

# Freightliner building new manufacturing plant in Mexico

Freightliner LLC announced last month that it will construct a new \$300 million truck manufacturing plant in Saltillo, Coahuila, in northern Mexico.

The 1-million-square-foot facility will produce Freightliner and Sterling brand trucks. The plant could produce up to 30,000 trucks annually, and employ up to 1,600 production and management personnel. Groundbreaking is set for the second quarter of 2007, with start of production planned for early 2009.

The Saltillo plant is the second Freightliner manufacturing facility to be located in Mexico, joining the San-

tiago Tianguistenco plant, which produces Freightliner-brand heavy- and medium-duty trucks.

At the same time it was announcing expansion in Mexico, Freightliner warned its unionized employees at Portland's Swan Island facility of a major layoff this spring. "It's at least 500 employees, and possibly as many as 800," said Joe Kear, a business representative of Machinists District Lodge 24. IAM Lodge 1005 represents approximately 1,400 of the 1,700 unionized workers in Portland, where they build Class 8 Freightliner trucks, Western Star trucks and military vehicles. Other unions at the Portland facil-

ity include the Sign Painters and Paint Makers Local 1094, Teamsters Local 305, and Service Employees Local 49.

Their labor agreement expires July 1.

In October, nonunion white-collar employees at the Portland headquarters were offered voluntary buyouts. There are about 1,900 employees there. It is not known how many employees volunteered.

Eight hundred employees — members of the Canadian Auto Workers — at a St. Thomas, Ontario, plant already have been told that they will be laid off starting in March. That plant manufactures Sterling brand heavy- and medium-duty trucks.

Freightliner officials say as many as 4,000 production and related workers could be laid off companywide.

The downsizing has further ramifications for the Machinists Union. Consolidated Metco's (ConMet) Rivergate and Clackamas, Oregon, plants have laid off approximately 170 Machinists (85 at each location), due in part to the Freightliner slowdown. ConMet manufactures aluminum hubs and spring brackets for Class 8 trucks.

A Freightliner press release said the expansion in Mexico is not connected to the layoffs. Freightliner said the job cuts stem from an industry-wide decline in new trucks redesigned to meet federal emissions standards. The new trucks, because of their added technology, cost more than those sold in pre-

vious years.

Kear confirmed that new Environmental Protection Agency standards will add about \$10,000 to the cost of building a truck engine. The new environmental regulations are meant to reduce pollutants from diesel engines.

Kear also said that Freightliner plans to yank production of all Freightliner brand trucks from Portland. "They can build trucks cheaper in Mexico," he said.

That will leave production of the Western Star brand truck and military vehicles in Portland. Workers currently turn out 32 Western Star trucks a day and nine military trucks a day.

Freightliner has five plants in North and South Carolina. Some are union, represented by the United Auto Workers. And some are nonunion.

Freightliner President and CEO Chris Patterson in a press release said the new facility in Mexico "underscores our confidence in the NAFTA truck market, and our bullish mid-term outlook for industry recovery post-2007. Frankly, we were not able to produce what we could have sold in 2006 due to capacity constraints. We expect another surge in customer demand in 2009 prior to the next round of EPA emissions regulations, and the construction of this new plant will ensure that we are fully prepared."

Freightliner LLC is the leading medium- and heavy-duty truck manufacturer in North America. Freightliner

produces and markets Class 5-8 vehicles and is part of DaimlerChrysler's Truck Group, the world's largest commercial vehicle manufacturer.

The company's truck operations, which include Portland, Oregon-based Freightliner, turned a record profit of \$705 million in the third quarter, up from \$449 million a year earlier.

## Global giant formed by British, German and two U.S. unions

British, German and American unions are working to forge a pact that will create an international union with more than six million members.

Amicus, the U.K.'s largest private-sector union, has signed agreements with the German engineering union, IG-Metall, and the United States' United Steelworkers and Machinists Union in an effort to prevent companies playing off their workforces in different countries against each other.

The move is seen by union leaders as the first step toward creating a single union that can present a united front to multinational companies. Amicus is itself planning to merge with the Transport & General Workers Union in May to create a two-million-member labor organization. Between IG-Metall's 2.4 million, the USW's 1.2 million and 730,000 at the Machinists, a merger would create an organization with some 6.3 million members.

Derek Simpson, general secretary of Amicus, said: "Our aim is to create a powerful single union that can transcend borders to challenge the global forces of capital."

## Unions in global fight against Alcoa

Trade unions from four nations are mounting a combined campaign against U.S. aluminum giant Alcoa as part of an emerging cooperation among unions.

Union officials from Brazil, the U.S. and Britain met in Melbourne just before Christmas to discuss the campaign with colleagues from the Australian Workers Union (AWU) and the International Metalworkers Federation (IMF).

"Our plan is to start bargaining with Alcoa on a global basis," said AWU Vice President Paul Howes. He said that when the AWU, which has unionized all of Alcoa's plants in Australia, sought to discuss the implementation of a new Alcoa policy on working hours; it was

told the policy had been decided at its U.S. headquarters and could not be negotiated locally.

"The biggest effect will be when they start using their clout in one country to affect an outcome in another," Howes said.

One of the major difficulties unions face in dealing with multinationals is that they operate in countries that have different economies and labor standards. Alcoa, for example, is fully unionized in Australia, compared with only half of its plants in the U.S.

Conditions in Alcoa's Mexican and Guyana plants are way below standards in Australia or the U.S.

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