed to reinstate the GIS Program immediately under the terms and conditions of the 2003 Guaranteed Income Stream Benefit Agreement and Program.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**EMPLOYER FILED UNEMPLOYMENT COMPENSATION CLAIMS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Employer Filed Unemployment Compensation  
Claims

During these negotiations, the Union expressed its interest to expand the employer filed unemployment claims process beyond its present Michigan, Missouri and Georgia locations to Company locations in other states. This is consistent with the growing interest by many states to implement various remote initiated unemployment compensation claims processes, e.g., telephone, internet and employer filed.

The Company and Union agreed to pursue the expansion of the remote initiated claims process to the benefit of those employees who are laid off from Company locations. The feasibility of implementing this process will be explored mutually, with an initial focus on those states having the larger numbers of Company employees. The final determination to implement will be based on factors such as: state willingness to participate; the ability of the Company to meet state data requirements in a mutually agreeable format; the ability of the Company and state to find mutually agreeable data transmission methods; development and maintenance costs; and other related factors.

The Company and Union agreed to initiate this review after the conclusion of bargaining.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**EXHAUSTION OF SUB CAP**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Exhaustion of SUB Cap

This will confirm an understanding between the Company and the Union with respect to the **2007** SUB Plan.

In the event the SUB Maximum Financial Liability Cap, as adjusted by any amount shifted between the **JSP** and SUB accounts, and including any additional amount generated by the formula (which cannot exceed \$200 million) under Section 3(d) of Article VII, becomes exhausted with respect to the **2007** SUB Plan at any time during the period covered by such Plan, the applicable provisions of the 1987 SUB Plan (including benefit eligibility, calculation, duration and funding) shall be reinstated to provide thereunder SUB benefits for subsequent Weeks of layoff to otherwise eligible Employees. It is further understood that should the 1987 SUB Plan be reinstated, it will include (i) a book account balance of \$180,247,354 to be used for the payment of SUB benefits thereafter under the 1987 Plan provisions, and including usage, under the 1987 SUB Plan provisions, of the ACA and GBA contingency account balances as of October 29, 1990, (ii) contributions based on hours compensated will be based on Article VII, Section 5 of the 1987 Plan, as modified by this letter, with the percentage relationship of the value of the assets of the Fund to the maximum funding of the Fund determined including the balance in the book account in determining the asset value, (iii) any balance in the book account will be treated as assets in the Fund for determining the CUCB for credit Unit exchange purposes and all other provisions in which the assets affect benefits or financing, and (iv) additional contributions will be made to the Fund equal to interest on an amount equal to the balance in the book account on the same basis as if that amount were in the Fund.

**EXHAUSTION OF SUB CAP**

As of such 1987 Plan reinstatement date, an Employee's Credit Unit balance, if any, shall be the unused balance of Credit Units (i) to the employee's credit on October 29, 1990, if on the active employment rolls on such date, or (ii) remaining to the employee's credit as of the employee's return to work date subsequent to October 29, 1990, if on layoff on October 29, 1990, or (iii) remaining to the employee's credit as of the 1987 Plan reinstatement date, if the employee is on layoff as of October 29, 1990 and does not return to work prior to such Plan reinstatement date, or (iv) suspended under the provisions of item #2 of the "Level of Benefit Entitlement for Laid-Off Employees" Letter of Understanding attached to the 1990 SUB Plan, dated October 7, 1990.

In addition, should the 1987 SUB Plan be reinstated by the Company during the period covered by the **2007** SUB Plan, the Company contribution schedule set forth in Table D of the 1987 Plan shall be increased across the board by 4 cents.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**EXPANSION OF AUTOMATED SUB APPLICATION (AUTOSUB)  
PROCEDURE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Expansion of Automated SUB Application  
(AutoSUB) Procedure

During these negotiations, the Company and Union recognized the success of the AutoSUB procedure, where implemented, in achieving its objectives of improving timeliness and accuracy of SUB Regular Benefit payments and the efficiency of the application procedure.

The parties agreed to pursue expansion of the AutoSUB procedure to other states as the Company and these other states develop the ability to exchange requisite information in an efficient and timely manner, taking into consideration factors such as: identification of mutually agreeable data transmission methods; development and maintenance costs; and other related factors.

The Company and Union agree to initiate this review after the conclusion of bargaining.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**EXTENDED SUB BENEFITS — CLOSED PLANTS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Extended SUB Benefits — Closed Plants

During these negotiations, the parties recognized the need to increase employment opportunities for laid-off Employees and improve the operational effectiveness throughout the Company.

The parties agreed, for certain Employees on layoff status as of October 22, 1990, to make available additional Weeks of Extended SUB Benefits.

The following Extended SUB Benefit provisions are applicable to such Employees:

1. For Employees with 10 or more years of Seniority as of their last day worked prior to layoff as a result of a plant closing, consolidation, cessation or idling announced during the term of the 1987 Agreement, 65 weeks of "Extended SUB Benefits" will be payable to such otherwise eligible Employees.
2. For Employees with 1 but less than 10 years of Seniority as of their last day worked prior to layoff as a result of a plant closing, consolidation, cessation or idling announced during the term of the 1987 Agreement, 39 weeks of "Extended SUB Benefits" will be payable to such otherwise eligible Employees.
3. All Employees' eligibility for "Extended SUB Benefits", as detailed in (1) and (2) above, will expire at the earliest of (a) returning to work for the Company, or (b) the end of the **2007** Agreement.

**EXTENDED SUB BENEFITS — CLOSED PLANTS**

4. The "Extended SUB Benefits" will be in an amount equal to a Regular SUB Benefit paid without regard for the status of the SUB Trust Fund. "Extended SUB Benefits" payable under this letter agreement will not be charged against the SUB Maximum Financial Liability Cap established under the **2007** Agreement.
5. "Extended SUB Benefits" paid under this letter agreement are payable in lieu of any "Continuing SUB Benefits" payable under any other letter agreement.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**GIS — HEALTH CARE COVERAGE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: GIS — Health Care Coverage

The purpose of this letter is to confirm the discussions between the parties during these negotiations as to the supplementary nature of the hospital-surgical-medical coverage (HSM Coverage) or hospital-surgical-medical-prescription drug-vision-hearing aid coverage (HSMDVH Coverage) under Section 4B of the Guaranteed Income Stream Benefit Program (the GIS Program). The Company will provide HSM Coverage or HSMDVH Coverage in accordance with the applicable provisions of Section 1 of the H-S-M-D-D-V Program through Blue Cross and Blue Shield of Michigan utilizing an Administrative Services Only arrangement. If any insurer or self-insurer whose hospital-surgical-medical coverage or hospital-surgical-medical-prescription drug-vision-hearing aid coverage is intended to be supplemented denies benefits to an Employee because of the coverage available under the GIS Program, the Company will take such steps as it deems appropriate to compel the insurer or self-insurer to provide such coverage. Further, as stated in Section 5D of the Agreement concerning the GIS Program, the Program may be modified by the Company, with respect to eligible Employees in a state where other such coverage is being denied, in order to meet the intent of the parties to provide HSM or HSMDVH Coverage on a supplementary basis.

**GIS — HEALTH CARE COVERAGE**

In the interim, however, Blue Cross and Blue Shield of Michigan will reimburse the eligible Employee or the provider for payments otherwise covered by the HSM or HSM-DVH Coverage as if there were no other such coverage available to the Employee.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**JOB SECURITY PROGRAM —  
GEN PROVISIONS RELATING TO SUB**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Job Security Program — GEN Provisions Relating  
to SUB

During these 1999 negotiations, the parties agreed to continue Appendix M to the Collective Bargaining Agreement titled “Memorandum of Understanding — Job Security Program — GEN”.

The parties have agreed that if, and when, the provisions of the 1987 SUB Plan are reinstated in accordance with the “Exhaustion of SUB Cap” Letter of Understanding between the parties, dated October 9, 1999, the following provision regarding charges against future Company contributions to the SUB Fund will apply.

The wages, including COLA and applicable shift premium, of a Protected employee not assigned to an opening due to a volume increase will be charged as follows: (1) the gross amount the employee would otherwise receive from the Trust Fund in Supplemental Unemployment Benefits will be charged against future Company contributions to the SUB fund, (2) the amount the employee would otherwise receive as a Guaranteed Income Stream Benefit will be charged against the GIS Program and (3) the remainder will be charged as a plant payroll expense.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger



**REPAYMENT OF TRA-RELATED SUB OVERPAYMENTS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Repayment of TRA-related SUB Overpayments

This will confirm an understanding between the Company and the Union with respect to the repayment of TRA-related SUB overpayments.

The parties have agreed the SUB overpayment recovery provisions in Article II, Section 4 (b) of the SUB Plan shall be modified for the term of the 1999 Agreement. The modified provision shall provide that if an Employee fails to return a TRA-related overpayment promptly, the Trustee shall arrange to reimburse the SUB Fund for the amount of overpayment by making a deduction from any future SUB Benefit (not to exceed an amount equal to one-half of any one Benefit, up to a maximum of \$50) or Separation Payment otherwise payable to the Employee or by requesting the Company to make a deduction from compensation payable by the Company to such Employee (not to exceed \$50 from any one paycheck), or both.

This modification of Article II, Section 4 (b) is applicable only to TRA-related SUB overpayments. All SUB overpayments from other causes will continue to be subject to the recovery provisions of the 1999 Ford-UAW SUB Plan.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**SEPARATION PAYMENT WAIVER — PLANT CLOSINGS,  
DISCONTINUANCE OF OPERATIONS AND PERMANENT  
LAYOFFS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Separation Payment Waiver — Plant Closings,  
Discontinuance of Operations and Permanent  
Layoffs

The conditions of eligibility for a Separation Payment based on layoff, as set forth in Article IV of the **2007** Supplemental Unemployment Benefit (SUB) Plan, include the requirement that an Employee have been on layoff “. . . for a continuous period of at least twelve (12) months (or any shorter period determined by the Company).”

This is to confirm our understanding with you reached in these negotiations that during the term of the **2007** SUB Plan, the Company will waive the twelve (12) month Separation Payment layoff waiting period described above with respect to layoffs resulting from plant closings, discontinuance of operations or other circumstances or events in which layoffs appear to be permanent and the Employees involved appear to have no further opportunity for employment with the Company.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**SUB ELIGIBILITY FOR CERTAIN NEW EMPLOYEES**

September 15, 1993

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: SUB Eligibility For Certain New Employees

This is to confirm our understanding reached during the 1993 negotiations that Company employees who begin employment in the Contract Unit after having acquired at least one year of seniority for the Company in another collective bargaining unit will be considered to have one year of seniority in the Contract Unit for purposes of eligibility for benefits under the Ford-UAW SUB Plan.

It is expressly understood that the waiver of the requirement for one year of seniority for SUB eligibility shall have no effect on any other seniority requirements provided either in the SUB Plan or in any other plan or in any agreement entered into between the Company and the UAW.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Benefits Planning and Research Department  
Employee Relations Staff

Concur: Ernest Lofton

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**UNION DUES DEDUCTIONS — SUB**

October 31, 1973

Mr. Ken Bannon, Vice President  
Director—Ford Department  
International Union, UAW  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bannon:

Subject: Union Dues Deductions — SUB

This will confirm the understanding reached during our recent negotiations that, commencing with the first pay period ending after January 1, 1974, if Union dues have not been deducted from wages of an Employee in prior pay periods during any month, \$5.00, or such other amount as may be established as dues, shall be deducted from the Employee's first Regular Supplemental Unemployment Benefit payment under the Ford-UAW Plan during such month and remitted by the Trustee to the Financial Secretaries of the Local Unions, provided that the Employee has executed an Assignment and Authorization for Check-Off of Membership Dues form for the month or months for which and in which the deduction is made, and provided, further, that the Employee is entitled to a Regular SUB payment which is sufficient in amount to cover the Union dues. If the Employee returns to work in the month in which a deduction for such dues has been made from a Regular SUB payment, any additional Membership Dues required shall be deducted from his wages and remitted to the Financial Secretaries of the Local Unions in accordance with Article III of the Collective Bargaining Agreement.

Very truly yours,

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

**VACATION SHUTDOWN - INSUFFICIENT VACATION ELIGIBILITY**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Vacation Shutdown - Insufficient Vacation  
Eligibility

During these negotiations, the parties discussed how vacation pay, under certain circumstances, can impact the amount of an employee's SUB Regular Benefit during the second week of a plant vacation shutdown.

Notwithstanding the Plan provisions contained in Article II, Section 1(a), the Company and Union agreed to the following in those instances of a two-week plant vacation shutdown (as provided for in Volume I, Section 25(b) of the Agreement), where an employee, due solely to vacation eligibility provisions in Volume I, Article IX, Section 24, has insufficient vacation eligibility hours to cover the second week. The amount of wages received or receivable by the Employee from the Company that will be used in the calculation of the amount of Regular Benefits shall be the excess of the greater of \$10 or 20% of such wages.

Nothing in this understanding waives the employee's obligations to satisfy the State System Benefit requirements (Article I, Section 1 of the SUB Plan), or other eligibility requirements.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**FORD PROFIT SHARING FOR CERTAIN AAI SERVICES  
EMPLOYEES**

April 27, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Ford Profit Sharing for Certain AAI Services  
Employees

This will confirm the parties' understanding that for purposes of the Ford-UAW Profit Sharing Plan as applicable to Eligible Hourly Employees of AAI Employee Services Company, L.L.C. represented by the UAW ("AAI Services Employees"), the definition of Eligible Pay set forth in Definition 10 of the Profit Sharing Plan for Hourly Employees paid by or on behalf of AutoAlliance International, Inc. ("AAI") in respect of injuries incurred by such employees prior to March 24, 1997, provided that the AAI Services Employee's Eligible Pay otherwise meets the requirements of Definition 10. The effective date of this change shall be retroactive to March 24, 1997.

This letter shall constitute an amendment to the Ford-UAW Profit Sharing Plan and to the Transition Agreement dated as of February 28, 1997 between Ford, AAI and the UAW and shall be construed and applied as if it were incorporated therein.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

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**PROFIT SHARING PLAN — ESTABLISHMENT OF SUBSIDIARIES**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Profit Sharing Plan — Establishment of  
Subsidiaries

This letter is to clarify that the Company agrees to provide the Union with information as to the revenues of subsidiaries established or acquired since 1998 and the percentage of such revenues which is Automotive Related (as defined in the Profit Sharing Plan). The Company will notify the Union of the Company's determination of whether or not such subsidiaries are Automotive Related and the basis upon which such determination was made.

The Company agreed that, in the event a non-Automotive Related subsidiary is established from an existing component or components of U. S. Operations in which employees are covered by the Collective Bargaining Agreements, such subsidiary's sales and profits would be included in Sales and Profits (as such terms are defined in the Plan), for purposes of determining the Total Profit Share, in the same proportion that sales of the operations formerly included in U.S. Operations that are included in such subsidiary bear to the total U.S. sales of such subsidiary. Such calculations would be made for each Plan Year using the proportion determined for the latest year for which such sales data are available.

The Company further agreed that such otherwise eligible employees covered by the Collective Bargaining Agreements included in such newly established subsidiaries would continue to be covered by the **2007** Profit Sharing Agreement. Such employees shall be considered Eligible Hourly Employees (as such term is defined in the Plan) for all purposes of the Plan. Also, for purposes of determining the Allocated Profit Share, the number of Salaried Employees of such subsidiaries will be deemed to be the number of persons who

**PROFIT SHARING PLAN — ESTABLISHMENT OF SUBSIDIARIES**

would have been Salaried Employees if the component of the newly established subsidiary had remained a component of U.S. Operations or, if such number is unavailable, that number will be determined by multiplying the number of Eligible Hourly Employees at such subsidiary by the ratio of the number of Salaried Employees on the last date such number was available to the number of Eligible Hourly Employees on such date.

The parties agree to work out a mutually satisfactory solution to any technical problem that may arise in implementing this understanding.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: **Bob King**

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**PROFIT SHARING PLAN —  
INFORMATION TO BE PROVIDED TO THE UNION**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Profit Sharing Plan — Information to be Provided  
to the Union

This will confirm the understanding reached during our recent discussions with the Union regarding the information to be provided to the Union supporting computations made to compute the “Total Profit Share” and “Allocation of Profit Share Among Plans” in the Profit Sharing Plan for Hourly Employees in the United States (the Profit Sharing Plan).

In these discussions we advised the Union that for each Plan Year the Company would provide the following information:

- a summary report of sales and profits, adjusted in accordance with the Profit Sharing Plan, similar to the attached format;
- a report displaying the computation of the Total Profit Share and Allocation of Profit Share Among Plans;
- annual consolidated statement of income including the footnotes which will appear in the financial statements in the Annual Report to stockholders for the Plan Year; and
- a statement of the impact of changes described in the footnotes on U.S. Operations as defined in the Profit Sharing Plan.

The data reported will be certified by the independent public accountants in accordance with the Profit Sharing Plan.

The Company will provide the Union with the information described above as soon as practicable after it becomes available.

**PROFIT SHARING PLAN —  
INFORMATION TO BE PROVIDED TO THE UNION**

This understanding has been reached on the basis that the Union will ensure that, until and to the extent the information is made available by the Company to the public at large, the information will be disclosed only to those reviewing for the Union the computations related to the Profit Sharing Plan and neither the Union nor anyone reviewing such information for the Union will make any other disclosure of the information.

Your concurrence in the above may be indicated by signing the duplicate of this letter and returning it to this office.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Attachment

Concur: **Bob King**

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**PROFIT SHARING PLAN —  
INFORMATION TO BE PROVIDED TO THE UNION**

ATTACHMENT

**HOURLY PROFIT SHARING PLAN**

Sales & Profits, As Defined in the Plan,  
for the Year Ended December 31, 2011

	<u>Sales</u>		<u>Profits</u>
Ford and consolidated subsidiaries <b>(excluding Ford Motor Credit Company and its partially or wholly-owned subsidiaries)</b>	\$	Income before income taxes of Ford and consolidated subsidiaries <b>(excluding Ford Motor Credit Company and its partially or wholly-owned subsidiaries)</b>	\$
<u>Plus or (Minus):</u>		<u>Plus or (Minus):</u>	
<ul style="list-style-type: none"> <li>• (a)(i) Domestic consolidated subsidiaries not included in U. S. Operations as defined in the Plan</li> <li>• (a)(ii) All consolidated subsidiaries that are not domestic consolidated subsidiaries: <ul style="list-style-type: none"> <li>- Canada</li> <li>- Europe</li> <li>- Latin America</li> <li>- Other foreign</li> </ul> </li> <li>• (b) Sales of Ford and consolidated subsidiaries attributable to foreign branches</li> </ul>		<ul style="list-style-type: none"> <li>• (a)(i) Domestic consolidated subsidiaries not included in U. S. Operations as defined in the Plan</li> <li>• (a)(ii) All consolidated subsidiaries that are not domestic consolidated subsidiaries (excluding Ford International Capital Corporation and Ford International Finance Corporation) Ford International Capital Corporation and Ford International Finance Corporation</li> <li>• (b)(i) Domestic unconsolidated subsidiaries and affiliates not included in U.S. Operations</li> <li>• (b)(ii) Foreign unconsolidated subsidiaries and foreign affiliates</li> </ul>	

**PROFIT SHARING PLAN —  
INFORMATION TO BE PROVIDED TO THE UNION**

	<u>Sales</u>	<u>Profits</u>
<ul style="list-style-type: none"> <li>• (c) Sales of Ford to:               <ul style="list-style-type: none"> <li>- Other subsidiaries not included in U.S. operations<sup>1</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• (c) Ford Motor foreign branches</li> <li>• (d) Extraordinary income or loss</li> <li>• (e) Annual Incentive Compensation Plan<sup>2</sup></li> <li>• The amount that would have been paid to eligible Salaried Employees under Profit Sharing Plan for Salaried Employees had it not been terminated.</li> <li>• Profit Sharing Plan (Hourly Allocation Only)</li> <li>• (f)(g) Operating results related to disposal of business segment or extraordinary item</li> <li>• Adjustments for taxes and minority interest in accordance with Article XIII</li> </ul>	
<p>Total sales as defined in Plan</p>	<p>\$ _____</p>	<p>Total profits as defined in Plan<sup>3</sup></p> <p>\$ _____</p>

<sup>1/</sup> Excludes \$ \_\_\_\_\_ of sales by subsidiaries not included in the U.S. Operations to other subsidiaries not included in U.S. Operations.

<sup>2/</sup> Net of subsidiaries and operations included in (a) (i), (b) (i) above and non-U.S. Operations.

<sup>3/</sup> Includes profits on sales by U.S. Operations to other Company components not included in U.S. Operations.

**PROFIT SHARING PLAN — LOCAL UNION LEAVE**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: Profit Sharing Plan — Local Union Leave

During discussions between the parties held in conjunction with completing the Profit Sharing Plan language, the Union requested that all employees on leave under Article VIII, Section 31(a) of the present Collective Bargaining Agreement between the Company and the Union to engage in the business of or to work for the Local Union be included as eligible participants under such Plan. The Company pointed out, however, that certain employees, such as Trustees, Sergeants at Arms, and Guides, and any other employees not involved in the in-plant administration of the Collective Bargaining Agreement, would not be included in the Plan, and would not receive eligible pay under the Plan while on such leave. Moreover, it is understood that the Local Union will advise Local Management each year, in December, of the name, Social Security number, job title and periods of time each employee is eligible for benefits under the Profit Sharing Plan. Local Management shall review and verify whether the employee was on approved leave.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Global Benefits Planning and  
Special Projects  
Compensation and Benefits

Concur: Ernest Lofton

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**PROFIT SHARING PLAN — UP FRONT LUMP SUM PAYMENT**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Profit Sharing Plan — Up Front Lump Sum  
Payment

During these negotiations, the Company and the Union agreed to amend the 1999 Profit Sharing Plan (“the 1999 Plan”) to include the Up Front Lump Sum Payment in the definition of Eligible Pay for the 2003 Plan Year of the 1999 Plan.

Modifications to the Plan resulting from this letter should not be interpreted to revise any previously existing eligibility provisions except as specifically provided herein.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**ADMINISTRATIVE REVISIONS TESPHE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Administrative Revisions TESPHE

During the recent negotiations, the Company and the Union agreed that further revision in TESPHE administrative provisions and investment matters could be discussed by the parties during the term of the 2003 Agreement and changes implemented by the mutual agreement of the parties.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**ANNUAL TAX-EFFICIENT SAVINGS PLAN FOR HOURLY  
EMPLOYEES (TESPHE) REVIEW**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Annual Tax-Efficient Savings Plan for Hourly  
Employees (TESPHE) Review

During these negotiations, the parties discussed the Union's interest in a more active role in understanding the direction of the Tax-Efficient Savings Plan for Hourly Employees (TESPHE). To this end, the parties agreed that the Investment Process Committee (IPC) and Fidelity would make an annual presentation to the Company and the Union on TESPHE. The review will include such items as:

- Plan participation
- Account status and activity
- Average participant Account Balance
- Amount of assets in available investment options
- Fund Performance and Expense Ratios
- Plan Expenses

At the joint request of the parties, the IPC will review the current array of funds and other future directions, and report to the Union any recommendations that will be proposed to the appropriate approval authority for TESPHE.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**FUTURE INCREASES IN THE EMPLOYEE CONTRIBUTIONS  
MAXIMUMS**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: Future Increases in the Employee Contributions  
Maximums

During these negotiations, the parties discussed tying future increases in the amount employees may contribute to the Tax-Efficient Savings Plan for Hourly Employees to future increases in the IRS maximum annual additions under Section 415 of the Internal Revenue Code. It was agreed that should there be changes to Section 415, that in whole or in part involve a limit increase, provided such changes do not require contributions (other than administrative costs) by the Company, the parties would determine a mutually agreeable implementation schedule. It is the intent of the parties to permit future increases in the Section 415 limit to be reflected in the maximum percentage deduction employees may authorize under the Tax-Efficient Savings Plan for Hourly Employees.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**INCREMENTAL LOAN PAYMENTS - TESPHE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Incremental Loan Payments - TESPHE

During these negotiations, the parties agreed to allow members to make payments in addition to the scheduled loan payments indicated on the Participant Loan Agreement and Truth-in-Lending Disclosure. Such payments must be in the form of certified check, cashier's check, or money order.

While these additional payments will allow members to accelerate loan payoff, they are not substitutes for the prescribed loan payments based on the amortization schedule. Failure to make these scheduled payments on a timely basis will result in default. The defaulted outstanding balance and accrued interest may be fully taxable to the member.

Members may contact the Fidelity Service Center to make arrangements for the additional loan payments any time after January 1, 2004.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**INITIATING LOANS WHILE ON LEAVE - TESPHE**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: Initiating Loans While on Leave - TESPHE

During these negotiations, the parties agreed to allow members who are placed on a "leave of absence" from the Company to initiate loans, subject to such regulations as the Committee from time to time may prescribe. Repayment will be made through coupons.

As with any loan under the Plan, failure to make payments on a timely basis, as required by the Truth-In-Lending Agreement, will result in default. The defaulted outstanding balance and accrued interest may be fully taxable to the member.

Implementation of this feature is projected for 1st quarter 2004.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**REFLECTION OF YEAR-TO-DATE TESPHE  
CONTRIBUTIONS ON HOURLY PAY CHECK STUB**

September 17, 1987

Mr. Stephen P. Yokich  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Yokich:

Subject: Reflection of Year-to-Date TESPHE Contributions  
on Hourly Pay Check Stub

This will confirm the understanding reached during the current negotiations that, effective with the first pay ending in January 1988, the hourly pay check stub will reflect year-to-date TESPHE contributions for those employees electing to participate in the Plan.

Very truly yours,

ARTHUR W. HANLON, Director  
Union Affairs Office  
Employee Relations Staff

Concur: Stephen P. Yokich

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**TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES  
(TESPHE)**

August 1, 1995

Mr. Robert Pokerwinski  
Coordinator, Benefits Section  
UAW National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Pokerwinski:

Subject: Tax-Efficient Savings Plan for Hourly Employees  
(TESPHE)

With the transfer of administration of the Tax-Efficient Savings Plan for Hourly Employees (TESPHE) to Fidelity Institutional Retirement Services Company, procedures regarding the repayment of TESPHE loans by retirees are amended as follows:

- Employees retiring on or before October 1, 1995, will continue to have pension check deductions made to repay their TESPHE loan, if they have arranged to have loan repayments deducted from their checks before September 27. (These persons could also elect to pay off their loan at retirement).
- Employees retiring after October 1, 1995, may elect to continue to make TESPHE loan repayments using a coupon book, or pay off their loan at retirement.

Sincerely,

JOHN FERGUSON, Director  
National Employee Services Center

Concur: Robert Pokerwinski

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**TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES  
("TESPHE") – ELIGIBLE AUTOMATIC ENROLLMENT  
ARRANGEMENT**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Tax-Efficient Savings Plan for Hourly  
Employees ("TESPHE") – Eligible Automatic  
Enrollment Arrangement**

The parties recognize the importance of saving for retirement, and that the TESPHE is an effective tool to accomplish this goal. To this end, the parties agreed, during these negotiations, to implement an Eligible Automatic Enrollment Arrangement ("automatic enrollment") as provided for under Section 414(w)(3) of the Internal Revenue Code of 1986 ("Code"), as amended, with a permissive withdrawal feature. Timing of implementation of automatic enrollment is subject to the recordkeeper's ability to provide full functionality of the agreed upon features. The projected implementation date is July 2008, or as soon as administratively feasible thereafter.

Automatic enrollment will apply to all non-participating Employees, unless they have made an affirmative election not to contribute to the TESPHE (e.g., stopped contributions or opted out of participation). Affected Employees will be given a minimum 45 day notification period before the initial contribution is deducted to allow Employees to opt out. No deductions will be taken before the Employee's eligibility date.

**TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES  
("TESPHE") – ELIGIBLE AUTOMATIC ENROLLMENT  
ARRANGEMENT**

Employees subject to automatic enrollment will be deemed to have elected to have the Company contribute 3% of eligible wages as a Tax-Efficient Savings Contribution under the TESPHE. The default investment option for such contributions will be a target-date fund (based on the Employee's age and assuming the Employee will begin distribution of his or her assets at age 65). Employees may elect another investment option for such contributions and/or transfer the assets to any available investment option under the Plan at any time.

Employees may make a request to cancel automatic enrollment contributions at any time. They also may request a withdrawal of that portion of their account balance attributable to automatic enrollment, as prescribed under Code Sections 414(w)(1) and 414(w)(2), as may be amended, and in such a manner and at such time as the Committee may determine. The withdrawal request must be made within 90 days from the first automatic enrollment contribution. The amount distributed as a result of the withdrawal will represent the market value (including any gains or losses) of that portion of the Employee's account balance attributable to automatic enrollment. The distribution will include the Employee's account balance attributable to automatic enrollment contributions through the effective date of any request for withdrawal.

The TESPHE will be amended accordingly.

Very truly yours,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

Concur: Bob King

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**TAX-EFFICIENT SAVINGS PLAN FOR HOURLY EMPLOYEES  
(TESPHE) – FEES AND EXPENSES**

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Tax-Efficient Savings Plan for Hourly  
Employees (TESPHE) – Fees and Expenses**

**During the course of these negotiations, the parties discussed the topic of fees and expenses in the TESPHE.**

**In response to the Union's data request, the Company provided the Union with a significant amount of information relating to fees and expenses associated with mutual fund and non-mutual fund options.**

**As a result of these discussions, the parties agreed to meet during the first six months following the conclusion of bargaining to determine the next steps with regard to providing additional information relative to fees and expenses associated with the mutual fund and non-mutual fund options. Also, the Company will continue to provide additional information relative to fees and expenses associated with the mutual fund and non-mutual fund options if requested by the Union.**

**Finally, the parties will retain an independent consultant in 2009 to assess and report on the performance as well as fees and expenses of the fund line-up, as mutually directed by the parties.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**TESPHE - EDUCATION**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Subject: TESPHE - Education

During these negotiations, the Company and the Union agreed to continue the communication/education program and to jointly pursue ways to increase employee's understanding of the Plan and of the investment alternatives and strategies. In these efforts, the parties would work with Fidelity to encourage greater participation in the Plan by employees at all locations.

The Company also agreed it would continue to make Plan information available to hourly employees prior to their eligibility.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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**TESPHE — PROFIT SHARING DISTRIBUTIONS**

September 16, 1996

Mr. Ernest Lofton  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Lofton:

Subject: TESPHE — Profit Sharing Distributions

During these negotiations, the parties agreed that eligible employees who did not have their Profit Sharing distribution contributed to the Tax-Efficient Savings Plan for Hourly Employees ("TESPHE") on Profit Sharing day in accordance with their election due to Company error may return their Profit Sharing paycheck to their Company Hourly Personnel and Labor Relations Office within five working days of Profit Sharing day and have their Profit Sharing distribution contributed to the TESPHE as if the error had not occurred.

The Company also agreed that a description of an employee's Profit Sharing distribution election, and instructions to be followed in the event of an error, would appear on the stub of a regular paycheck issued to the employee prior to the distribution. The Company further agreed that instructions to be followed in the event of an error would appear on the stub of the Profit Sharing distribution check.

Very truly yours,

WILLIAM E. QUARTERMAN, Manager  
Global Benefits Planning and  
Special Projects  
Compensation and Benefits

Concur: Ernest Lofton

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**TESPHE - SOCIALLY RESPONSIBLE INVESTMENT OPTIONS**

September 15, 2003

Mr. Gerald D. Bantom  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Bantom:

Subject: TESPHE - Socially Responsible Investment  
Options

During these negotiations, the parties discussed offering two socially responsible investments options under TESPHE to provide diversification within the socially responsible segment. By the end of the year, a review will be conducted of the Domini Social Bond Fund (a fixed-income fund) and the Pax World Balanced fund (a blended fund). It was further agreed that if funds are not acceptable to both parties, additional socially responsible investment options will be reviewed to enable the inclusion in TESPHE of two mutually acceptable, socially responsible funds to complement the existing socially responsible offerings in the Plan. When two such funds are mutually agreed between the Union and the Company, the recommendation will be referred to the Investment Process Committee that has the authority to recommend additions to, deletions from, or replacement of investment options under the Plan. If approved, the funds will be offered to TESPHE members as soon as practicable.

Very truly yours,

LEE MEZZA, Director  
Employee Benefits  
Human Resources

Concur: Gerald D. Bantom

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**AVOIDING DUAL TAXATION - INDIVIDUALS WITH DUAL UAW -  
FORD LEGAL SERVICES PLAN COVERAGE**

October 9, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Subject: Avoiding Dual Taxation - Individuals with Dual  
UAW - Ford Legal Services Plan Coverage

Dear Mr. Gettelfinger:

During current negotiations, the parties agreed in principle to seek a remedy for the burden of dual taxation experienced by UAW-Ford Legal Services Plan Participants when they have dual UAW-Ford Legal Services Plan coverage. Toward this objective, any individual with dual UAW-Ford Legal Services Plan coverage may, on his or her own initiative, elect not to be covered as a Plan Participant if such an individual provides proof to the Plan's Administrative Committee that he or she has dual eligibility within the UAW-Ford Plan.

To elect not to be covered for a year, an individual, by December 1 of the preceding year, must deliver to the Administrative Committee an election not to be covered for the year in question. Except as provided in the following sentence, in order for an individual who has elected not to be covered to regain coverage for a year, the individual by December 1 of the preceding year, must deliver to the Administrative Committee an election to be covered for the year in question.

**AVOIDING DUAL TAXATION - INDIVIDUALS WITH DUAL UAW -  
FORD LEGAL SERVICES PLAN COVERAGE**

Any individual who elects not to be covered for a year may elect again to be covered for that year in the event of an occurrence that causes or would cause the individual to lose coverage through another Participant.

Very truly yours,

LEE MEZZA, Manager  
Direct Compensation and Benefits  
Human Resources

Concur: Ron Gettelfinger

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CODE SECTIONS 120 AND 501(C)(20)

November 3, 2007

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Subject: Code Sections 120 and 501(c)(20)**

**Dear Mr. King:**

**In the past, benefits provided under qualified group legal services plans have enjoyed favorable tax treatment under the Internal Revenue Code (Code). Under Code Section 120, these benefits were excluded from the income of employees. Additionally, Code Section 501(c)(20) generally provided that qualified group legal services plans were exempt from taxation. These provisions expired on June 30, 1992.**

**We have discussed the adverse impact of the tax changes on UAW-Ford Legal Services Plan participants. We agreed that it would be desirable for our employees and your members to have the favorable tax provisions reinstated.**

**During these negotiations, the parties discussed supporting legislative efforts to re-enact Code Sections 120 and 501(c)(20). It was agreed that the Company will endorse legislative efforts to reenact Code Sections 120 and 501(c)(20), provided that such endorsements would be limited to such action as the Company determines to be reasonable and/or desirable.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**LEGAL SERVICES PLAN – ADMINISTRATIVE COMMITTEE  
POWER AND DUTIES**

**November 3, 2007**

**Mr. Bob King  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214**

**Dear Mr. King:**

**Subject: Legal Services Plan – Administrative  
Committee Power and Duties**

**This confirms the understanding reached during these negotiations regarding the UAW-Ford Legal Services Plan.**

**The Company and the Union agree that the Administrative Committee, together with the Plan Director, will be responsible to determine how to deliver the Plan within the available funds.**

**The Director shall advise and inform the Committee of Plan forecasts and shall analyze patterns of benefit usage in order to recommend changes which may be helpful in delivering benefits and otherwise accomplishing the purposes of the plan. The Company shall provide, on a quarterly basis, headcount and funding projections in support of the above analysis.**

**The Administrative Committee shall have the authority under Section 3A (Allocation of Power and Duties) and Section 5C (Discretionary Limitations) of the Plan to design and implement cost-reduction actions as necessary to manage the Plan within the available funds. Such actions may include, but are not limited to:**

- Limiting or eliminating selected covered benefits**
- Limiting service levels (e.g. court representation)**
- Limiting Plan eligibility**
- Reducing and/or eliminating offices**
- Reducing total costs by relocating offices (e.g. Local Union halls)**

**LEGAL SERVICES PLAN – ADMINISTRATIVE COMMITTEE  
POWER AND DUTIES**

- **Eliminating referrals to cooperating attorneys**
- **Requiring the Director to reduce personnel costs**
- **Requiring members to share costs for court, filing, or other fees as appropriate**

**If such actions result in termination of certain benefits under the Plan, the Administrative Committee shall, if possible, make appropriate arrangements for representation of the participant to the conclusion of any existing matter falling under such terminated benefit(s).**

**In the event that the cost reduction actions are implemented and available funding becomes sufficient, the Administrative Committee has the authority to restore all or any of the original provisions or practices.**

**Very truly yours,**

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

**Concur: Bob King**

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**LEGAL SERVICES PLAN — SOCIAL SECURITY DISABILITY  
INSURANCE BENEFIT (SSDIB) CLAIMS**

**November 3, 2007**

**Mr. Bob King**  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. **King**:

Subject: Legal Services Plan — Social Security Disability  
Insurance Benefit (**SSDIB**) Claims

**During these negotiations, the parties discussed the potential of the UAW-Ford Legal Services Plan providing Social Security advocacy service for disabled employees expected to be disabled for more than 12 months. Also during these negotiations, the Company and the Union agreed to revise the SSDIB claims filing procedures as part of the Group Life and Disability Insurance (GL&DI) Program. This letter will confirm the parties' understanding that services provided by UAW-Ford Legal Services Plan with regard to SSDIB must benefit the employee and the Company.**

**As soon as practical following the conclusion of these negotiations, the UAW-Ford Legal Services Plan will conduct an analysis to determine the feasibility of providing the advocacy services described in the GL&DI, Letter of Understanding: Social Security Disability Insurance Benefits (SSDIB) Filing Procedures entered into contemporaneously with this Letter of Understanding.**

**The Company and Union members of the Administrative Committee will work with the Plan to develop processes and procedures for delivering the Social Security advocacy services to assure that the Plan can meet all of the requirements of the GL&DI process. The Plan will provide estimates of the cost for implementing and delivering the advocacy services to the Company, Union, and the Insurer of the Disability Program.**

**LEGAL SERVICES PLAN — SOCIAL SECURITY DISABILITY  
INSURANCE BENEFIT (SSDIB) CLAIMS**

**If the UAW-Ford Legal Services Plan is able to accommodate the required process at a competitive cost, the Company will direct the Insurer of the Disability Program to source the Social Security advocacy business to the UAW-Ford Legal Services Plan. The Plan will be required to meet ongoing performance metrics and demonstrate cost effectiveness.**

**As soon as practicable following the sourcing decision, the Insurer of the GL&DI Program and the Group Legal Services Plan will solidify the terms of the agreement including the rate or the amount to be paid by the Insurer to the Plan for the services and develop an implementation plan.**

**Costs incurred by the Plan for administration of the SSDIB advocacy service will be tracked separately. In the event the Insurer's payments exceed the Plan's costs for the services, the excess will be credited to the UAW-Ford Legal Services Plan.**

**If the Plan is not able to meet all of the performance metrics and demonstrate successful implementation, the Company has the right to re-bid and direct the Insurer of the Disability Program to resource the Social Security Advocacy business at a future date.**

Sincerely,

**LEE MEZZA, Director  
Employee Benefits  
Human Resources**

Concur: **Bob King**

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**ADMINISTRATION OF ARTICLE VIII, SECTION 5(4)**

October 30, 1984

Division Industrial Relations Managers  
Division Hourly Personnel and Labor Relations Managers  
Plant Industrial Relations Managers

Subject: Administration of Article VIII, Section 5(4)

The purpose of this communication is to provide instructions relating to the Company's administration of Article VIII, Section 5(4) of the Agreement.

The second paragraph of Article VIII, Section 5(4) provides that a notice to report is not to be sent where a medical leave has been issued to cover an employee's disability for a specific extended period of time based upon: (1) a physical examination by the plant physician, or (2) medical evidence which is acceptable to the plant physician.

Medical leaves issued under the above circumstances also have been considered subject to the third paragraph of Article VIII, Section 5(4) which permits the Company to cancel medical leaves in unusual situations such as suspected abuse of the Company's medical leave procedure.

During 1984 negotiations, the parties spent considerable time discussing circumstances under which medical leaves are cancelled by the Company. As a result of these discussions, the Company informed the Union that where a medical leave is issued under the terms and conditions specified in the second paragraph of Article VIII, Section 5(4) a notice to report will not be sent simply on the basis of suspected abuse.

Accordingly, it is the Company's intent not to send a notice to report where a medical leave has been issued for a specific period of time based upon: (1) a physical examination by the plant physician, or (2) medical evidence which is acceptable to the plant physician, unless such medical leave was obtained or continues under false pretenses.

In order to ensure compliance with these instructions, please advise plant Hourly Personnel and Labor Relations personnel responsible for sending notices to revise their local procedures.

**ADMINISTRATION OF ARTICLE VIII, SECTION 5(4)**

The Union has been advised of this change in the administration of Article VIII, Section 5(4).

Any questions concerning this communication should be directed to the Arbitration Section, Arbitration and Wage Administration Department, Labor Relations Staff.

PETER S. WRIGHT  
Arbitration and Wage  
Administration Manager

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**ADMINISTRATION OF ARTICLE VIII, SECTION 27**

September 16, 1996

Operations/Division Hourly Personnel and Labor Relations  
Managers  
Plant and Parts Distribution Center Human Resources  
Managers

Subject: Administration of Article VIII, Section 27

This letter pertains to retaining, out-of-line of seniority, employees incapacitated by work-related injuries or compensable occupational disease. Article VIII, Section 27 of the Agreement, provides for such action at the discretion of the Company.

During the present and past negotiations, the parties spent considerable time discussing circumstances under which the Company exercised the discretion provided by Article VIII, Section 27. Although we are not aware of any abuse in connection with the administration of these provisions, the Union was informed that we will avoid wide disparities in seniority when retaining employees out-of-line of seniority pursuant to the provisions of Article VIII, Section 27.

Accordingly, you are requested to review the applicable Agreement provisions with all personnel responsible for implementation of these provisions. In doing so, you should advise judicious application of the Company's discretion to exempt such employees from the seniority provisions of the Agreement.

Specifically, seniority should be taken into consideration when retaining these employees. When a disparity in seniority of more than two years exists, do not invoke Article VIII, Section 27. Consultation with the local Union in advance of any implementation of Article VIII, Section 27, is required by the Agreement.

Any questions regarding this subject should be directed to the Arbitration Activity, Labor Affairs.

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

**BEREAVEMENT PAY FOR  
UAW-REPRESENTED HOURLY EMPLOYEES**

**November 3, 2007**

Operations/Division Labor Relations Managers  
Plant and Parts Distribution Center Human Resources  
Managers  
Persons Designated by the Above

Subject: Bereavement Pay for UAW-Represented Hourly  
Employees

The purpose of this communication is to review the eligibility requirements, pay provisions, procedures and general Company rules concerning Article IX, Section 19, Bereavement Pay, of the 2007 Ford-UAW Collective Bargaining Agreement.

*Eligibility Requirements*

1. An employee hired or rehired on or after the effective date of the 2007 Ford-UAW Collective Bargaining Agreement must have acquired seniority to be eligible for bereavement pay.
2. The deceased must be in the employee's immediate family which will be limited to the following members:
  - Current Spouse—The legal husband or wife of an employee. An employee's divorced spouse is excluded.
  - Parent—The mother or father of an employee, either by birth **and/or** by **legal** adoption.
  - Stepfather—The husband of one's mother by a subsequent marriage.
  - Stepmother—The wife of one's father by a subsequent marriage.
  - Grandparent—The legal mother or father of an employee's parent.
  - Great Grandparent—The legal mother or father of an employee's grandparent.
  - Parent of Current Spouse—The mother-in-law or father-in-law of an employee. The parent(s) of a divorced spouse is excluded from consideration.
  - Stepfather-in-law—The husband, by a subsequent marriage, of the mother of one's wife or husband.
  - Stepmother-in-law—The wife, by a subsequent marriage of the father of one's wife or husband.

**BEREAVEMENT PAY FOR  
UAW-REPRESENTED HOURLY EMPLOYEES**

- Grandparent of Current Spouse—The legal mother or father of an employee's current spouse's parent.
  - Great Grandparent of Current Spouse—The legal mother or father of an employee's current spouse's grandparent.
  - Child—The legal son or daughter of an employee, either by birth or by adoption.
  - Stepchild—The child of one's wife or husband by a former marriage.
  - Grandchild—The legal child, either by birth or by adoption, of an employee's legal son or daughter, either by birth or by adoption.
  - Brother or Sister—The relationship that is established by having the same parents or one parent in common by birth or by legal adoption.
  - Stepbrother or Stepsister—A son or daughter of one's stepparent by a former marriage.
3. The employee must make written application and, upon request, present substantiating evidence of their relationship to the deceased and of attendance at the funeral. Acceptable evidence of relationship to the deceased may be in the form of a published obituary or church notice or record that lists the employee as a member of the immediate family, a copy of the death certificate or a birth certificate. Also, a statement from the employee's supervisor or another member of management who may have personal knowledge of the employee's relationship to the deceased would be sufficient to establish this fact.

The employee's statement of attendance at the funeral normally will be accepted; but, where abuse is suspected, substantiating evidence such as a statement from the funeral director may be requested. Further, in cases where the body of a member of an otherwise eligible employee's immediate family is cremated and a bona fide memorial service is held at a funeral home or a place of worship in the same community area at the time of cremation, attendance at the memorial service will satisfy the requirement of attending the funeral.

**BEREAVEMENT PAY FOR  
UAW-REPRESENTED HOURLY EMPLOYEES**

In administering this phase of the provision, plant personnel should keep in mind that it is not the Company's intention to impose an unnecessary or unreasonable burden of proof upon the employee, but simply to insure that this provision is not abused. Put another way, it will not be the requirement in each case to secure massive, airtight proof; but the facts should be sufficiently established to assure that misapplication or abuse does not occur. A greater degree of control will be necessary in the case of covered steprelatives and grandparents to assure that misapplication or abuse does not occur.

4. An employee may be eligible to receive bereavement pay more than once in any calendar year; however, in the case of simultaneous deaths in an employee's immediate family, or deaths occurring within the same three-day period or five-day period in the case of the death of an employee's present spouse, parent, child, stepchild, or in the case of multiple deaths of members of the employee's immediate family, only one bereavement payment will be made for any one day. For example, if the death of an employee's grandparents should occur on the same day, one day or two days apart, the employee would be eligible for five days of bereavement pay.

*Pay Provisions*

1. The employee will receive pay for up to three (3) regularly scheduled days of work during the three (3) days (excluding Saturdays and Sundays, and regular days off in the case of seven-day operations) or five (5) regularly scheduled days of work, in the case of the death of an employee's present spouse, parent, child, stepchild, or in the case of multiple deaths of members of the employee's immediate family, (excluding Saturdays and Sundays, and regular days off in the case of seven-day operations) immediately following the death. As a matter of policy, holidays are also excluded. Days an employee is not regularly scheduled to work because the employee is on vacation, on layoff or on leave of absence are not excluded; however, an employee who is granted a personal leave of absence expressly because of the illness of a member of their immediate family who subsequently dies during the stated period of the leave



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will be eligible for bereavement pay. (See attachment for various scheduling examples.)

2. For purposes of determining days for which bereavement pay will be provided, the bereavement period will begin on the first full day of absence following death. Thus, it may begin on the day of death if the employee has performed no work that day; or, if the employee has performed work, it will begin the following day.
3. The requirements that the bereavement period will begin on the first full day of absence following death and will be the three regularly scheduled days of work during the three days (excluding holidays and Saturdays and Sundays and regular days off in case of seven-day operations) or five regularly scheduled days of work, in the case of the death of an employee's present spouse, parent, child, stepchild, or in case of multiple deaths of other members of the employee's immediate family, during the five days (excluding holidays and Saturdays and Sundays, and regular days off in case of seven-day operations) immediately following death are waived when the date of the funeral is outside the three or five-day period. In these situations, bereavement payment will be made to eligible employees for any three regularly scheduled days or five regularly scheduled days in the case of the death of an employee's present spouse, parent, child, stepchild, or in the case of multiple deaths of other members of the employee's immediate family, not necessarily consecutive, up to and including the date of the funeral. To cite an example, if the death occurs on Sunday and the funeral is held on Friday, an employee would be eligible for any three days or five days in the case of the death of an employee's current spouse, parent, child, stepchild, or in the case of multiple deaths of other members of the employee's immediate family of absence from regularly scheduled work occurring Monday through Friday.

In addition, if in the opinion of local management travel considerations in attending a funeral are involved, up to two calendar days immediately following the funeral may be considered as part of the three or five-day bereavement pay eligibility period, provided such days are

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within the employee's regular five-day workweek and the employee is scheduled to work such days. Calendar days for this purpose include holidays and Saturdays and Sundays (Sundays and Mondays for Tuesday through Saturday #1 shift employees) or regular days off in the case of seven-day employees. For example, where a funeral is held on Friday and local management determines two days' return travel time is required for a five-day Monday through Friday employee, Saturday and Sunday would be the calendar days immediately following the funeral and, as they are not within the regular five-day workweek, bereavement payment would not be made for these two days. On the other hand, for a seven-day employee who is scheduled to work on Saturday and Sunday as part of the forty-hour workweek, such days could be considered for bereavement payment.

4. Payment may not exceed eight hours per day and will be at the employee's regular straight-time hourly rate on the last day worked (or in the case of incentive employees the employee's average straight-time hourly earnings including incentive earnings for the last four pay periods worked immediately preceding the week prior to the week in which the absence commences) including shift premium and seven-day operations bonus, where applicable, but excluding overtime and any other premiums.
5. Paid absence time because of bereavement will not be counted as hours worked for purposes of overtime.

*Procedure*

1. The employee should make application at the Hourly Employment activity on Form 618 (Application for Bereavement Pay).
2. Form 618 should then be returned to the Hourly Employment activity for additional verification if deemed appropriate or necessary, and for authorization of payment.
3. When verification has been made, the Hourly Employment activity should complete Form 618, after insuring the accuracy of the dates shown, by listing the total number of hours payable and the rate of pay for which bereavement payment should be made. In the case of

**BEREAVEMENT PAY FOR  
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employees under incentive plans, write in "Inc." in the space provided for rate of pay. After the authorizing signature of the Labor Relations supervisor has been obtained, Form 618 should be distributed as follows:

- a. Original—retained by the Hourly Employment activity to be filed in the employee's Hourly Personnel Jacket (Form 46)
- b. Duplicate—Payroll
- c. Triplicate—Supervisor

*General Rules*

Holiday Pay

An otherwise eligible employee must work the last scheduled working day prior to, and the next scheduled working day following a holiday in the same workweek to qualify for holiday pay, even though a bereavement day intervenes between the holiday and such scheduled day. For example, when the holiday falls on Wednesday and days for which the employee receives bereavement pay are Monday, Tuesday and Thursday, the employee must work on Friday (the next scheduled working day following the holiday) in order to qualify for holiday pay.

Vacation

The day(s) an employee receives bereavement pay will not be counted as day(s) of absence in computing hours of vacation entitlement.

Retirement

For each hour the employee receives bereavement pay from the Company, the employee will be given credit in computing future service credits under the retirement plan.

SUB

If the 1987 SUB Plan is reactivated, any week or part thereof in which an employee is absent and receives bereavement pay will be counted for accruing SUB credit units.

**BEREAVEMENT PAY FOR  
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Daily Report of Time

Days of absence because of a death in the immediate family, even though the employee may be eligible for bereavement pay for these days, will continue to be recorded as absent time on the supervisor's Daily Report of Time in the same manner as heretofore.

Any questions regarding this communication should be directed through organizational channels to the **Arbitration and Wage Administration Section**.

**JOHN WRIGHT, Manager  
Arbitration and Wage  
Administration**

Attachment

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**BEREAVEMENT PAY FOR  
UAW-REPRESENTED HOURLY EMPLOYEES**

ATTACHMENT

**APPLICATION OF BEREAVEMENT PAY**

*Example*

1. The first day of absence because of death in the immediate family occurs on Friday. The days for which the employee becomes eligible for bereavement pay are Friday and the following Monday and Tuesday (also Wednesday and Thursday if death of spouse, parent, child, stepchild or in the case of multiple deaths of members of the employee's immediate family).
2. The first day of absence occurs on Monday. The employee is not scheduled to work on Wednesday because it is a holiday. Eligible days of bereavement are Monday, Tuesday and Thursday (also Friday and Monday if death of spouse, parent, child, stepchild or in the case of multiple deaths of members of the employee's immediate family).
3. An employee is on scheduled vacation Monday through Friday. A death in the employee's immediate family occurs on Tuesday. The employee is not entitled to bereavement pay because in the three-day period immediately following the death the employee was not scheduled to work (but eligible for the following Monday and Tuesday if death of spouse, parent, child, stepchild or in the case of multiple deaths of members of the employee's immediate family). However, if in the above example death occurred on Thursday, the employee becomes eligible for bereavement pay on the following Monday and Tuesday if otherwise scheduled to work (also Wednesday and Thursday if death of spouse, parent, child, stepchild or in the case of multiple deaths of members of the employee's immediate family). **Employees who meet the eligibility criteria for bereavement pay during a week in which the employee is on previously scheduled and approved vacation may request equivalent hours of excused absence allowance in accordance with the Letter of Understanding dated October 9, 1999 titled "Bereavement Application".**

**BEREAVEMENT PAY FOR  
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4. Friday is a day of temporary layoff. The employee is absent beginning Wednesday because of a death in the employee's immediate family. In this case the employee is eligible for only two days of bereavement pay (or four days if death of spouse, parent, child, stepchild or in the case of multiple deaths of members of the employee's immediate family) because the employee was not scheduled to work on the third day immediately following the death.
  5. An employee is on a Medical Leave of Absence during which time a death occurs in the employee's immediate family. This employee is ineligible for bereavement pay because the employee was not regularly scheduled to work in the three-day period immediately following death because of such leave.
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**EFFECT OF BEREAVEMENT PAY ABSENCE ON  
MEMORANDUM OF UNDERSTANDING ON OVERTIME**

October 31, 1973

Division Industrial Relations Managers  
Division Personnel and Organization Managers  
Persons Designated by the Above

Subject: Effect of Bereavement Pay Absence On  
Memorandum of Understanding on Overtime

Paragraphs two through five of the Memorandum of Understanding on overtime require that an employee not be absent from work for any reason during the preceding week as a prerequisite for him to decline overtime work on certain Saturdays and Sundays.

Absences for which an employee receives Bereavement Pay shall not be construed as a disqualifying absence under the provisions of the Memorandum of Understanding.

SIDNEY F. McKENNA, Director  
Labor Affairs Office  
Labor Relations Staff

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**EXCUSED ABSENCE ALLOWANCE —  
UAW HOURLY EMPLOYEES**

February 25, 1977

Director and Managers,  
Industrial Relations Office, NAAO  
Division Industrial Relations Managers  
Division Personnel and Organization Managers  
Persons Designated by the Above

Subject: Excused Absence Allowance — UAW Hourly  
Employees

The eligibility requirements, pay provisions, procedures and general rules as set forth below are to be used in the administration of Article IX, Section 25(c), Excused Absence Allowance.

*Eligibility Requirements*

1. Absences because of personal illness or other personal reasons must be excused by the employee's supervisor for an absence payment to be made.
2. In the case of personal illness, detailed proof will usually not be required when the employee's absences are no more frequent than what could be reasonably expected of the normal employee. However, if an employee's attendance record is such that there is good reason to doubt the validity of a particular absence, a request for an excused absence payment may be denied unless the absence is substantiated by convincing proof.
3. In the case of other personal reasons, requests for excused absence payments should be made in advance when the employee is reasonably able to do so. When the employee is not excused in advance and there is good reason to doubt the justification for failure to have been excused in advance, a request for an excused absence payment may be denied.
4. Notwithstanding No. 3 above, requests for excused absence payments for other personal reasons shall be granted provided that: (a) the employee makes a written request on a form supplied by the Company at least one week in advance of the requested day; (b) there will be no adverse impact on operations (and if more than one employee desires the same day off, this will be taken into consideration when determining operational impact);



**EXCUSED ABSENCE ALLOWANCE —  
UAW HOURLY EMPLOYEES**

and (c) if more employees, working for the same immediate supervisor, request the same day off than can be accommodated, the first employee(s) submitting a written request shall be granted the day off.

5. Notwithstanding Nos. 2 and 3 above, supervision should, in considering requests for excused absence payments for the day immediately prior to, or following a holiday(s), be guided by criteria now used to determine holiday pay eligibility when employees are absent on these days; that is:
  - a. Absences because of claimed illness must be medically substantiated before an excused absence payment is made.
  - b. Absences because of other personal reasons ordinarily must have been excused in advance.
6. Inasmuch as Saturdays and Sundays are not normally considered part of the vacation period, excused absence payments may not be made for these days when an employee is absent from scheduled work, except that, in the case of a seven-day operations employee, an excused absence payment may be made when Saturday or Sunday is part of the employee's 40-hour scheduled workweek.
7. In scheduling portions of the 40 Excused Absence Allowance hours as additional vacation, such time must be added to other scheduled vacation time and not scheduled as separate days or parts thereof. For example, a primary use of these 40 hours will be to enable an employee with 60 or 100 hours of regular vacation eligibility to round out a half-week period. Depending on production and vacation scheduling requirements, these hours may also be used as extra vacation in other ways as well—again, so long as they are added to other vacation time.
8. For purposes of Paragraph (3) of Section 25(c), “additional scheduled vacation time” shall be the scheduled number of hours that exceed the total amount of other vacation hours for which an employee is eligible. For example, an employee with 100 hours of vacation eligibility (60 regular hours and 40 additional hours) who is

**EXCUSED ABSENCE ALLOWANCE —  
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scheduled for a continuous vacation period of two weeks (80 hours) would have 20 hours of the scheduled vacation period applied against the 40 hours available under Section 25(c). If, on the other hand, an employee is scheduled for 60 hours of vacation, none of these hours would be charged to the 40 Excused Absence Allowance hours because they do not exceed the total amount of regular vacation time to which the employee is entitled.

9. An employee whose vacation allowance is reduced as a result of not being on the active employment roll 32 weeks or more, or because of accumulating more than 35 unexcused days of absence in the preceding vacation period prior to the employee's eligibility date, may use only 20 hours of the reduced vacation allowance to pay for excused absence because of personal illness or other personal reasons. For example, an employee whose vacation allowance is reduced from 140 hours to 70 hours as a result of not being on the active roll at least 32 weeks, may use only 20 of the 70 hours' vacation allowance for excused absence payments.
10. The Company's right to schedule vacation does not extend to the 40 hours provided for under Section 25(c) unless the employee elects to use such hours as additional vacation. An employee does not have to schedule these hours as vacation. However, once all or a portion of these hours have been requested as additional vacation and are so scheduled, the employee may not revoke this designation without Company approval for the purpose of using such hours for excused absence payments.
11. The Company's right to deny vacation and instead pay in lieu of vacation, as provided for in Article IX, Section 25(d), does not apply to the 40 hours available under the Vacation Plan as excused absence payments for personal illness or other personal reasons. These hours may be taken by the employee for such purposes so long as the time off is excused and the employee meets the other eligibility requirements described above.

**EXCUSED ABSENCE ALLOWANCE —  
UAW HOURLY EMPLOYEES**

*Pay Provisions*

1. An excused absence payment shall be paid on the same basis as regular vacation, i.e., at the employee's basic hourly rate, inclusive of shift premium but exclusive of all other premiums, on the date such period begins. For an employee working under incentive plans, the hourly rate to be used instead of basic hourly rate shall be the employee's average straight-time hourly earnings, including incentive earnings and shift premium, but excluding all other premiums, for the last four pay periods worked immediately preceding the week prior to the week in which the excused absence or vacation commences.
2. If by the last day of any vacation period, an eligible employee has not received a vacation, including unused Excused Absence Allowance hours, the employee shall be paid a lump sum as vacation pay in lieu of vacation, the sum to be computed as the amount to which the employee would be entitled if the vacation were to begin on the last day of the vacation period.
3. Hours for which excused absence payments are made shall not be considered as time worked for purposes of determining overtime premiums.

*Procedures*

1. The employee should make application for an excused absence payment for personal illness or other personal reasons on revised Form 2611 (Vacation/Excused Absence Pay Request).
2. When completed, Form 2611 should be distributed by the supervisors as follows:
  - Original—Payroll
  - Duplicate—Timekeeping
  - Triplicate—Supervision-Plant Office
  - Quadruplicate—Employee

The "Supervision-Plant Office" copy should be used for two main purposes: (1) to maintain a current record of each employee's hours of vacation/excused absence allowance; and (2) to record excused absence days as

**EXCUSED ABSENCE ALLOWANCE —  
UAW HOURLY EMPLOYEES**

such on individual employee absenteeism records maintained at many locations. For this latter purpose, if such records are maintained by the Plant Employment activity, arrangements should be made with the Timekeeping activity to obtain a regular report of employees receiving excused absence payments.

3. Regardless of whether an excused absence payment is made for a particular day(s) of absence because of personal illness or other personal reasons, such time will continue to be recorded as absent time on the supervisor's Daily Report of Time in the same manner as heretofore.

*General Rules*

1. In order to qualify for holiday pay, the employee must work the scheduled working days prior to and following the holiday(s) in the same workweek or, in the case of the Christmas holiday period, regardless of workweek, even though a day of excused absence intervenes between the holiday(s) and such scheduled day.
2. Hours for which an employee receives an excused absence payment shall be used in computing future service credits under the Retirement Plan.
3. Any week, or part thereof, in which an employee is absent and receives an excused absence payment shall be counted for accruing SUB credit units.
4. A day for which an excused absence payment has been made will be excluded insofar as the 35-day absence count in computing vacation entitlement is concerned.

Any questions regarding this communication should be directed through organizational channels to the Wage Administration Section, Wage and Employment Practices Department.

W. G. McGRUTHER, Manager  
Wage and Employment Practices Department

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**GUIDELINES FOR TEMPORARY -  
CHANGEOVER POOL AGREEMENTS**

November 29, 1973

Division Industrial Relations Managers  
Plant Industrial Relations Managers  
Persons Designated by the Above

Subject: Guidelines for Temporary-Changeover Pool  
Agreements

Pursuant to Appendix H, Part B, Paragraph 3(c), the following guidelines shall be applied in the negotiation of Temporary-Changeover Pool agreements:

1. A skilled trades supplementation pool is to be established consisting of employees selected from non-Appendix F (Skilled Trades) classifications within the particular plant to help meet skilled manpower needs on weekend overtime resulting from skilled tradesmen declining overtime opportunities under the provisions of Appendix H of the Agreement.
2. Procedures are to be developed locally for receiving applications from employees who wish to be included in the supplementation pool. All applications will be reviewed by the Company and selection shall be based upon the qualifications of the applicants.
3. Employees who apply and are accepted shall be designated as "Temporary-Changeover Pool" employees and will thereby be available for skilled trades weekend overtime assignments as required.
4. Time worked as a Temporary-Changeover Pool employee shall not be credited toward attaining journeyman status, provided, however, that employees on the eligibility list awaiting entrance into an apprenticeship, if they apply and are accepted as Temporary-Changeover Pool employees, will receive appropriate credit for shop experience gained thereby when placed on course as determined by the Joint Apprenticeship Committee.

**GUIDELINES FOR TEMPORARY -  
CHANGEOVER POOL AGREEMENTS**

5. Temporary-Changeover Pool employees shall receive the minimum rate of the lowest rated Appendix F (Skilled Trades) classification being utilized in the plant for all hours actually worked on skilled trades assignments within the various Appendix F (Skilled Trades) classifications.
6. No Temporary-Changeover Pool employees will be eligible to work weekend overtime on skilled trades work assignments unless such overtime work has first been offered to journeymen and apprentices on the particular trade in accordance with the applicable local overtime agreement.
7. There would be no new or added overtime equalization or rotation obligations with respect to these supplemental overtime assignments. Nothing in these new arrangements would alter existing overtime equalization or rotation agreements.
8. Complaints by Temporary-Changeover Pool employees about the operation of the new procedures could be taken up with management, but are not subject to the grievance procedures provided in Article VII of the Collective Bargaining Agreement.

A copy of this communication has been provided to the National Ford Department.

MALCOLM L. DENISE

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**SEPARATE CHECKS FOR VACATION AND  
GRIEVANCE AWARD PAYMENTS**

September 11, 1976

Mr. J. F. Haeni, Manager  
Hourly Payroll Services Department  
General Services

Subject: Separate Checks for Vacation and Grievance  
Award Payments

This is to advise you of our understanding with the UAW-National Ford Department during 1976 national negotiations regarding the issuance of separate paychecks in the following instances:

- Vacation payments for vacation time taken off, when the payment is for 40 or more hours.
- Pay in lieu of vacation payments of 40 or more hours during the vacation year or for any amount at the end of the vacation eligibility period. However, when the pay in lieu payment is made in connection with a payment for vacation time taken off, only one check will be issued.
- Grievance awards in excess of \$100.

The above changes will become effective on December 1, 1976.

R. B. BIERMANN, Supervisor  
Wage Administration Section  
Wage & Labor Affairs Planning Dept.

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**TEMPORARY ASSIGNMENT TO ANOTHER LOCATION —  
COMPENSATION FOR TRAVEL TIME**

September 16, 1996

Operations/Division Human Resources Managers  
Operations/Division Labor Relations Managers  
Plant and Parts Distribution Center  
Human Resources Managers  
Persons Designated by the Above

Subject: Temporary Assignment to Another Location —  
Compensation For Travel Time

Increased instances of travel by hourly employees which are attributable to work and/or training assignments have given rise to numerous questions regarding payment for the travel time associated with such assignments. Compensation for travel time in these situations is addressed in Article IX, Section 16 of the Collective Bargaining Agreement. In addition, these payments are subject to the provisions of the Fair Labor Standards Act and various Interpretive Bulletins issued by the Federal Wage and Hour Administration, U. S. Department of Labor. This letter will summarize these current interpretations and outline guidelines for the administration of travel time payments.

Paragraph (2) of Article IX, Section 16 states that when an employee is required by the Company to spend a portion of the time during which the employee normally is scheduled to work in traveling to or from the plant the employee is temporarily assigned, the employee shall be compensated for such portion as if it were time worked. This means, for example, that a day shift employee whose normal schedule is from 7:00 a.m. to 3:30 p.m. would be eligible for travel pay on any of the seven days of the week, including holidays, if the travel occurs during those hours. Conversely, a third shift employee whose normal schedule is from 3:30 p.m. to 12 midnight would not be eligible for travel pay if traveled on any day prior to 3:30 p.m. Although these criteria are consistent with current interpretations of the Fair Labor Standards Act, their application often results in disparate treatment of hourly employees depending upon the individual travel circumstances involved.



**TEMPORARY ASSIGNMENT TO ANOTHER LOCATION —  
COMPENSATION FOR TRAVEL TIME**

For this reason, the following guidelines have been established to provide equitable and consistent treatment of all hourly employees engaged in Company-directed travel:

- When employees travel to another city on the day prior to a temporary training or work assignment, regardless of the assignment's duration, they are to be paid for all such travel time at their regular hourly rate including appropriate premiums as follows:
  - Air Travel: Travel time begins at the scheduled flight departure time until the actual arrival at the airport, plus actual ground travel, up to two (2) hours, to the destination, for example, hotel/motel, seminar, or work location, etc.
  - Driving Personal or Company Vehicle: Travel time begins at the time the employee leaves home until arrival at the destination, for example, hotel/motel, seminar or work location, etc., if not more than 300 miles. If the destination is over 300 miles, the employee will be paid the air travel time as prescribed above.
- Assuming that the return trip occurs outside of the normal work hours on the last day of the temporary assignment, employees are to be paid such travel hours at the regular hourly rate, including appropriate premium as follows:
  - Air Travel: Travel time begins at the scheduled flight departure time until the actual arrival at the airport, plus the actual ground travel to the employee's home, up to two (2) hours.
  - Driving Personal or Company Vehicle: Travel time begins at the time the employee leaves the temporary training, assignment, seminar, or work location until arrival at the employee's home if not more than 300 miles. If the destination is over 300 miles, the employee will be paid the air travel time as prescribed above.
- These temporary assignments, particularly for training events, are held during day shift hours.

**TEMPORARY ASSIGNMENT TO ANOTHER LOCATION —  
COMPENSATION FOR TRAVEL TIME**

- In the event there are extenuating circumstances concerning a particular travel situation, the plant Human Resources Manager may approve additional travel time after concurrence from the Arbitration and Wage Administration Section, Labor Affairs.
- Travel time for special one-day assignments to another city is compensable even though it may be outside of the employee's normal work hours. On such occasion, however, the normal travel time from the employee's home to the regular work location should be deducted when computing travel pay. Total remaining travel time is to be paid at the applicable overtime rate to the extent the combined travel and training/work hours exceed eight (8).

Travel time for temporary one-day assignments within the same zone (as defined for purposes of Preferential Placement) as the employee's home location is not considered compensable work time.

- When commercial travel is provided and the employee elects to use private transportation, travel compensation, if applicable, is based on the commercial travel time that would have been required.
- When commercial travel arrangements are provided outside of normal work hours and an employee elects to travel during normal work hours through personal preference (traveling for example, on Saturday morning rather than Friday evening), travel time is not paid.

It should be noted, that for days spent performing work or attending training sessions where travel considerations outside of normal hours are not involved, employees should be paid the greater of eight (8) hours or the actual hours spent in the session(s). Overtime premium payments should be paid for hours over eight (8) in a day.

**TEMPORARY ASSIGNMENT TO ANOTHER LOCATION —  
COMPENSATION FOR TRAVEL TIME**

These guidelines have been concurred in by the Office of the General Counsel and questions on this issue are to be directed to the Arbitration and Wage Administration Section, Labor Affairs.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs

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**USE OF COMPUTER GENERATED INFORMATION**

October 2, 1999

Mr. Ron Gettelfinger  
Vice President and Director  
UAW, National Ford Department  
8000 East Jefferson Avenue  
Detroit, Michigan 48214

Dear Mr. Gettelfinger:

Attached is an administrative letter which will be distributed to all managers at Ford's Parts Distribution Centers. It designates that any discussion of computer generated information with employees should be approached in a professional manner.

Very truly yours,

DENNIS J. CIRBES, Director  
U.S. Union Affairs Office  
Labor affairs

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**USE OF COMPUTER GENERATED INFORMATION**

October 9, 1999

To: PDC Managers

Subject: Use of Computer Generated Information

In discussions with the Union, the utilization of computer generated information was raised. The Union expressed concerns that this computer generated information is being negatively communicated to employees by their supervisors.

We, as management, must remember that this information provides us with an opportunity to evaluate the status of our operational requirements as well as our obligations to our customers.

The hourly workforce is an integral part of our team. Therefore, any discussion of computer generated information should be conducted in a professional manner designed to elicit positive communication with the employee.

Please ensure all supervisors are aware of their obligations regarding the proper use of computer generated information.

J. S. OAKLAND  
Manager, Distribution Operations  
Parts Supply and Logistics  
Ford Customer Service Division

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**VACATION ELIGIBILITY — ABSENCE EXCLUDED FROM THE  
35-DAY ABSENCE TEST**

September 16, 1996

Operations/Division Labor Relations Managers  
Plant and Parts Distribution Center  
Human Resources Managers  
Persons Designated by the Above

Subject: Vacation Eligibility — Absence Excluded From  
the 35-Day Absence Test

During 1996 negotiations, the parties discussed certain employee absences that will be excluded from the 35-day absence test for determining vacation eligibility.

The Company informed the Union that an employee's absence will not be counted in computing the 35-day absence test in the following circumstance: when the employee is excused from work after reporting, because management is seeking volunteers to leave work for the remainder of that day and/or not to report on subsequent days because the workforce is sufficient to meet requirements (supervisors apply the absence code "G" to these absences.)

Direct question about this communication to the Wage Administration Section, Labor Affairs.

Very truly yours,

HARRY E. JONES, Director  
Negotiations Planning Office  
Labor Affairs