



*2007 UAW-FORD
NATIONAL NEGOTIATIONS
MEDIA FACT BOOK*





Members of the News Media,

This document is designed to assist you in covering the 2007 UAW-Ford national contract negotiations. It provides background material on Ford Motor Company (through year-end 2006), its collective bargaining agreement with the UAW, and subjects that may be discussed during negotiations. It includes a number of charts and graphs you may reproduce to illustrate company and industry trends.

For further information about our business and financial condition, please refer to our Annual Report on Form 10-K for the year ended December 31, 2006 and subsequent filings with the SEC.

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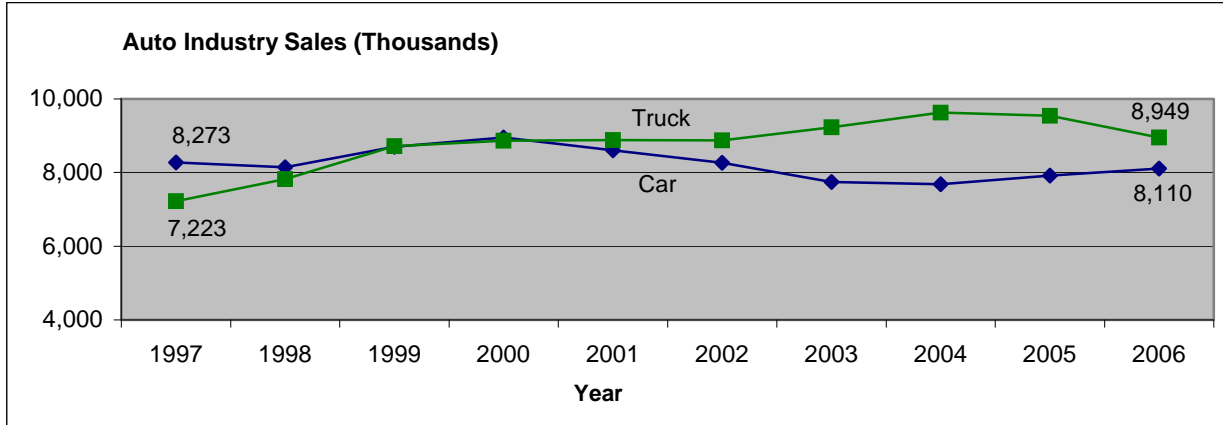
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U.S. Auto Sales Statistics

(The following data is accurate as of year-end 2006. For 2007 sales results and information, please visit the "News" section of this site.)

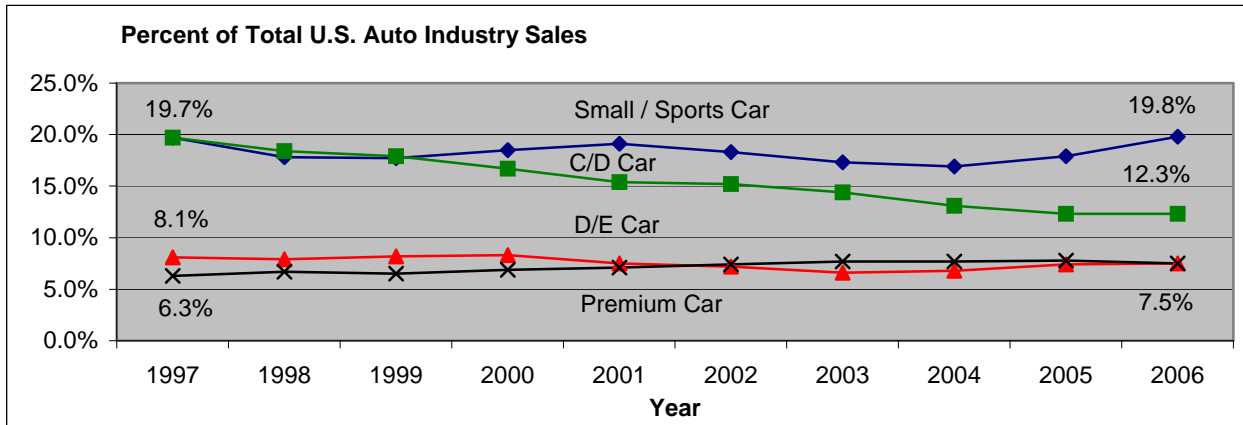
Industry Sales in the United States (Including Imports)

This chart shows auto industry sales for the last 10 years. After peaking in 2000, industry car sales declined gradually until 2004 and improved slightly in 2005 and 2006. Truck sales steadily increased between 1997 and 2004 before declining in 2005 and 2006 – due in part to changing consumer demand preferences and increasing gas prices.



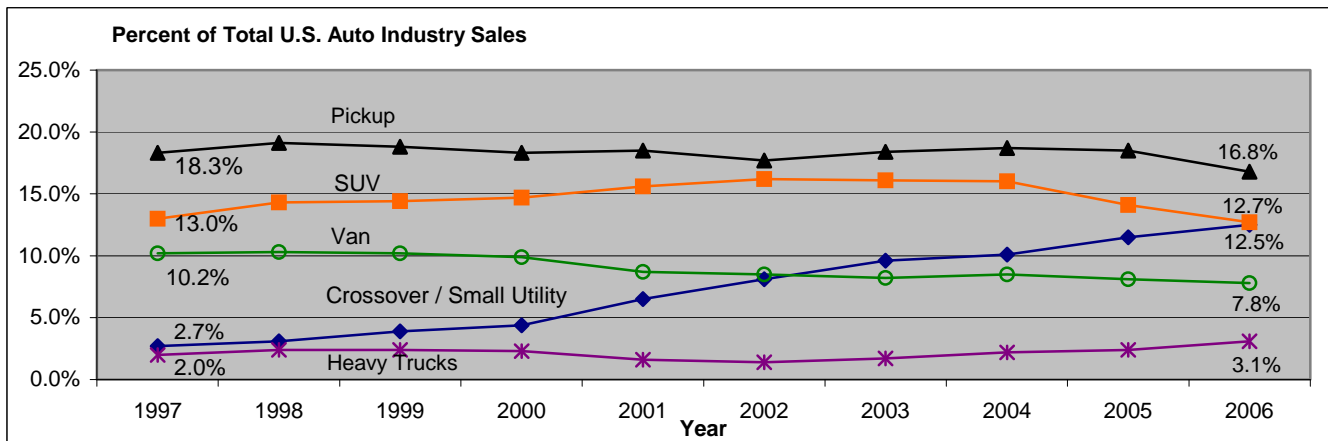
Car Market Segment in the United States

Over the past 10 years, the small / sports car and premium car segments have shown moderate growth, particularly in B-Cars, while the C/D segment has shown significant decline and the D/E segment has shown moderate decline.



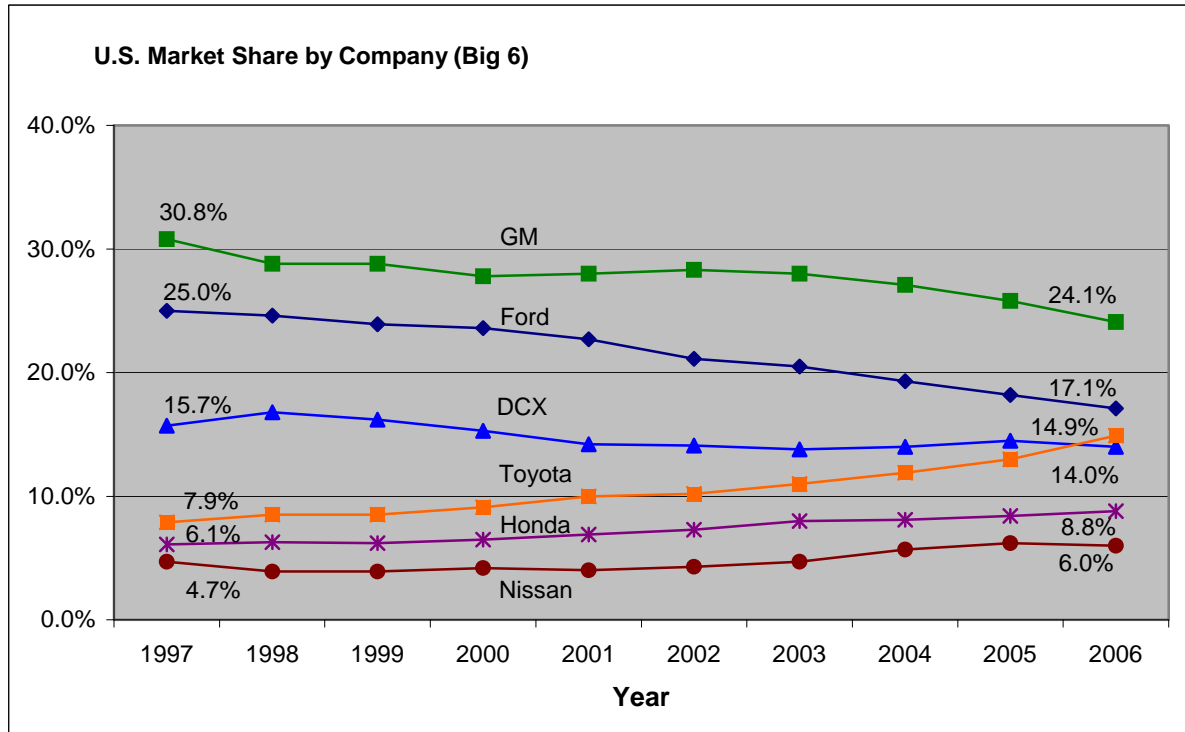
Truck Market Segment in the United States

The pickup, SUV, & van segments have all shown a modest decline over the past 10 years, while the heavy truck segment has shown a modest growth. The crossover / small utility segment has shown significant growth due to the introduction of new vehicles in this segment.



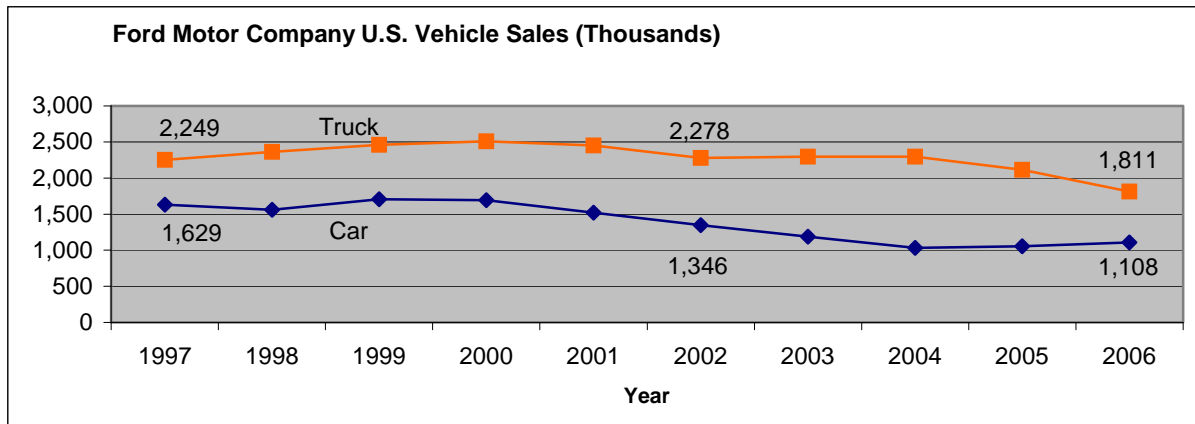
Share of Industry by Manufacturer in the United States

The following chart illustrates total U.S. market share by company (inclusive of all brands sold in the U.S. – Ford's share includes U.S. sales of P.A.G. brands). Ford has experienced a 7.9 percentage point decline in market share since 1997, as illustrated in the chart below.



Ford Motor Company Vehicle Sales in the United States

Ford Motor Company vehicle sales rose to a high of 4.2 million units in 2000 and declined to a low of 2.9 million units in 2006. Ford's truck sales peaked in 2000 at 2.5 million units; car sales peaked in 2000 at 1.7 million units.



Ford Motor Company – Vital Statistics

Plants and Other Facilities

Ford Motor Company's hourly UAW-represented employees work in a number of plants, parts distribution centers, research and engineering sites, and other facilities across the United States. A complete list of these facilities is contained in the Appendix, page 37.

Assembly Plants (Vehicle Operations)

The company's U.S. assembly plants receive parts and components from suppliers (both within and outside the company) and assemble them into finished cars and trucks.

Manufacturing Plants (Stamping and Powertrain Operations)

The company's U.S. manufacturing plants manufacture, fabricate and ship parts or component assemblies to the assembly plants or parts distribution centers.

Automotive Parts Distribution Centers

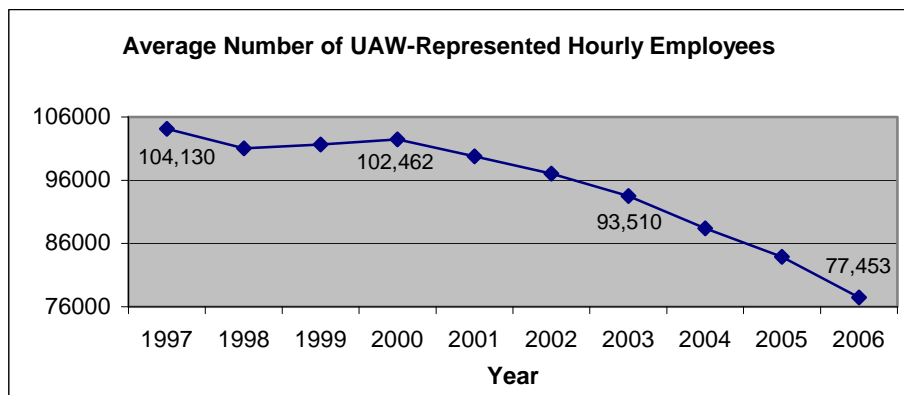
U.S. facilities receive inventory and store automotive parts for distribution to dealers and other distributors.

Research and Engineering Facilities

The research and engineering facilities conduct advanced research in new vehicle concepts, powertrains and vehicle systems. Research and development of manufacturing processes, materials, environmental controls, polymers and catalysts also are conducted at these facilities.

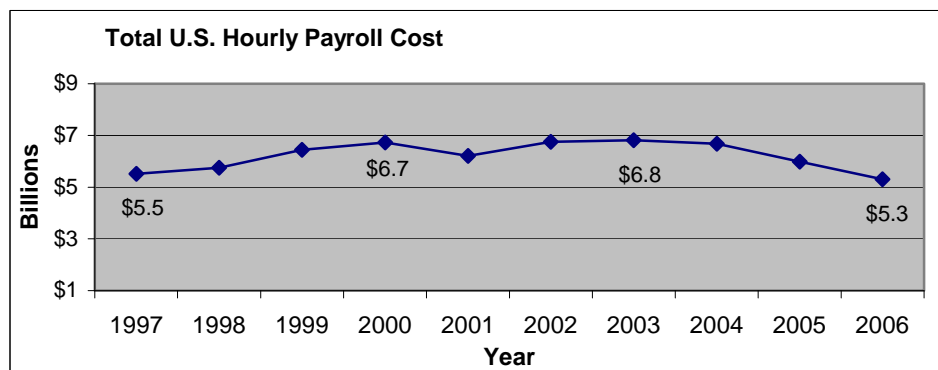
Hourly Employment

This chart traces Ford's U.S. hourly employment levels during the last 10 years. These figures represent the average number of UAW-represented employees covered by the collective bargaining agreement on the employment roll each year from 1997 to 2006. During the last decade, average hourly employment levels peaked at 104,130 in 1997 and have decreased over the last several years to 77,453 in 2006, a 26% reduction.



Hourly Payroll

This chart illustrates Ford's U.S. hourly payroll cost – which excludes healthcare, pension, and other benefits – for each year from 1997 through 2006. Since 1997, hourly payroll costs have decreased 4% from \$5.5 billion to \$5.3 billion, which is explained by a decrease in employment offset by an increase in wages and COLA.



Profile – Typical Hourly Employees

This section profiles the "average" Ford U.S. hourly employee – it is a composite of production and skilled wages based on the average number of employees and their hours paid in 2006.

• <u>Base Hourly Rate</u>	<u>\$27.11</u>
(Composite average)	
• <u>Cost-of-Living Allowance</u>	<u>\$1.77</u>
(2006 Average)	
• <u>Total Hourly Rate¹</u>	<u>\$28.88</u>
(2006 Composite Average)	
• <u>Gross Weekly Earnings</u>	<u>\$1,155.20</u>
(Based on a 40 hour straight-time week)	
• <u>Total Annual Compensation</u>	<u>\$68,177.00</u>
(Based on 2006 average hours paid per week – including overtime premiums and pay for time not worked such as vacation, holidays, etc.)	

The following sections profile two "typical" Ford hourly employees - a Major Assembler and a skilled Tool & Die Maker. Both employees are 45 years old and have 17 years of Ford service.² Pay rates shown as of 12/31/2006.

Disability Benefits

If an illness or injury prevents either employee from working, each would be paid as follows:

- Accident and Sickness (A&S) Benefits for up to 52 weeks:
 - ◆ \$625 per week for a Major Assembler and \$735 per week for a Tool & Die Maker
- Thereafter, Extended Disability Benefits (EDB):
 - ◆ For employees with 10 or more years of seniority, benefits are payable to age 65 and are as follows: \$2,485 per month for a Major Assembler and \$2,915 per month for a Tool & Die Maker
 - ◆ For employees with less than 10 years of seniority, benefits (when combined with A&S) are payable equal to the length of the employee's seniority. For example, a Major Assembler would receive \$2,255 per month and a Tool & Die Maker would receive \$2,650 per month.

Disability benefits are subject to offset for Social Security Disability Income Benefits, Ford Retirement Benefits and workers' compensation.

Paid Time Off

In 2006, both of the above "typical" employees were entitled to the following paid time off:

Vacation	20 days
Holidays	<u>16 days</u>
Total Paid Time Off	<u>36 days</u>

Layoff Benefits

Employees are eligible for benefits in the event they are laid off. The following examples assume both of the above employees are married, have two children and live in Detroit, Michigan.

Layoff for Part of a Week

In a work week in which these employees worked three days (24 hours) and were laid off for two days (16 hours), they would receive Automatic Short Week Benefits under the Supplemental Unemployment Benefit (SUB) Plan³ as follows:

	Major Assembler	Tool & Die Maker
• Automatic Short Week Benefit	\$359.49	\$417.28
• Ford earnings for 3 days of work (24 hours at hourly rate including COLA)	<u>\$674.04</u>	<u>\$782.40</u>
• Total gross Ford income for the week	<u>\$1,033.53</u>	<u>\$1,199.68</u>

¹The total hourly rate is increased by special premiums if the employees were on the afternoon or midnight shift or were seven-day employees. See Appendix, page 49.

²The average length of company service for all hourly employees as of Dec. 31, 2006 was 17.1 years and the average age was 45.3 years.

³The SUB Plan and related programs are explained in greater detail in Income Security, page 19.

Layoff for a Full Week

If the layoff is for a full week, these employees would be paid SUB Regular Benefits.¹

	Major Assembler	Tool & Die Maker
• Weekly SUB Plan Payment	\$449.04	\$570.05
• State unemployment compensation	<u>\$362.00</u>	<u>\$362.00</u>
• Gross weekly unemployment benefit including state unemployment compensation of \$362.00	<u>\$811.04</u>	<u>\$932.05</u>

Pension Benefits

For the purpose of reviewing pension benefits, the hourly employees for this example are 60 years of age, with 30 years of creditable service, and have elected early retirement. They would be paid the following pension benefits monthly.²

	Major Assembler (Ben. Class Code B)	Tool & Die Maker (Ben. Class Code D)
• At Retirement (age 60)	\$3,020.00	\$3,020.00
• At age 62 ³	\$1,534.50	\$1,549.50
• At age 65 (enrolled in Medicare) ³	\$1,610.70	\$1,625.70

Additional Benefits

In addition to the benefits, paid time off and compensation already described, a typical employee is eligible for the following benefits:

Healthcare Benefits

- Hospital-Surgical-Medical-Drug-Hearing Aid Benefits
- Dental Coverage
- Vision Coverage

Group Life & Disability Insurance

- Company-paid Group Life Insurance and Accidental Death & Dismemberment (AD&D)
- Optional employee-paid Group Life Insurance and Accidental Death & Dismemberment (AD&D)
- Disability Benefits

¹Includes base hourly rate plus COLA of \$1.99 as of Dec. 31, 2006.

²All amounts are calculated without deduction for survivorship option. For further information on the UAW-Ford Pension Plan, see page 17.

³Social Security benefits are payable in addition to the Pension Plan benefits shown. Presently, the Special Age 65 Benefit amount is \$76.20 per month.

Other Plans and Programs

Also, employees may, at their option, participate in company plans and programs such as:

- UAW-Ford Legal Services Plan
- Tax Efficient Savings Plan
- Ford Interest Advantage
- New Vehicle Purchase/Red Carpet Lease Plans
- Ford Employee Finance Plan

Additional compensation also may be paid to employees as part of the Profit Sharing Plan.

For descriptions of these programs, see the Company Benefits section, page 12.

Hourly Labor Cost

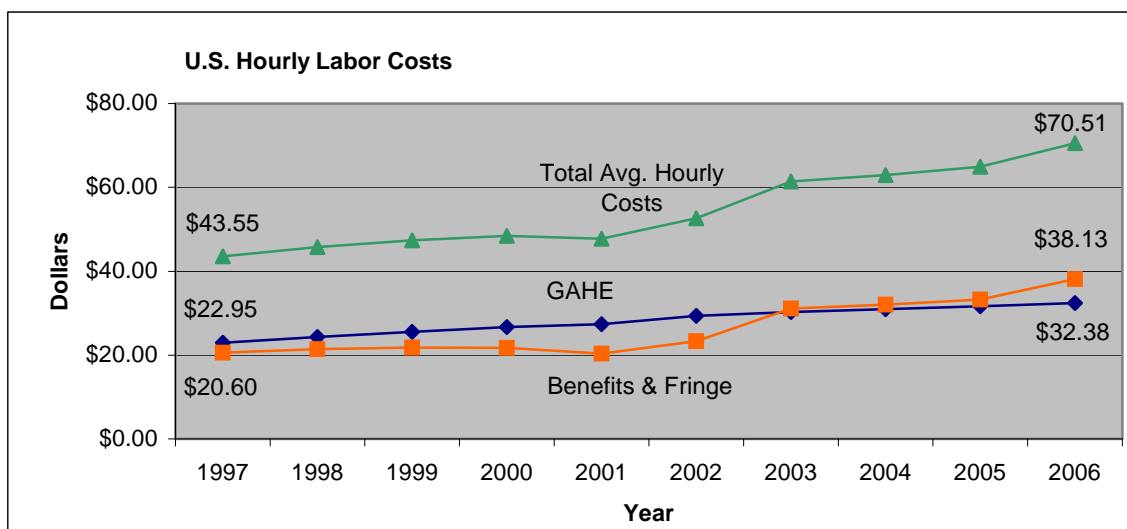
Labor costs can be defined and measured in a number of ways. One of the most meaningful measures is **the total average hourly cost** to the company per hour worked. This includes: (1) all the dollars paid to employees, (2) the cost of contractual benefits for employees, and (3) the cost of statutory payments, such as Social Security and Workers' Compensation – all calculated on the basis of hours worked by employees.

One element of total average hourly cost is the **gross average hourly earnings (GAHE)**. This is essentially what shows up in the paycheck. It includes base wages, cost-of-living allowance and premium payments.

Another element, the **benefits and fringe cost**, includes the cost of all insurance benefit coverage, supplemental unemployment plan costs, paid time off, statutory payments, profit sharing, Guaranteed Employment Number (GEN) and all other miscellaneous payments and costs.

This graph shows that during the 1997-2006 period, Ford's **total average hourly cost** per hour worked increased 62%, from \$43.55 to \$70.51. In comparison, total labor costs per hour worked for the U.S. All Manufacturing Average increased 37% for the same period.

Ford's **GAHE** rose from \$22.95 in 1997 to \$32.38 in 2006 - an increase of 41%. In comparison, in the United States All Manufacturing Average hourly earnings increased 31%.



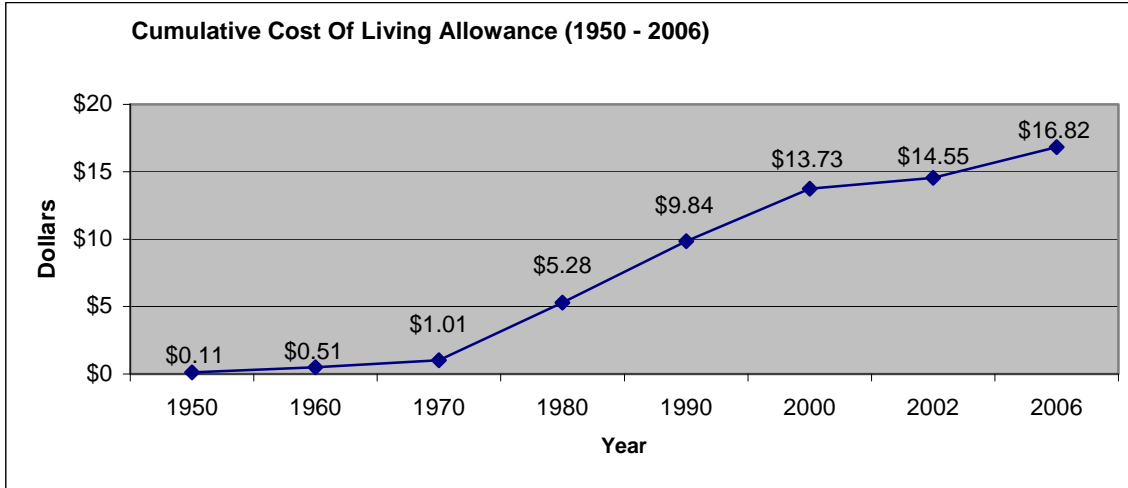
Over the period, Ford's **benefits and fringe cost** per hour worked increased 85%, from \$20.60 in 1997 to \$38.13 in 2006. The benefits and fringe portion of the United States All Manufacturing Average cost per hour worked increased 48% over the same period.

Cost-of-Living Allowance

The Cost-of-Living Allowance (COLA) was first paid at Ford in September 1950 and was initially \$0.08 per hour. The first adjustment (\$0.03) was made in December 1950. Since then, the COLA provision has provided for adjustments on a quarterly basis to the wages paid to hourly employees.

Under the present formula, a 0.50-point change in the three-month average of the U. S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) will change the COLA by 2 cents.

This chart shows that since its inception in 1950, the COLA provision has added \$16.82 per hour to wages. Of that amount, \$14.83 has been transferred or folded into base hourly rates.



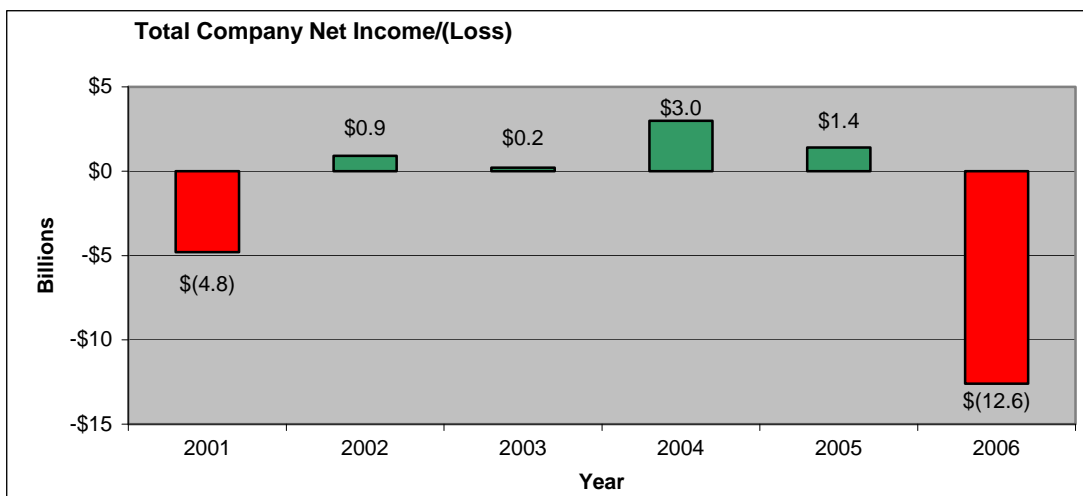
Note: The December 2005 Memorandum of Understanding on retiree healthcare includes provisions that allow for portions of COLA increases to be deferred to the DC VEBA. A year-by-year account of COLA changes is contained in the Appendix on page 47.

Ford Motor Company Financial Results

(The following data is accurate as of year-end 2006. For 2007 financial results and information, please visit the "News" section of this site.)

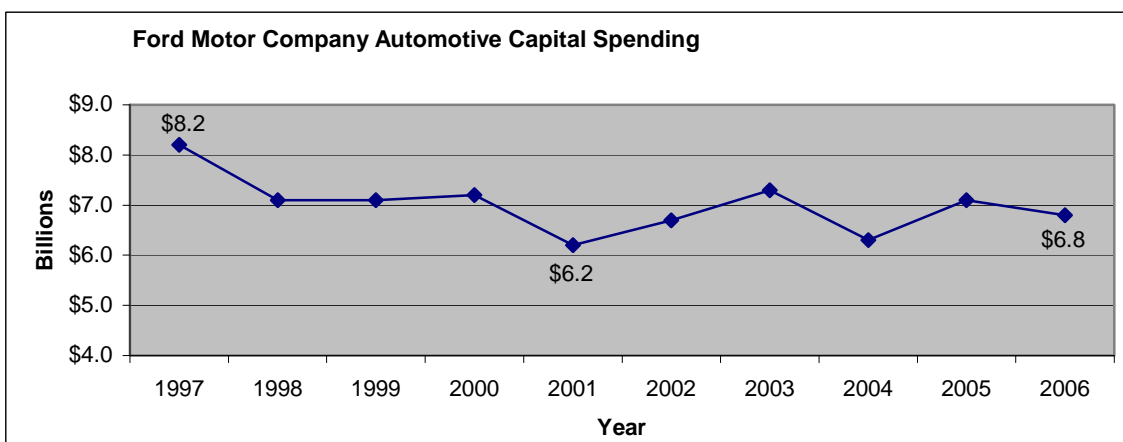
Financial Results – Ford Motor Company Net Income/(Loss)

This chart illustrates the net income/(loss) for Ford Motor Company since 2001. In 2006, the company incurred a net loss of \$12.6 billion worldwide, including one-time charges for personnel reduction programs, fixed asset impairments, and pension curtailment charges. The majority of these losses were in North America, which experienced a pre-tax loss of \$16 billion in 2006, and a pre-tax loss of \$2.4 billion in 2005.



Capital Spending

This chart illustrates Ford Motor Company's automotive sector capital spending trend for the past 10 years. Over the last 10 years, Ford has invested almost \$72 billion – primarily in new products – with approximately 47% of the investment made in the United States.



Ford Motor Company Vehicle Quality Results

(The following data is accurate as of year-end 2006. For 2007 quality results and information, please visit the "News" section of this site.)

New Vehicle Quality

At Ford Motor Company, quality comes first. To achieve customer satisfaction, the quality of our products and services must remain our number one priority. Internally, Ford uses the Global Quality Research Survey (GQRS) to measure the quality of its new vehicles built and sold in the U.S. market. The current five year TGW (Things-Gone-Wrong) trend, shown below, exhibits continuous improvement through a reduction in Things-Gone-Wrong.

Ford Brand, U.S. Market

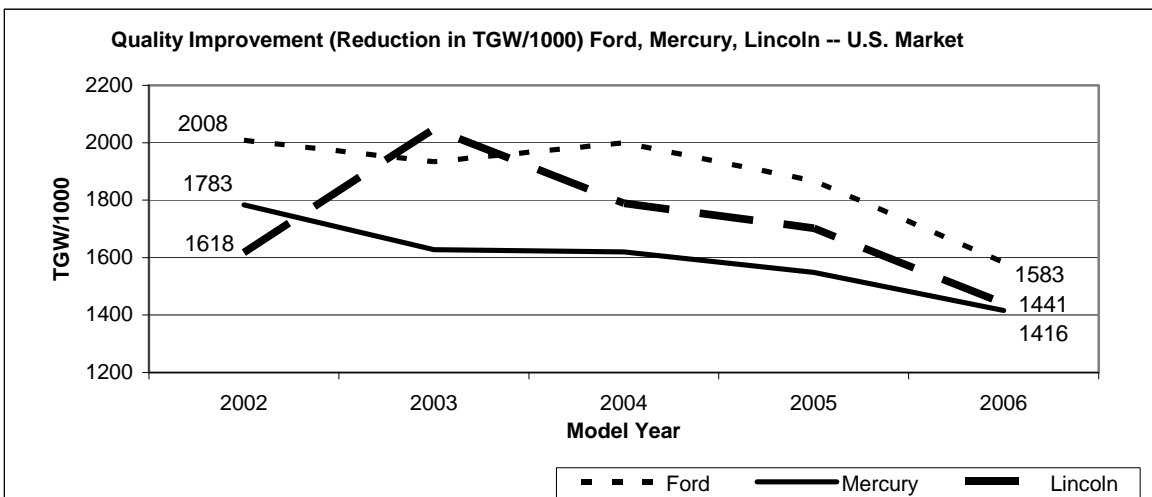
The Ford brand trend shown below exhibits a 21% improvement in TGW over the past five years for the U.S. market. Ford Fusion led the Ford brand trend with 1172 TGW in its launch year.

Mercury Brand, U.S. Market

The Mercury brand trend shown below exhibits a 21% improvement in TGW over the past five years for the U.S. market. The Mercury Montego led the Mercury brand with 1136 TGW, and the Mercury Milan was a close second with 1149 TGW in its launch year.

Lincoln Brand, U.S. Market

The Lincoln brand trend shown below exhibits an 11% improvement in TGW over the past five years for the U.S. market. The Lincoln MKZ led the Lincoln brand with 1119 TGW in its launch year.



The Lincoln brand trend shown below exhibits an 11% improvement in TGW over the past five years for the U.S. market. The Lincoln MKZ led the Lincoln brand with 1119 TGW in its launch year.

Company Benefits – Healthcare Benefits

Healthcare Benefits

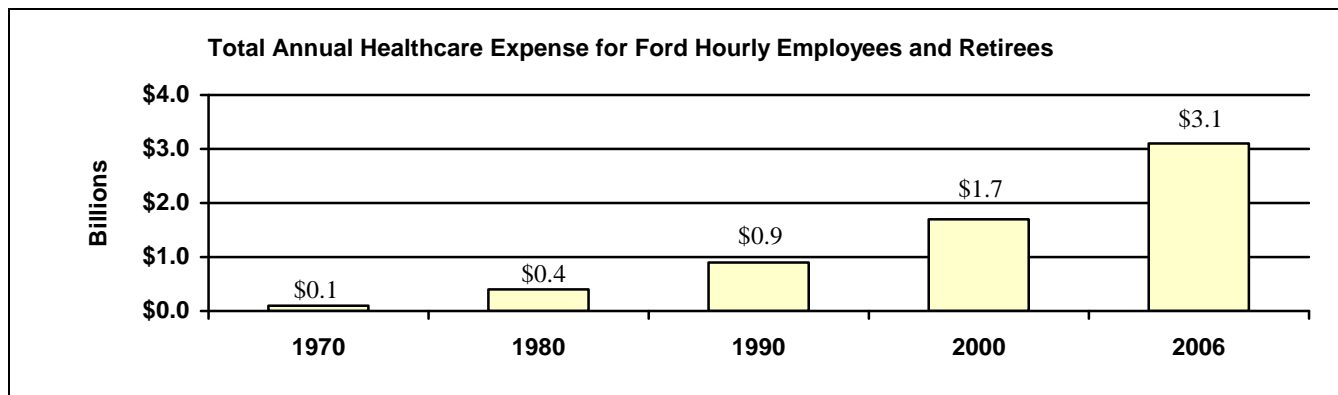
Ford provides eligible employees, retirees and surviving spouses and their eligible dependents with a comprehensive package of healthcare coverage including:

- Hospital-Surgical-Medical
- Prescription Drug
- Dental
- Vision
- Hearing Aid

Total Annual Healthcare Expense for Ford Hourly Employees and Retirees

Of all Ford benefits, healthcare is the most expensive. The cost of healthcare has been a serious concern for many years, based primarily on two factors:

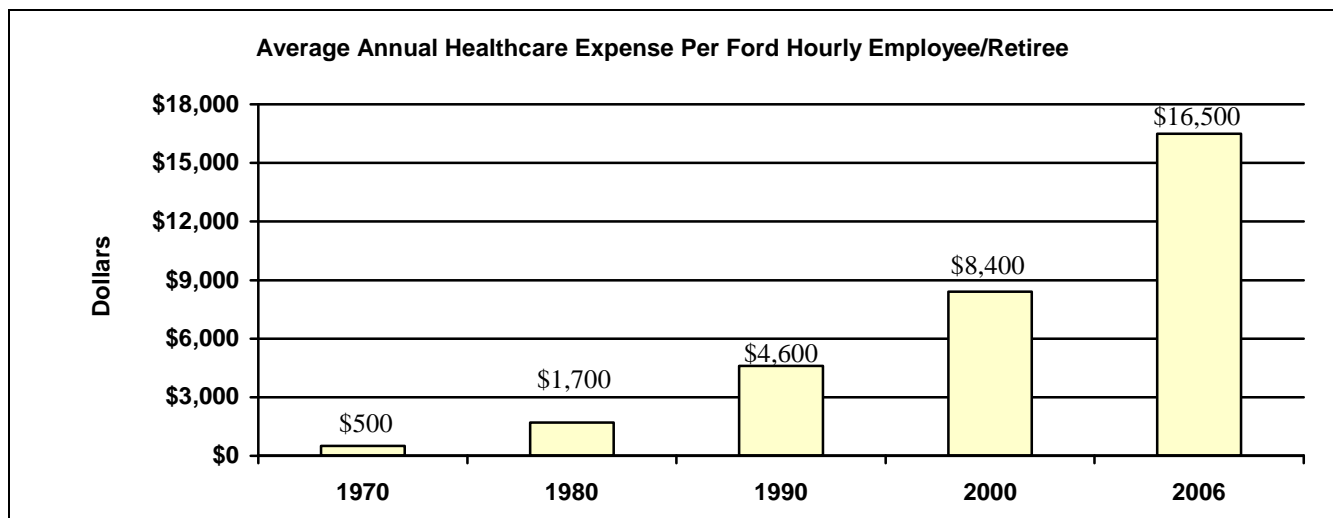
- Magnitude of expense: \$3.1 billion in 2006.
- Escalation of expense: annual expense has almost doubled since 2000.



Annual Healthcare Expense per Ford Hourly Employee/Retiree

The magnitude and escalation of healthcare costs can be viewed in terms of the expense per employee/retiree, as this chart displays from 1970 to 2006:

- Magnitude of expense: the average annual Ford hourly healthcare expense per employee/retiree increased to approximately \$16,500 in 2006.
- Escalation of expense: annual expense per employee/retiree has almost doubled since 2000.



Annual Healthcare Expense per Vehicle

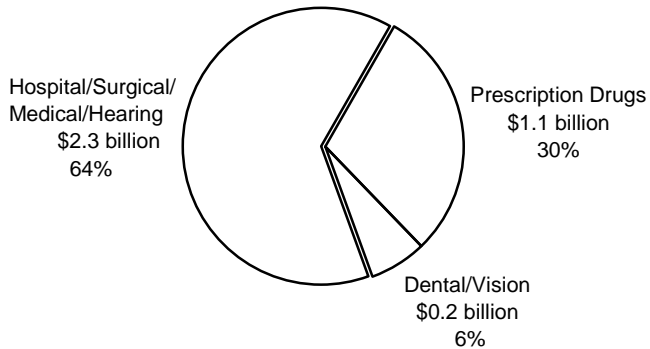
The cost of healthcare can also be viewed on a per-vehicle basis. The annual healthcare expense, on a per-vehicle basis, has increased \$400 – from \$800 per vehicle in 2002 to \$1,200 per vehicle in 2006.

Coverage Type as a Percent of Total Hourly Healthcare Payments

Of the \$3.1 billion in Ford hourly employee and retiree healthcare expense in 2006, surgical and medical costs represented the largest share at \$2.3 billion, or 64%.

Coverage as a percent of total 2006 hourly healthcare payments (includes HMO and PPO)

Note: figures do not include expected return on VEBA assets of \$0.5 billion



Cost Containment Programs

A joint Company-Union committee was established in 1976 when Ford and the UAW negotiated a comprehensive cost-containment program, a first for the industry.

This program was continued and expanded in subsequent agreements and now includes a number of programs to contain healthcare costs and improve quality of care:

- Case Management
- Certain Durable Medical Equipment and Prosthetic/Orthotic Equipment
- Community Health Care Initiatives
- Coordinated Care Management
- Cost Effective Carve-Out Programs
- Hospital Predetermination Review
- Integration of Health Programs
- Mandatory Second Opinion
- Prescription Benefit Management
- Social Security Advocacy Program

In addition to the above-mentioned programs, healthcare modifications were implemented as of August 1, 2006, as a result of the court-approved agreement regarding cost-containment between Ford and the UAW. A brief description of the healthcare modifications made to retiree healthcare is outlined in the Retiree Healthcare Section.

Alternative Healthcare Programs

In most parts of the country, employees and retirees have the option to enroll in alternative healthcare plans or Health Maintenance Organizations (HMOs), in lieu of traditional coverage. HMO programs are intended to provide broader benefits for members in a managed care setting at lower cost. In limited areas of the country a Preferred Provider Organization (PPO) is also available.

The following chart indicates the percentage of employees and retirees who were enrolled in HMO or PPO plans in 2006:

	2006 Percent Enrolled In	
	<u>Employee</u>	<u>Retiree</u>
HMO	74%	27%
National PPO Network / PPO	<u>26%</u>	<u>73%</u>
	100%	100%

Hospital-Surgical-Medical-Hearing Aid - Traditional

Coverage: Traditional Hospital-Surgical-Medical-Hearing Aid coverage is provided through a national account program with Blue Cross Blue Shield of Michigan for eligible employees, retirees, surviving spouses and their eligible dependents. In 21 states, employees and retirees may elect alternative healthcare plan coverage in lieu of the traditional coverage.

Benefits: Hospital-Surgical-Medical-Hearing Aid benefits for active employees under the national account program include: coverage for up to 365 days of hospital care at no charge for approved admissions in a semiprivate room; surgical and in-hospital medical care reimbursed on the basis of physicians' reasonable, customary and prevailing fees; coverage for medical emergencies and emergency first aid.

Other important benefits include: outpatient psychiatric care; pre- and postnatal care; convalescent care; certain X-ray and lab tests; prosthetic appliances; durable medical equipment; residential and outpatient substance abuse treatment; outpatient physical therapy and hearing aid services for audiometric exams; hearing aid evaluation tests and hearing aids.

Prescription Drug - Traditional

Coverage: Prescription drug coverage for eligible employees, retirees, surviving spouses and their eligible dependents who are enrolled in traditional coverage is provided by the Blue Cross Blue Shield/Medco Health Pharmacy Program through the National Managed Pharmacy Program, a national network of pharmacies. For eligible employees, retirees, surviving spouses and their eligible dependents covered under an alternative healthcare plan, prescription drug coverage is provided through the alternative plan.

Benefits: Prescription drugs for active employees provided through local in-network pharmacies are subject to a \$5 (generic) and \$10 (brand) co-payment; those provided through a home delivery or mail order pharmacy are subject to a \$7 (generic) and \$12 (brand) co-payment.

Service-Specific Networks

Ford and the UAW have agreed to service-specific arrangements for foot care (in Michigan, Ohio, Illinois and Missouri), out-patient physical therapy in Michigan and nationwide networks for vision care, lab services, prescription drugs and durable medical equipment coverage. Pursuant to these arrangements, group members must use the network providers to continue to receive full program benefits under most circumstances. These arrangements generally provide improved benefits and quality of care for group members at a lower cost to Ford.

Health Improvement Program

In 2003, Ford and the UAW agreed to provide a health improvement program for employees and their family members enrolled in the company-sponsored PPO medical plans. Known as the *Healthy Highway* program, this comprehensive program was introduced to employees in March 2007 and serves to address the needs of three groups of individuals: those who are and want to stay healthy, those who are at risk for potential health problems, and those who are living with a chronic disease (estimated to be 30% of the company's employees). The program provides a personal health assessment, a 24/7 nurse-line, lifestyle management programs, and disease management programs. These programs are offered free to employees and their eligible family members, the services are voluntary, and all information is kept confidential between the individual and the vendors managing the programs. Incentives such as free medical services are offered to UAW-represented employees who have chronic diseases, if they agree to work with a nurse-coach to manage their medical conditions.

Dental - Traditional

Coverage: Nationwide dental coverage for eligible employees, retirees, surviving spouses and their eligible dependents is provided through Blue Cross Blue Shield of Michigan. In 18 states, employees and retirees may elect alternative dental plan coverage in lieu of traditional coverage. Effective January 1, 2007, Ford no longer sponsors the retiree dental plan coverage; instead, coverage will be provided from the DC-VEBA. The assets of the DC-VEBA will initially pay 100% of covered claims and administration costs for dental coverage.

Benefits: Dental benefits for eligible employees, retirees, surviving spouses and their eligible dependents include: coverage for 100% of usual, reasonable and customary charges (URC) for routine oral exams, cleanings, fluoride treatments and other preventive and certain emergency dental services; 90% of URC for X-rays, extractions and oral surgery, periodontal treatment, general anesthesia, filling restoration (or in certain cases, onlays and gold fillings), injection of antibiotic drugs, repairs to bridges, dentures, crowns or inlays, and relining or rebasing of dentures; 50% of URC for prosthetic services and orthodontic services for covered persons under age 19. The maximum annual benefit per member is \$1,700 for non-orthodontic services, with a separate maximum lifetime benefit of \$2,000 for orthodontic services.

Vision - Traditional

Coverage: Vision coverage for eligible employees, retirees, surviving spouses and their eligible dependents is provided nationwide by SVS Vision, Inc.

Benefits: The SVS Vision Program offers the following benefits from participating providers: complete vision examination; frame and lenses (including bifocal, trifocal and special lenses); vision testing, re-examination by ophthalmologist; and contact lenses. Benefit payments to non-participating providers are for lesser amounts. Benefit payments for covered exams, lenses and frames are payable once during each 24 consecutive months.

Retiree Healthcare Coverage

Coverage: Health care coverage for retirees, surviving spouses and their eligible dependents was modified effective August 1, 2006. Hospital-Surgical-Medical-Hearing Aid coverage is now provided through a Modified Ford Plan (National PPO, Blue Preferred Plus PPO, Blue Select PPO of Tennessee and all Health Maintenance Organizations (HMO) or a Catastrophic PPO Plan).

Retiree Status: Retirees are identified by two categories, General (non-protected) retirees, surviving spouses and their eligible dependents, and Protected retirees. Protected retirees receive an annual Ford pension benefit of \$8,000 or less – excluding lump sum payments and Medicare B reimbursement – and have a monthly life income benefit of \$33.33 or lower. The Protected group is not required to pay a monthly health care contribution and is eligible for the same coverage as an active employee. General retirees and surviving spouses are those who have not been identified as "Protected" retirees and surviving spouses and are required to pay a monthly health care contribution (\$10/single party and \$21/Multiple Party). The General retirees are eligible to choose a Modified Ford Plan with deductibles, co-insurance and increased drug co-pays.

Benefits: Certain benefits with the Modified National PPO plan are subject cost-sharing amounts as outlined below:

Modified Ford Plan National PPO (As of 12/31/06)		
Monthly healthcare contributions (through pension deductions)		
<ul style="list-style-type: none"> • \$10 per month for a single contract • \$21 per month for a multiple part contract 		
Annual Deductibles (In- and out-of-network)		
<ul style="list-style-type: none"> • \$150 per year for single contract • \$300 per year for multiple party 		
Co-insurance		
<ul style="list-style-type: none"> • 10% of covered health care costs for in-network services • 30% of covered health care costs for out-of-network services 		
Prescription Drug Co-payments		
	<u>Retail</u>	<u>Mail</u>
Generic	\$ 5	\$ 7
Brand	\$10	\$12
Erectile Dysfunction	\$15	\$18
Emergency Room Co-payment		
\$50 per visit (waived if admitted)		
Annual Out-of-Pocket Maximums*		
	<u>In-Network</u>	<u>Out-of-Network</u>
Single	\$250	\$ 500
Multiple party	\$500	\$1,000
*(Deductible+Co-insurance = out-of-pocket maximum)		

Company Benefits – Group Life and Disability Insurance (GL&DI)

Group Life and Disability Insurance (GL&DI)

Ford provides hourly employees a comprehensive package of life and disability insurance benefits based on wage rates on the last day worked. Coverage includes:

- Life Insurance
- Accidental Death and Dismemberment coverage
- Accident and Sickness benefits (A&S)
- Extended Disability Benefits (EDB)

In addition, the following benefits are provided:

- Safety-belt user benefit (\$15,000)
- Survivor Income Benefit (\$650 per month)

Also available are several optional employee-paid plans:

- Dependent Group Life Insurance provides spouse coverage (\$5,000 to \$75,000) and child(ren) coverage (\$2,000 to \$30,000);
- Employee Optional Life Insurance offers varying amounts between \$10,000 and \$200,000;
- Optional Accident Insurance is offered for both the employee and family. Coverage may be purchased in units of \$10,000 up to \$500,000. If family coverage is elected, the spouse is covered for an amount equal to 50% of the employee's coverage, and each child is covered for 10% of the employee's coverage.

The following summarizes company-paid GL&DI benefits for current hourly employees as demonstrated by the "average" hourly employees introduced on page 6 of this book:

Benefit	Benefit Amount (Range)	Major Assembler	Tool & Die Maker
Life Insurance – pays a benefit to employee's beneficiary when the employee dies	\$40,500 – \$81,000	\$59,500	\$70,500
Accidental Death and Dismemberment Insurance – pays a benefit, if the employee suffers a covered dismemberment or dies as the result of an accident	\$20,250 – \$40,500	\$29,750	\$35,250
Survivor Income Benefit – provides a monthly income to the employee's eligible survivors after the employee dies	\$650 per month (\$350) if eligible for unreduced Social Security benefits)	Same	Same
Accident and Sickness Insurance - pays a weekly benefit for up to 52 weeks, if the employee is injured or sick and unable to work	\$425 – \$850 per week	\$625 per week	\$735 per week
Extended Disability Benefit - provides a monthly benefit (based on service) after Accident and Sickness benefits end, if the employee is totally disabled and unable to work	\$1,525 – \$3,070 per month (less than 10 years)	\$2,255 per month (less than 10 years)	\$2,650 per month (less than 10 years)
	\$1,680 – \$3,380 per month (10 or more years)	\$2,485 per month (10 or more years)	\$2,915 per month (10 or more years)

Benefit	Benefit Amount/Range (All Employees)
Safety Belt User Benefit Program - pays a \$15,000 benefit, if the employee or another covered participant dies as a result of an automobile accident while wearing a qualified passenger restraint	\$15,000
Optional Group Life Insurance - employee may select varying amounts of coverage for him/herself and/or covered dependents ¹	Employee – \$10,000 to \$200,000 Spouse – \$5,000 to \$75,000 Each Child – \$2,000 to \$30,000
Optional Accident Insurance - employee may select varying amounts of coverage for him/herself and/or covered dependents ¹	Employee - \$10,000 to \$500,000 Spouse - 50% of employee's coverage Each Child - 10% of employee's coverage

Retiree Coverage

Hourly retirees continue to receive Ford-paid Life Insurance (unreduced at base hourly rate on the last day worked) and Accidental Death & Dismemberment coverage until age 65. After age 65, Accidental Death & Dismemberment coverage is terminated, and retiree Life Insurance coverage gradually decreases until a minimal level is reached.

Other benefits available under the Optional Accident Insurance Plan include:¹

- Paralysis Benefits
- Comatose Benefits
- Special Education Benefits
- Special Child Care Center Benefits
- Spousal Occupational Training Expense
- Common Disaster Benefits
- Repatriation Benefits

Company Benefits – Pension Plan

Ford Motor Company-UAW Pension Plan

- Funded entirely by company contributions
- Adopted in 1949
- Effective March 1, 1950
- First negotiated pension plan for hourly employees in the auto industry
- Provided a maximum combined monthly benefit (benefit class code D retirement, including Social Security and excluding Special Age 65 Benefit) for a normal retirement at 30 years of company service:
 - of \$100 for a retirement in 1950
 - of \$3,340 for a retirement in 2006

Significant improvements and liberalizations to the plan over the years have included:

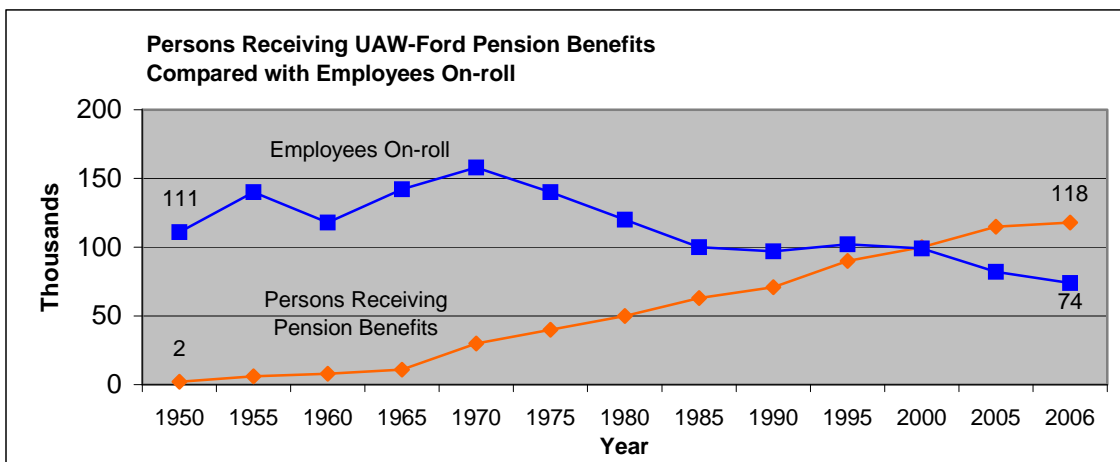
- Supplemental allowances payable to those retiring prior to attaining eligibility for Social Security benefits;
- Payment of survivor's benefits to spouses of retirees;
- Special Early retirement benefits payable for retirement under mutually satisfactory conditions;
- Disability pension benefits payable to employees under age 65 with at least 10 years of service who become totally and permanently disabled or unable to perform any work at the plant or plants at which they have seniority;
- Additional service credit which could result in a "25 and out" pension benefit for employment in certain Foundry, Coke Oven and Ingot Mold job classifications;
- A Special Age 65 monthly benefit, which may be paid to all retired persons over age 65 and certain eligible persons under age 65;
- A deferred vested benefit payable at 65, or earlier on a reduced basis, to former employees who had 10 or more years of creditable service (or ERISA service) at the time they broke seniority with the company (five years, if employed after Jan. 1, 1989);
- A pre-retirement survivorship option.

¹Employee paid.

The graphs on the following pages show the growth in the number of people receiving benefits, the typical benefit and the annual benefit payments.

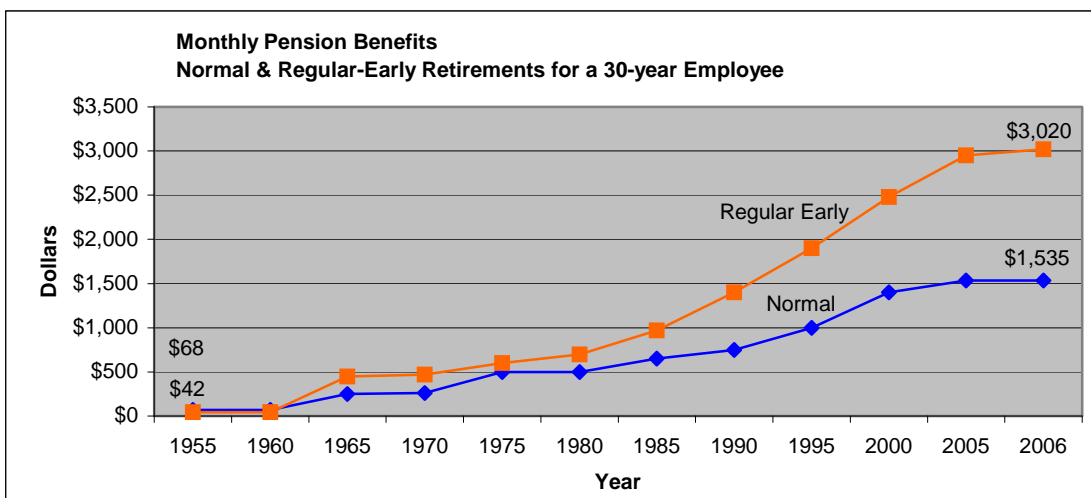
Persons Receiving UAW-Ford Pension Benefits Compared with Hourly Employees On-roll¹

The ratio of the number of hourly retirees and surviving spouses receiving benefits to hourly employees on-roll has changed from 1-to-62 in 1950 (when only 1,800 people were receiving plan benefits with 111,400 employees on-roll), to a ratio of (1.6-to-1) at year-end 2006 (with approximately 118,000 people receiving plan benefits and approximately 73,800 employees on roll including Ford hourly employees at ACH). The number of retirees and surviving spouses receiving benefits will continue to increase. This graph shows the number of people receiving plan benefits (including Ford hourly employees at ACH) and the number of on-roll employees each year.



Monthly Pension Benefits: Normal & Regular-Early Retirements for a 30-year Hourly Employee

The actual dollar amount of benefits payable under the plan has grown since the plan's inception. This graph compares the dollar amount of historical monthly benefits payable under the plan for retirements commencing in the years shown for both Normal and Regular Early "30 and out" benefits.² The calculation of benefits for Normal Retirement assumes the employee retires with 30 years of service at age 65. Benefits for Regular Early retirements assume the employee was age 60 with 30 years of service at retirement.

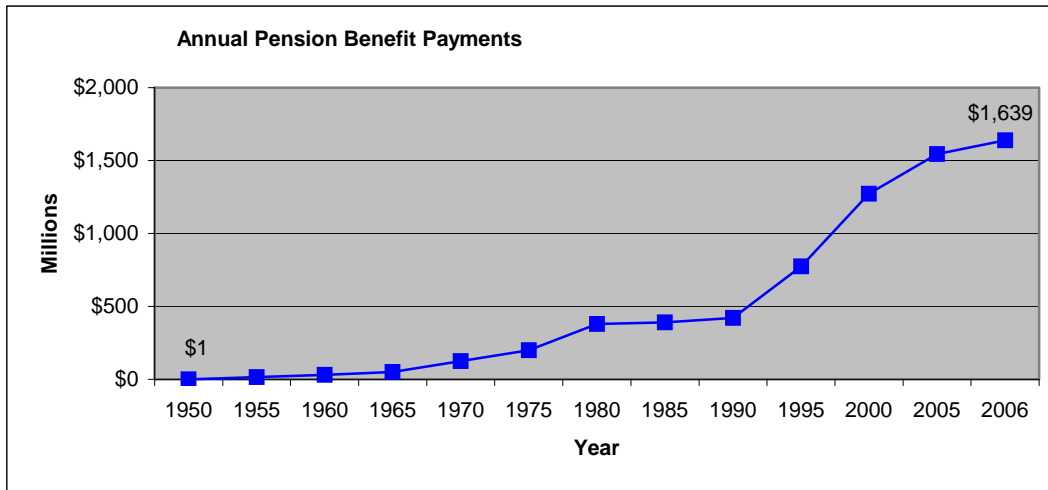


¹As of year-end 2006

²The \$3,020 Regular Early monthly pension benefit (benefit class code B retirement, including a supplemental allowance) as shown is payable until age 62 and one month, or if earlier, until eligible for an unreduced Social Security benefit. At age 62 and one month the monthly benefit payable under the plan for the individual in this example would be recalculated to \$1,535. (Benefits exclude survivorship option cost.) For retirees with birth dates in 1938 through September 14, 1945, the Regular Early benefit including supplemental allowance was extended until the date 80% Social Security Benefits are payable.

Annual Pension Benefit Payments

This graph shows the growth in annual benefit payments. In 1950, the plan paid out approximately \$1 million in benefits to 1,800 retirees. In 2006, a total of \$1.64 billion was paid to an average of 117,000 retirees and surviving spouses. Benefits under the plan are provided through a trust funded by company contributions. The value of trust fund assets as of Dec. 31, 2006 was \$24.2 billion. On an accounting basis, the market value of plan assets was 99% of the accumulated benefit obligation at year-end 2006. Through 2006 a total of \$22.3 billion has been paid to all past and current retirees and surviving spouses.



Company Benefits – Income Security

Ford-UAW Supplemental Unemployment Benefit (SUB) Plan

- Negotiated in 1955, implemented in 1956
- Provides a significant measure of income during layoff
- \$2.6 billion in benefits paid since 1956

Three Types of SUB Benefits

- **Regular Benefits** generally for full weeks of layoff of an amount that, when added to state unemployment compensation, equals 95% of Weekly After-Tax Pay minus \$30.00 (for work-related expenses not incurred). Duration of Regular Benefits (term of the 2003 Collective Bargaining Agreement, subject to seniority):
 - Limited to 48 weeks of qualifying volume related (reduced customer demand) layoff during the term of the agreement. Following 48 weeks, the employee must be recalled to work.
 - For the length of a qualifying non-volume related layoff.
- **Automatic Short Week Benefits** for partial weeks of layoff of an amount that equals 80% of the employee's base hourly rate plus 80% of COLA for hours of layoff in a workweek in which less than 40 hours are available to the employee.
- **Separation Payment** based on a scheduled number of hours of base pay plus COLA, determined by the employee's seniority. Paid in lieu of future SUB benefits.

History of SUB Payments

- The number of Regular Benefit payments ranged from a low of 36,800 (\$12.1 million – total amount) in 1994 to a high of 1.5 million (\$205 million – total amount) in 1980; 352,300 payments were made in 2006 (\$155.7 million – total amount).
- The number of Automatic Short Week Benefit payments (SWB) ranged from a low of 142,300 (\$12.4 million – total amount) in 1994 to a high of 954,700 (\$18.9 million – total amount) in 1970; 385,600 payments were made in 2006 (\$43.8 million – total amount).

Year	<u>SUB BENEFITS</u> ¹		SHORT WEEK BENEFITS	
	REGULAR BENEFITS			
	Number of Benefits Paid (000)	Total Amount (\$ Millions)	Number of Benefits Paid (000)	Total Amount (\$ Millions)
1960	284.0	5.5	2	2
1965	51.6	1.6	241.3	2.8
1970	248.5	14.0	954.7	18.9
1975	1,001.0	93.8	287.2	7.2
1980	1,494.4	205.2 ³	322.0	18.4
1981	650.4	42.9 ³	231.3	12.0
1982	933.8	103.2 ³	243.3	13.7
1983	325.5	36.7 ³	201.7	10.5
1984	180.2	26.8 ³	160.9	11.1
1985	224.2	41.9 ³	175.2	15.0
1986	130.6	24.7 ³	162.4	12.9
1987	85.8	21.9 ³	158.6	11.2
1988	52.6	12.7 ³	149.0	12.1
1989	110.7	25.9 ³	248.1	16.0
1990	283.1	65.1 ³	346.0	30.3
1991	569.2	136.0 ³	407.4	29.5
1992	290.6	67.9 ³	320.5	25.7
1993	103.0	25.7 ³	174.3	13.5
1994	36.8	12.1 ³	142.3	12.4
1995	157.4	41.6 ³	236.8	15.8
1996	148.2	39.3	262.2	27.1
1997	186.7	51.5	286.4	25.1
1998	110.2	32.4	228.8	18.2
1999	85.1	26.2	161.5	20.0
2000	83.9	27.9	160.8	17.5
2001	191.6	66.6	276.5	32.3
2002	70.7	24.3	161.9	17.2
2003	178.7	65.6	228.7	21.6
2004	158.2	59.1	234.7	27.6
2005	235.8	97.9	288.9	31.5
2006	352.3	155.7	385.6	43.8
TOTAL*	13,276.8	\$1,909.9	13,805.0	\$719.3

*(Including Years Not Shown)

¹Includes separation payments of \$100 million.

²Short Week Benefits began in 1962.

³Reduced by recovery of benefit overpayments.

Guaranteed Income Stream (GIS) Program

- Negotiated in 1982
- Financial safety net for long service employees who have exhausted SUB
- Company's total liability for GIS is limited to \$76 million. Through year-end 2006, over 99% of this liability was unspent and available.

Benefits

- Weekly Income Benefits equal 50% of base hourly wages and COLA on the last day worked plus one additional percentage point for each year of seniority over 15 years;

Maximum Weekly Income Benefit is the lesser of:

- 75% of normal wages, or
- Level of SUB entitlement, or
- Weekly equivalent of the monthly retirement benefit that would be payable if the employee were eligible for certain retirement benefits.

Example of Weekly Income Benefit:

- Employee with 18 years of seniority;
- Base hourly rate of \$26.095 (Major Assembler) and COLA of \$1.99 on the employee's last day worked - Dec. 31, 2006;
- 40 hours x \$28.08 (base + COLA) x 53% (50% + 3% for 3 years of seniority over 15) or \$595.30 a week.
- Healthcare Benefits consisting of hospital-surgical-medical insurance, prescription drug, vision and hearing aid coverage;
- Life Insurance of \$16,000;
- Redemption Payment of \$5,000 in lieu of future GIS benefits.

Eligibility

- Laid off after March 1, 1982, with 15 years of seniority, or
- Laid off after Oct. 22, 1990, with 10 years of seniority, and
- Is either:
 - Working with a subsequent employer, or
 - Able, available and seeking work and maintaining an active registration with the applicable Public Employment Service, or
 - Participating in a jointly approved vocational training program, or
 - Becomes wholly and continuously disabled after the qualifying layoff began

Termination of Benefits

- Death
- Retirement
- Acceptance of Redemption Payment
- Refusal of an employment interview or any offer of employment which the employee is capable of performing at any company facility - unless more than 50 miles from facility where last worked
- Loss of seniority for any reason other than that the employee has been on layoff for a period of time equal to his or her company seniority
- Failure of an employee to report income from other sources, statutory benefits, insurance coverage from other sources, or change in employment status
- Refusal to apply for statutory benefits which could offset GIS benefits

Company Benefits – Employment Security

Job Security Program - Guaranteed Employment Numbers (GEN)

The GEN Program, first negotiated as the industry pattern at Ford in 1987, was designed to provide continued employment for employees who might otherwise be laid off. The basic guarantee is that no eligible employee will be laid off over the term of the Agreement, except for the following reasons:

- Reduced customer demand, a maximum of 48 weeks over the life of the Agreement.
- Acts of God or other conditions beyond the control of management.
- Conclusion of an assignment known in advance to be temporary.
- Plant rearrangement or model changeover.

Eligible employees cannot be laid off because of:

- Introduction of new technology.
- Sourcing decisions.
- Company-implemented efficiency actions.

After exercising seniority rights, eligible affected employees are placed in "Protected Employee" status, where they receive full wages and benefits. While in protected status, employees may be assigned to:

- Training programs or to replace other employees who are in training.
- Certain non-traditional jobs.
- Openings at other Ford locations.
- Other assignments consistent with the intent of the program.

The total financial liability for the program is limited to \$944 million during the term of the 2003 Agreement. Through December 2006, total program expenditures were \$499 million. 1,081 employees were in protected status throughout the company as of December 31, 2006. The program, which includes special separation and transfer incentives, is administered by joint UAW-Ford Job Security Committees at the local and national levels.

Preferential Placement/Return Home Arrangements

First initiated at Ford in 1982, the Preferential Placement Program provides laid-off seniority employees the opportunity to transfer to available work at other locations. Since its inception, over 17,000 employees have been re-employed under these arrangements, with just fewer than 3,400 coming from closed facilities.

Under the return home provisions, eligible employees who are preferentially placed at another facility may apply to "return home" to their home location as opportunities permit.

Employees who relocate under either program may receive the Regular Moving Allowance (ranging from \$1,270 to \$4,425 – depending on the distance between plant locations and the employee's family status) or the Enhanced Moving Allowance (with a maximum of up to \$23,500). Employees who choose the Enhanced Moving Allowance must follow program provisions and would terminate their seniority and recall rights at all other Ford locations.

Company Benefits – Legal Services Plan

UAW-Ford Legal Services Plan

The UAW-Ford Legal Services Plan shares 76 law offices with DaimlerChrysler and General Motors plans across the country. The three plans are managed by a common director and staff in cooperation with each company's Plan Administration Committee.

Eligibility

- Active Employees with at least 90 days of seniority
- Retirees (other than deferred vested)
- Spouses of eligible employees or eligible retirees
- Surviving spouses receiving transition, bridge or health insurance benefits
- Dependent unmarried children below age 25 (end of year)
- Specified other dependents

Types of Service:

Full Legal Services (with court work in 16 areas) including:

- Wills
- Probate
- Real estate matters
- Consumer complaints

Office Work (such as advice, document preparation and telephone calls) including:

- Public assistance claims
- Traffic offenses
- Juvenile offenses

Referrals

For legal services not covered by either the full legal services or office work benefits, the plan offers a referral benefit. The plan has agreements with attorneys who charge specified fees. Employees pay for services rendered.

Company Benefits – Profit Sharing Plan

Profit Sharing Plan

The Profit Sharing Plan was first negotiated between Ford and the UAW in 1982. It provides a source of income for employees which allows them to share in the growth and success of the company resulting from:

- Increased efficiency
- Improved product quality
- Operating competitiveness

In the past 24 years:

- About \$5.3 billion has been paid to Ford hourly employees under the plan.
- An eligible employee would have received, on average, a total of \$48,439 over this period (see page 25).

Eligibility

Full-time U.S. hourly employees are eligible, including certain employees who are terminated during the year.

Total Profit Share Determination

Total profit share is paid from the first dollar of profits and is determined by summing the following:

- 6% of profits up to 1.8% of sales, plus
- 8% of profits between 1.8% and 2.3% of sales, plus
- 10% of profits between 2.3% and 4.6% of sales, plus
- 14% of profits between 4.6% and 6.9% of sales, plus
- 17% of profits that exceed 6.9% of sales

Profits and Sales:

- Include only those applicable to defined U.S. operations.
- Profits are before-tax (except Ford Credit) and before management bonuses and profit sharing.

Employee's Profit Share Determination

Individual profit sharing amounts are determined as follows:

(1) Hourly Allocated Profit Share	= Total Profit Share	x	$\frac{\text{Number of Eligible Hourly Employees}}{\text{Number of Eligible Hourly and Salaried Employees}}$
(2) Profit Sharing Percentage Factor	= Hourly Allocated Profit Share	/	Total Eligible Pay Of All Eligible Hourly Employees
(3) Employee's Profit Share	= Profit Sharing Percentage Factor	x	Employee's Eligible Pay

Distribution is made not later than two and one-half months following the end of the Plan year.

AVERAGE PROFIT SHARING PAYOUT PER EMPLOYEE (\$)

Plan Year	Ford	GM	DaimlerChrysler	Memo: Ford Payout as % of Pay
1983	440	643	0	1.5
1984	1,993	543	500	6.2
1985	1,262	347	0	4.1
1986	2,154	0	500	6.5
1987	3,760	0	500	11.3
1988	2,800	266	720	7.8
1989	1,025	50	0	2.8
1990	0	0	0	0
1991	0	0	0	0
1992	0	0	429	0
1993	1,350	0	4,300	3.3
1994	4,000	589	8,000	8.7
1995	1,700	814	3,200	3.8
1996	1,800	304	7,900	3.9
1997	4,400	750	4,600	9.7
1998	6,100	200	7,400	12.8
1999	8,000	1,775	8,100	15.3
2000	6,700	803	375	12.5
2001	0	0	0	0
2002	160	934	460	0.3
2003	195	170	0	0.3
2004	600	186	1,500	1.0
2005	0	0	650	0
2006	0 ¹	0	0	0
TOTAL	\$48,439	\$8,374	\$49,134	

¹ One-time cash performance award of \$500 paid March 15, 2007.

Company Benefits – Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

Tax-Efficient Savings Plan for Hourly Employees (TESPHE)

The Tax-Efficient Savings Plan for Hourly Employees was negotiated in 1984. Pursuant to the plan, seniority employees may save up to 50% of their regular pay (on a combined pre-tax and after-tax basis) and up to 100% of any profit share payments. Pre-tax contributions are subject to a maximum limit of \$15,500 for 2007 which may increase in subsequent years. Employees age 50 and above can make additional pre-tax 'catch-up' contributions subject to a maximum contribution limit of \$5,000 for 2007, which may also increase in subsequent years.

Investment Options

Employees have a choice of 31 investment options: six (6) target-date life stage funds and an additional 25 funds, including a Company stock fund, four (4) proprietary funds and a number of multiple-family mutual funds. Transfers of account assets and changes in current investment elections may be made daily with certain restrictions imposed by the individual funds.

Withdrawing Assets

Under existing tax laws, employees cannot withdraw pre-tax assets from their TESPHE account before age 59 ½, unless they have a financial hardship. After-tax assets may be withdrawn at any time. Certain assets may be sold by employees to provide cash for loans from the account. After termination of employment (including retirement), employees may withdraw assets, transfer assets to another employer's qualified plan, or deposit assets into their own IRA.

Plan Participation

As of December 31, 2006, approximately 58% of eligible Ford hourly employees participated in the plan, contributing, on average, 11% of their eligible pay. Total assets in TESPHE as of that date totaled approximately \$3.8 billion.

Company Benefits – Ford Interest Advantage

Ford Interest Advantage

Ford Interest Advantage was first offered to Ford hourly employees in 1982. The program is voluntary and allows employees, retirees and others to invest in demand notes issued by Ford Motor Credit Company. The program is administered by Northern Trust Corporation, Chicago, Illinois.

Interest Rates

Ford Interest Advantage features interest rate tiers and pays a minimum rate that is at least 0.25% above the seven-day average yield (non-compounded) for all taxable money funds as reported weekly in the IBC/Donoghue's Money Fund Report. The tiered rate feature provides for the payment of higher rates as balances increase. Investors earn different rates based on the following tier balances:

- Under \$15,000
- \$15,000 - \$50,000
- Over \$50,000

Investments and Redemptions

Employees may choose to invest in the program through payroll deductions with a minimum investment amount of \$100 per month (\$25.00 per week for hourly employees), and there are no transaction, administrative or management fees. There is a \$1,000 minimum balance requirement. Also, profit sharing amounts may be invested through payroll deduction. Investments are made from after-tax wages. In addition to payroll deduction, investments can be made by check and/or wire transfer. Interest is earned daily and automatically reinvested monthly, and funds may be invested or withdrawn at any time without cost or penalty. Free check writing privileges (\$250 minimum) are available to all participants. Checks written for amounts less than \$250 incur a fee of \$0.25 per check.

Company Benefits – New Vehicle Purchase/Red Carpet Lease Plans

New Vehicle Purchase/Red Carpet Lease Plans

The New Vehicle Purchase Programs (AXZD-Plans) are offered to eligible individuals to buy or lease certain new company products from authorized Ford Motor Company dealers at special prices.

The following people are eligible to participate in the plans:

- All active, full-time hourly employees and regular salaried employees, beginning with their date of hire;
- All hourly retirees receiving normal, early (regular or special), or disability retirement benefits – while any medical benefits are being received;
- Salaried retirees who retired under the General Retirement Plan, including salaried employees who terminate between the ages of 50 and 55 and who are eligible to receive certain deferred retirement benefits;
- Surviving spouses of employees who died while actively employed, and surviving spouses of retirees who retired under the General Retirement Plan, or who are receiving benefits under the UAW-Ford Retirement Plan;
- Employees on an approved leave of absence, for the duration of the leave or until expiration of medical benefits;
- Employees on layoff, for the first 12 months of the layoff;
- All regular part-time hourly and salaried employees who are eligible to receive medical benefits;
- Deferred vested retirees who are receiving a Ford pension;
- Members of the immediate families of the preceding eligible employees, retirees, and surviving spouses. "Immediate family" includes the spouse, sons and daughters (including in-laws and stepchildren), brothers and sisters (including in-laws, half- and stepbrothers and stepsisters), parents, spouse's parents, grandchildren, grandparents, spouse's grandparents, same-sex domestic partners of eligible active employees covered under the healthcare plan, and immediate family members of eligible same-sex domestic partners;
- Certain employees of approved subsidiary and affiliated companies.

When both the employee/retiree and his/her spouse are deceased, the surviving family members are no longer eligible.

Ford Employee Finance Plan

Hourly employees may finance new company products through Ford Motor Credit Company under the Employee Finance Plan. All employees and retirees plus members of their families who are eligible for the New Vehicle Purchase Plan may participate in the plan. The plan offers a payroll deduction feature for active employees.

Special Programs – Employee Involvement

UAW-Ford Employee Involvement

The UAW and Ford are recognized leaders in creating a participative work climate. Since its inception over 20 years ago, Employee Involvement (EI) has helped to reduce cost, streamline operations, minimize scrap, and improve the work environment, worker satisfaction, and product quality. Employee Involvement remains a key joint process, offering continuing opportunities for changes in attitudes, relationships and approaches in the workplace.

UAW-Ford Employee Involvement History

The Employee Involvement process was negotiated in 1979 by the UAW and Ford Motor Company to encourage the active participation of all employees in key phases of the workplace. Many attribute the turnaround of Ford in the 1980's to the quality of the suggestions that came from the EI groups and the relationships and processes that developed from the commitment of the Union and Company to EI. In 1999, the UAW and Ford celebrated the 20th anniversary of Employee Involvement.

EI is a cornerstone of all UAW-Ford Joint Programs, and involving employees in the business is a foundation for our success. EI continues to be a key driver toward creating a culture that provides opportunities for all employees to bring their innovation and commitment to every facet of our business each and every day - from delivering the highest quality products and services to our customers to providing services to enrich our communities.

The Impact of Employee Involvement

At first, EI grew slowly. Early successes gathered momentum, and before long, EI became the focus of attention both inside and outside the company. Current research studies indicate that involving employees in the business is a key element for successful continuous improvement in the workplace. EI fosters better communication and enhances cooperation, teamwork and trust within the work environment. Employees involved in continuous improvement efforts express a greater sense of contribution, self-esteem and pride in their work.

EI also has helped improve the labor-management relationship. There is more open communication, trust and mutual problem solving. The spirit has been instrumental not only in the success of the EI efforts, but also in joint employee training and development programs and other joint activities.

New Employee Orientation (NEO) - The NEO program provides new employees a union and company context beyond their specific job assignment and work area. The program furnishes new employees with a sense of union and company history, workforce diversity and the role of joint programs, while bringing an awareness of new cooperative measures and directions. NEO reduces the anxiety often associated with a new job by imparting a sense of belonging to the UAW and Ford.

A Look Ahead

EI began with problem-solving teams, which still are a fundamental part of the process. But the goal is not to create wall-to-wall problem-solving groups. The development and expansion of EI have taken varied forms such as launch and business work teams, ad hoc task forces, interplant task groups, special employee events and community projects.

Form is not the important ingredient. What is important is providing the environment for employees to contribute to problem solving, planning, goal setting, decision-making and other day-to-day matters that affect them and their work. Achieving full employee participation in the workplace continues to be a high priority. Today, all employees have opportunities to play vital roles in improving their work environments, the quality of the products, and their plants' effectiveness in so many important areas and in a variety of ways.

Diversity in the Workplace

Although Equal Application of the Agreement has been a part of the UAW-Ford Collective Bargaining Agreement for decades, in 1999 the parties agreed to a new Diversity in the Workplace initiative. This new Letter of Understanding established a National Joint Diversity Committee and charged the committee with developing an eight-hour training initiative that increased awareness and promoted constructive dialogue around diversity. Presently, the United in Diversity training is being delivered onsite at each plant location by UAW–represented and Ford salaried employees.

2003 Negotiations established a Letter of Understanding called, *UAW-Ford Joint Equality and Diversity Committees – National and Local*. This Letter replaced two Letters from 1999 Negotiations: *Equal Application Committees – National and Local* and *Diversity in the Workplace*. The Committees named in this new Letter replaced former National and Local Equal Application Committees, as well as the National Joint Diversity Committee that implemented the United in Diversity training.

The expectation is that these newly structured Committees would provide a broader perspective from which to operate as we seek to develop future equality and diversity strategies. The Letter of Understanding requires the Local Equality and Diversity Committees to meet quarterly and to submit minutes of meetings and all other related data to the UAW-Ford National Joint Equality and Diversity Committee.

Education, Development and Training Program

The Education, Development and Training Program (EDTP) was established as a key element of the 1982 Collective Bargaining Agreement. The program has grown substantially since that time. Basic program objectives are to (1) provide training, retraining and developmental opportunities for both active and displaced employees, (2) support local and national UAW-Ford Employee Involvement (EI) efforts and other joint activities as agreed by the parties, and (3) provide opportunities for the exchange of ideas and innovations with respect to employee development and training needs. Program activities are coordinated by an on-site Education Training Coordinator and the local UAW-Ford EDTP committee.

A **Joint Governing Body**, composed of five UAW and five company representatives, directs the operation of the program and the UAW-Ford National Programs Center. Housed in an independent facility since June 1983, the National Programs Center blends the talents of a staff recruited from the UAW, Ford and independent professionals. The National Programs Center relocated to the former Veterans Memorial Building at 151 West Jefferson in Detroit, Michigan, during 1997. This new facility consolidated joint program activities to a single site.

Funding for joint program activities and the National Programs Center is provided for in the Collective Bargaining Agreement. The funding accrual is 10 cents per hour worked plus a sliding scale of \$1.25 to \$5.00 per hour for overtime hours worked in excess of 5% of straight-time hours. For health and safety training, an additional 4 cents per hour worked is contributed to the national fund. Additionally, 5 cents per hour worked at each location is designated for Local Training Funds. These funds provide local unions and local management resources for special training and employee development projects that meet their particular needs.

Programs for Active Employees

UAW-Ford University (UFU) – In 1996, the parties agreed to create a new program dedicated to a university-style approach to workplace education and training; one that recognizes and rewards group and individual achievement, provides research and development on advanced education, training and communication technologies and helps prepare UAW-represented Ford workers for the workplace of the next century. The UFU has partnered with higher education institutions to provide workers with the opportunity to take a course or obtain a certificate or degree using the Internet and other technologically-enhanced media. This program has been discontinued as of the second quarter of 2007 due to the economic state of the company.

Prior Learning Assessment (PLA) – This initiative replaced the former College and University Options Program and is a key element of the UFU project. It focuses on assisting UAW-represented Ford workers to obtain college credit for lifelong learning, joint training and work experiences. This program has been discontinued as of the second quarter of 2007 due to the economic state of the company.

Skills Enhancement Program (SEP) – This program offers participants assistance with college courses, a variety of computer applications, earning a high school diploma or GED Certificate, and studying English as a second language. SEP is flexible enough to accommodate varied interest, wide-ranging abilities and different schedules. Since the program's inception in 1983, over 502,530 employees and 47,660 spouses have participated in various SEP activities at learning centers in over 60 plant locations. The program expanded in 1990 to include a Technical Readiness Program,

which prepares individuals for apprenticeship testing, and a Math Enrichment component was added in 1991. Following 1990 negotiations, spouses of UAW-represented Ford workers were permitted to participate. Following 1999 negotiations, eligible UAW retirees and their spouses were also granted the opportunity to participate in the Skills Enhancement Program on a space available basis. Skills Enhancement centers will begin closing as soon as contracts can be terminated with providers, beginning in the second quarter of 2007.

Education and Training Assistance Plan (ETAP) – This plan provides prepaid tuition and compulsory fees (up to a maximum of \$4,600 per year) for selected and approved education and training classes for credit and degree courses at eligible educational institutions. ETAP has a Personal Development Assistance (PDA) feature that provides prepaid tuition up to \$2,200 per year (within the \$4,600 allotment) for non-credit, non-degree courses that enhance personal development including such topics as communication skills, computer literacy, motivation, and time management. Up to \$150 may be used to purchase books for approved ETAP courses. However, a moratorium has been placed on all PDA applications including the Financial Education and Investments Program.

Scholarship for Dependent Children – First negotiated in 1996, the program provides \$1,500 per year to dependents of active, retired, and deceased UAW-represented Ford workers who pursue post-secondary education or training at an institution accredited by a governmental or nationally recognized agency. More than 36,158 dependents have participated in the program since its inception.

Lifestyle Management – Planning Your Future (LM-PYF) – Launched in 1999, the program replaced the Successful Retirement Planning Program. LM-PYF broadens the scope of retirement issues to include topics relevant to workers and their families of all ages and stages in their work life. Workshop topics are: Ford UAW Retirement Benefits; Legal Benefits; Social Security; Money and Finance; Family Matters; Health Issues; and, Community Life & Leisure. This program has been discontinued as of the second quarter of 2007 due to the economic state of the company.

Automotive Industry Studies (AIS) – As part of the 1990 negotiations, the UAW and Ford agreed to develop a one-week program designed to assist both UAW-represented Ford workers and management personnel gain a broader view of the automotive industry. The program exposes participants to the rapid pace of technological, economic and industry changes, the global and North American auto industry, the history of UAW and Ford, workplace relations and cultural diversity, changing industrial relations and action planning. This program has been discontinued as of the second quarter of 2007 due to the economic state of the company.

Financial Education and Investment Program Version II (FEIP II) -FEIP II is an updated comprehensive financial education program designed to provide financial planning information to all UAW-represented Ford workers and retired hourly employees and their spouses. This program is designed to assist employees in better understanding their own financial situations and to help them assess the various financial services available today.

Programs for Inactive Employees

Retired Employee Tuition Assistance Plan (RETAP) – Agreed to by the union and company in 1996 negotiations, the Retired Employee Tuition Assistance Plan provides up to \$1,500 per calendar year to retired employees who wish to participate in approved education classes on site at the local union hall or plant location from which they retire. As of the second quarter of 2007, a moratorium has been placed on the Personal Development Assistance portion of these classes.

National Vocation Retraining Assistance Plan (NVRAP) – This plan provides ETAP and PDA benefits for seniority employees on indefinite layoff. In 1999, the UAW and Ford increased NVRAP assistance by \$400, resulting in a new range of \$6,400 to \$8,400 in assistance, depending on seniority. As of the second quarter of 2007, a moratorium has been placed on the Personal Development Assistance portion of these classes.

Additionally, when necessary because of layoffs or the closing of a facility, programs are available to assist affected employees. Displaced-worker programs include career counseling and guidance, skills enhancement, prepaid tuition, vocational training, job search skills training, job development, and relocation assistance.

Survivor Education and Training Assistance Plan (SETAP) – As part of the 1999 Negotiations, the UAW and Ford agreed that the spouse or next of kin of an employee, who dies while on active roll, will be notified of Education and Training Assistance Plan (ETAP) benefits available to a spouse or dependent child(ren). The spouse or dependent child(ren) are entitled to utilize the remaining balance up to \$4,600 of the employee's tuition assistance eligibility, excluding any advance payment, for college or educational pursuits during a period equal to the length of present Agreement following the date of the employee's death.

Additionally, 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.

Support of Other Joint Activities and Research

The Education, Development and Training Program also funds and sponsors other types of UAW-Ford joint activities. This funding includes such things as supporting certain administrative costs, sponsoring conferences and training programs, and publishing reports, handbooks, field reference guides, bulletins and other informational material concerning joint union-company activities.

Technical Skills Program

The UAW-Ford Technical Skills Program (TSP) was launched after the 1993 national negotiations in joint recognition of the need to improve technical capabilities and develop additional skills requiring technological expertise. The program is designed to provide skills needed to ensure that the UAW-Ford work force is fully competent to function in the restructured, high performing workplaces of today and beyond. The training will give employees the capacity to solve difficult problems and to achieve creative solutions by working effectively in new work environments.

The Technical Skills Program concentrates on assisting local plant technical skills committees in developing training initiatives specific to their location. It begins with a needs analysis and can provide:

- Skilled trades technical training
- Non-craft employee training
- Business system technical training
- New processes technical training
- Enhanced apprenticeship training

TSP funds a variety of training efforts such as needs and task analyses, benchmark studies and evaluations. It also supports other training activities such as curriculum and training plan development, train-the-trainer programs and technical training delivery. Funding for training equipment also can be included. Over 34,000 employees have been trained under the TSP Programs. The Technical Skills Programs also develops a wide range of programs that address technical training needs across the company. Examples of such training include:

Technology Awareness Program (TAP) - This program provides UAW-represented Ford workers with an integrated overview of today's technologies. Interactive exercises help participants learn about computer hardware and software, hydraulics, pneumatics, electronics, robotics, ergonomics, lasers, fiber optics, computer-integrated manufacturing systems and the dependence upon people for the successful application of technology. The program can be tailored to fit specific plant training needs and technologies. Over 4200 employees have participated in this program since the inception.

Automotive Technology Program (ATP) - Designed by the national Technical Skills Program with the assistance of Ford Customer Service Division, this program provided a basic understanding of the systems and components of modern Ford vehicles. The program is 32 hours in length and is typically taught by a local community college. To date over 5000 employees have participated in this program.

Gas-Fired Equipment Training - Working with the National Joint Committee on Health and Safety, the training program, available on CD-ROM, provides information about the safe methods of starting up and maintaining gas-fired equipment. The training was customized for plant-specific equipment.

Infrared Thermography Training - Developed by the national TSP committee as a result of many requests from plant locations, Levels I and II infrared thermography training provides knowledge and skills in the use of the infrared camera, and its software, covering numerous plant applications. The camera is used to detect potential equipment failures before they become problems. Over 550 employees have participated and been trained in infrared thermography.

Special Programs – Employee Support Services Program

UAW-Ford Employee Support Services Program (ESSP)

First negotiated in 1984 as the Employee Assistance Plan and Child Care Resource and Referral Service, the ESSP was expanded in 1990 to include Health Promotion and Fitness components.

The various features of ESSP are administered at the plant level by full-time UAW ESSP representatives and by salaried representatives. The services of ESSP are available to employees without cost, and participation in the various program components is voluntary. Funding is provided through the UAW-Ford National Programs Center.

In 1993, ESSP was further expanded to include Behavioral Emergency/Critical Incident Stress Debriefing procedures (BE/CISD) to help address violence and other behavioral emergencies in the workplace. As a result of BE/CISD, U.S. Ford manufacturing locations have established trained Local Response Teams to assist in maintaining a safe and stable work place. Critical Incident Stress Debriefing plays a major role in assisting employees impacted by critical workplace incidents.

The 1996 negotiations expanded opportunities for professional development for the local ESSP representatives with new initiatives, such as the development of National Program Standards and the establishment of annual ESSP representative training. Additionally, training of supervisors/UAW-committeepersons in early intervention procedures, as well as employee support groups, has been added to address workplace issues. To improve the ease of utilization by employees, the child care and elder care components were also consolidated under the designation "Family Consultation and Referral Services."

In 1999 negotiations, the ESSP programs were elevated in their contractual status by elimination of the various Letters of Understanding under which they had previously operated and incorporated into Volume I of the Agreement as Appendix U. Selected new initiatives for the 1999 Agreement include addition of a Dependent Care Assistance Program (DCAP) to help employees pay for child and elder care with before-tax dollars under certain circumstances; a geriatric assessment component added to the Family Consultation and Referral Program; facilitated professional development of the local ESSP representatives; and mentoring opportunities for newly appointed ESSP representatives. The program celebrated its 20-year anniversary in 2004.

Employee Assistance Plan (EAP)

At the core of ESSP is the Employee Assistance Plan, which helps UAW-represented Ford hourly employees and their immediate family members deal with substance abuse, emotional illness or other serious personal problems. Outside trained and licensed professionals provide expert and confidential problem assessment, and therapy. Referrals for specialized care are provided as necessary.

The EAP also provides support for the ongoing BE/CISD procedures in the manufacturing locations. Training on "Recognition of EAP Problems, and Early Intervention Strategies" for all supervisors/UAW-committeepersons at all U.S. Ford manufacturing facilities was made available.

Family Consultation and Referral Service

This service includes the Child Care Consultation and Referral Service and an Elder Care Consultation and Referral Program. First negotiated as separate Letters of Understanding between the parties, these programs were incorporated into Appendix U of the Master Agreement in 1999 negotiations.

Child Care Consultation and Referral Service – The service was initiated in 1984 at several pilot locations and expanded in 1987 to any interested locations. The program provides:

- Information and guidance on child-care matters.
- Local resources for child care, including centers, nursery and preschool, before and after-school programs, group and family day-care homes and summer day camps, as well as sources of support for children with special needs.

Parents make the final choice regarding which service to use and pay for the provider's service. There is no charge for consultation. Employees access the services through their local ESSP Representatives.

Joint Child Care Initiative – First negotiated in 1993, reaffirmed in 1996 and incorporated into Appendix U of the Master Agreement in 1999, Ford and the UAW agreed to collaborate with other companies and community organizations to improve the quality and quantity of child care.

UAW-Ford Child Development Center – In 1990, Ford and the UAW agreed to establish a pilot child-care center for children of hourly employees. The center opened in Livonia, Michigan in September 1993, and now operates extended hours five days a week. It serves 180 children on a regular basis and 25 in a "backup-care" program. The center received its original certification by the National Association of the Education of Young Children (NAEYC) in March 1995, and subsequently was re-certified in March 1999. In 1999 negotiations, this agreement was also incorporated into Appendix U of the Master Agreement. Business conditions necessitated the closing of this center, effective June 2007.

Parenting Education – Initiated in 1993 as a Letter of Understanding between the parties and in 1999 incorporated into Appendix U of the Master Agreement, the program provides a small library of information and educational materials in a variety of media formats on a broad range of child-rearing topics. Additionally, information for care of elders has been added. These libraries are available in 54 locations.

Elder Care Consultation and Referral Service – is available to all U.S. employees. Piloted in 1993 and incorporated into Appendix U of the Master Agreement in 1999, the program provides assistance with identifying and evaluating services and resources to help employees care for their elder relatives. Employees access the services through their local ESSP Representatives.

Health Promotion, Fitness Centers and Physical Rehabilitation Units

Health Promotion – Health promotion activities are intended to provide UAW-represented hourly employees an opportunity to make healthier lifestyle choices. Program offerings include:

- Exercise Education
- Health Fairs
- Health Risk Appraisals
- Nutrition Education
- Smoking Cessation
- Stress Education
- Weight Management

Fitness Centers – To assist in achieving personal fitness, UAW-Ford ESSP coordinates funding for approved plant fitness centers. To date, 57 Company locations have utilized these funds to equip and staff employee fitness centers. The fitness centers feature up-to-date exercise equipment and are supported by a staff of qualified fitness professionals.

Physical Rehabilitation Units – UAW-Ford presently has 14 locations to provide on-site physical rehabilitation services for the treatment of work-related and non-occupational injuries. Ford's Healthcare Management Office has a key role in planning, developing and monitoring the rehabilitation services. The physical rehabilitation centers are staffed by licensed physical therapists.

Special Programs – Family Service and Learning Centers

As a result of the 1999 Collective Bargaining Agreement between the United Auto Workers and Ford Motor Company, the Family Service and Learning Center (FSLC) initiative was created. The FSLC was a comprehensive, union-management partnership negotiated to meet the diverse needs of working families, individuals, retirees, and their communities. Unfortunately, business conditions necessitated the closing of these centers effective March, 2007.

The Family Service and Learning Centers were operated jointly by the UAW and Ford Motor Company as a separate entity reporting to its own Board of Directors. It was a distinct entity from existing joint programs which are operated by the National Programs Center (NPC) under the direction of the Joint Governing Body (JGB). A small staff of UAW International representatives and Ford management employees oversaw the operations, set the policies, and directed the major contractor, Bright Horizons, who performed the day-to-day operations of the FSLCs.

FSLC programs and services were delivered to our nationwide workforce through 29 Family Service and Learning Center Directors who worked with Local Family Councils to identify, create and implement programs serving the needs and interests of the workforce, retirees, spouses and dependents in their local areas. The Local Family Councils were comprised of local UAW and Company leadership as well as hourly and salaried representatives of the local workforce and key participants from the local communities.

The FSLC program offered a wide range of services including high-quality childcare, adult and family education classes, health and wellness programs to the families of UAW members, Ford salaried employees, and retirees. What distinguished this effort was an up-front commitment to the growth and well being of communities through partnerships that: linked employees, retirees, and their families to extensive volunteer activities; enriched existing community programs and resources; and created learning and development opportunities. FSLCs made a measurable impact on individuals, families, and the communities in which we live and work.

FSLC programs and services can be divided into three categories:

Family Education and Services – Although some of these programs may be discontinued, the National Programs Center will review them on an ongoing basis as required. These programs include family services, such as family and adult education programs, pre-teen and teen programs, and health and wellness activities. Examples of classes or services offered include parenting, tutoring, home care/repair, support groups, Web-based learning, weight loss/fitness, health screenings, vacation planning, before and after school programs, summer/holiday camps, retirement and financial planning, and much more.

Early Childhood Education Services (infant through kindergarten) – While we have announced the closing of these Child Development Centers effective June 30, 2007, we will continue the Child Care Network efforts to assist our employees in finding high quality childcare providers. These services include dedicated childcare centers at seven of the 29 locations. In addition, local community networks of high quality childcare providers have been established for all locations to provide primary and emergency backup childcare, and to enhance the overall quality and accessibility of childcare in their local communities.

Community Service Education and Outreach – These programs support both individual and family activities to encourage community volunteerism, identify volunteer opportunities and offer training to volunteers to help them get involved in their communities. Examples of programs offered include mentoring, neighborhood clean-up campaigns, clothing and food drives, and much more.

Special Programs – Mutual Growth Forums

Mutual Growth Forums

Mutual Growth Forums were established in the 1982 National UAW-Ford Collective Bargaining Agreement as a forum of ongoing labor-management consultation. The forums are intended to promote sound union-management relations through better communication, systematic fact-finding and advance discussion of subjects of mutual interest to the union, the employees and the company. They also provide a valuable means for joint constructive problem solving. An adjunct to the collective bargaining process, the forums exist at the national, operations, division, and local levels.

The **National Forum** consists of the senior members of the company's Human Resources Staff and the Union's National Ford Department. The National Forum members meet periodically with the company's senior management to share information, discuss industry and company trends, share concerns and discuss solutions to mutual problems.

At the plant level, **Local Forums** generally consist of about eight persons and are usually co-chaired by the plant manager and the local union's chairperson. Local forums meet to exchange information and ideas. This frank and open exchange of information on mutual concerns can be very useful in solving problems before they become issues in local bargaining.

In addition to improving communications, local forums can decide to develop other pilot projects and experiments. These jointly fashioned efforts may include examining governmental relations matters (including auto industry regulations) of mutual interest, studying employee training/development concepts, and other innovative approaches to promote employee satisfaction, job security and competitiveness of the plants.

Special Programs – Health and Safety

UAW-Ford Health and Safety

Employee health and safety continue to be a top priority for the UAW and Ford. Since the establishment of the UAW-Ford National Joint Committee on Health and Safety (NJCHS) and joint funds in 1984, the parties have successfully worked together to make the workplace safer and healthier for everyone at Ford.

The NJCHS has developed some of the best training programs in industry today. Included are custom designed safety training programs on:

- Chemical Safety
- Confined Space Entrant/Attendant
- Confined Space Permit Issuer
- Confined Space Rescue
- Core Certification for Safety Professionals
- Electrical Safety
- Energy Control and Power Lockout (ECPL)
- ECPL Hands-on Refresher
- Ergonomics Process Course
- Ergo Rx
- Ergonomics for Supervisors
- Ergonomics Surveillance Tool
- Guidelines, Responsibilities and Safe Practices
- Lifting and Rigging
- Operator Instructor Sheet/Job Safety Analysis
- Overhead and Gantry Cranes
- Maintenance Vehicles
- Mobile Boom Cranes
- Orientation for New Safety Professionals
- Personnel and Burden Carriers
- Powered Material Handling Vehicles
- Pedestrian Safety
- Railroad and Boxcar Safety
- Rescue from Heights
- SHARP for Supervisors, Team Leaders and Committeepersons,
- Skilled Trades Job Safety Analysis
- Trailer Safety
- Troubleshooting

In addition to joint training, NJCHS efforts to improve the health and safety of the workplace include:

- Establishing a comprehensive joint ergonomics process with local ergonomics committees in every facility.
- Conducting joint plant health and safety reviews.
- Participating in Division and Operations Safety Process Review Boards.
- Conducting joint research projects.
- Sponsoring joint education and training conferences for health and safety professionals.

At the plant level, teams of UAW health and safety representatives and company safety engineers implement nationally developed programs and initiate locally developed projects to reach the goal of a work environment free of occupational injury and illness.

Special Programs – “Best-in-Class” Quality Program

"Best-in-Class" Quality Program

In April 1987, a UAW-Ford Quality Improvement Steering Committee was established to:

- Jointly explore new and enhanced processes to improve Ford component and vehicle quality.
- Support the company's objective of producing best-in-class vehicles that meet customer expectations.
- Help create a work environment which allows full contribution of each employee toward achievement of quality leadership by Ford.

In 1987, the parties agreed to establish a UAW-Ford Joint "Best-in-Class" Quality Program and a full-time UAW-Ford Quality Improvement Implementation Committee (QIIC) to serve as the working arm of the Steering Committee.

In 1990, the "Best-in-Class" Quality Program was expanded and incorporated into the Agreement as Appendix Q. The QIIC was renamed the National Quality Committee (NQC).

In 1993, the "Best-in-Class" Quality Program became a "living document" - the first at Ford Motor Company. It allows the parties to make changes to the agreement on an ongoing basis and provides a provision for either party to reopen it during national negotiations.

During 1996 negotiations, the "Best-in-Class" Quality program established a formal quality concern resolution process to resolve employees' quality concerns. The 1996 agreement greatly enhanced the training of UAW quality representatives by establishing a certification program.

The 1999 negotiations were concluded with several enhancements to the "Best-in-Class" Quality program including a broadened role for all employees with regard to supplier quality and an increased focus on tracking, monitoring and assessing training needs of all employees.

In 2003, the Agreement maintained Appendix Q as a "living document", enhanced and clarified processes and roles/responsibilities for the joint development of annual objectives, gap analysis reporting, Local Quality Committee effectiveness, Quality representatives, quality decals, targeted training, and the QOS Support Process

The focus of the "Best-in-Class" quality program is both internal and external to the Company.

Internally, the focus is on the UAW-Ford commitment to continuous improvement in the quality of Ford products and services. Examples of internal projects are:

- Joint Quality Committees in all the company's operating divisions. These committees develop and implement quality improvement ideas that meet the different needs of the company's operations;
- Local Joint Quality Steering Committees in all plant locations to provide a means for union and employee participation in local continuous improvement efforts;
- Support for Q1 and QS9000/14000 certification efforts;
- Development of effective stop button practices and direction for addressing product quality issues including the concern resolution process;
- Development of training initiatives for the facilities including Error Proofing, Prevent Recurrence and Basic Quality training;
- Development of a certified quality specialist program that requires present and future quality representatives to be certified;
- Coordination of quality conferences for quality representatives and their management counterparts, covering education, training and key quality issues;
- Facilitation of quality "forums" for the sharing of information on local initiatives and process improvements within an operation by local quality representatives and management personnel.
- Development of "Targeted Training" based on needs analysis of all employees.
- Joint development of annual quality objectives and expansion of the "Chartering Process" to the Local Quality Committees.

Externally, it is important that all Ford employees, as well as the buying public, are made aware of the UAW-Ford Commitment to quality improvement. The "Best-in-Class" Quality program's theme is "Working Together for Quality" and includes:

- Staffing auto shows with UAW-Ford employees who exhibit Ford products and demonstrate joint commitment to quality;
- Billboard, television and radio advertising promoting the "Working Together For Quality" theme;
- Meetings with corporations, unions, universities and other external organizations to deliver the joint quality message and to explain the "Best-in-Class" Quality program;
- Quality-related posters, banners, brochures, videotapes and other material for local use in quality training and awareness.

Negotiations

National Negotiations

Ford and the UAW begin their bargaining for a new national contract in July 2007, three months before the current contract expires. The national contract is, in fact, not one document, but a series of agreements that cover the Company's UAW-represented hourly employees. These agreements generally fall into three broad categories:

- Agreements on wages and working conditions - Included here are such subjects as base wages, the cost-of-living allowance, paid time off, the number and functions of union representatives, the mechanics of the grievance procedure, management's rights and general seniority matters;
- Agreements on the benefits programs - This category includes benefit plans as well as programs such as the Retirement Plan, the Insurance Program, the SUB Plan, the Guaranteed Income Stream Program and the Profit Sharing Plan;
- Appendices and Letters of Understanding - These clarify parts of agreements or deal with matters not referred to in the agreements - covering such subjects as employee involvement, preferential placement arrangements, job security, sourcing and operational effectiveness.

Local Negotiations

During 2007, Ford and the UAW will conduct local negotiations for separate hourly UAW-represented bargaining units. Most are individual plants or parts distribution centers. Each of these units normally conducts its own local negotiations concurrent with the national bargaining.

Local negotiations are intended to implement or supplement certain broad provisions of the national contract. Thus, the national contract expressly authorizes the local parties to negotiate such matters as specific layoff and recall procedures, deviations from the national guidelines for overtime assignments, promotional procedures and the rules for changing shift assignments. The local negotiations also cover a wide range of additional, purely local issues.

Historically, most plants have resolved their local agreements by the time the national negotiations are concluded.

Appendix – U.S. Facilities and UAW Representation by State

Ford Motor Company U.S. Facilities with Hourly Employees Covered by the UAW-Ford National Agreement

U.S. Assembly Plants – Vehicle Operations

<u>State</u>	<u>Location Name(s)</u>	<u>Product(s)</u>	<u>UAW Local Number</u>	<u>Hourly Employees (12/31/2006)¹</u>
Illinois	Chicago Assembly	500, Montego, Freestyle ²	551	2,427
Kentucky	Kentucky Truck (Louisville)	F-Series Super Duty	862	4,901 ³
	Louisville Assembly	Explorer, Explorer Sport Trac, Mountaineer	862	3,066
Michigan	Dearborn Truck	F-Series, Mark LT	600	2,526
	AAI (Flat Rock)	Mustang, Mazda 6	3000	3,398 ³
	Michigan Truck (Wayne)	Expedition, Navigator	900	2,637
	Wayne ISA	Focus	900	2,777 ³
	Wixom Assembly	Town Car	36	1,157
Minnesota	Twin Cities Assembly	Ranger, Mazda B-Series	879	1,859
Missouri	Kansas City Assembly	F-Series, Escape, Escape HEV, Mariner, Mariner HEV, Mazda Tribute	249	4,753
Ohio	Ohio Assembly	E-Series	2000	2,574
Virginia	Norfolk Assembly	F-Series	919	2,199

U.S. Manufacturing Plants – Stamping and Powertrain Operations

<u>State</u>	<u>Location Name(s)</u>	<u>U.S. Product(s) & Plant(s) Supported</u>	<u>UAW Local Number</u>	<u>Hourly Employees (12/31/2006)¹</u>
Illinois	Chicago Stamping	Sheet metal stampings & sub-assemblies primarily for Chicago Assembly, Kansas City Assembly & Twin Cities Assembly	588	1,343
Michigan	Dearborn Engine & Fuel Tank	2.0L / 2.3L I4 engines for Ranger & Focus and fuel tanks for E-Series, F-Series, Explorer, Focus, Town Car, Mustang & Edge/MKX	600	901
	Dearborn Diversified Manufacturing	Frames, wheels, truck axles, suspension parts, tire and wheel	600	551
	Dearborn Stamping	Sheet metal stampings & sub-assemblies primarily for Dearborn Truck & Kansas City Assembly	600	727
	Dearborn Tool & Die	Stamping dies	600	436
	Livonia Transmission	4R75 & 6R automatic transmissions for F-Series, Explorer/Sport Trac, Mountaineer, Expedition, & E-Series	182	1,925
	Rawsonville	Coil on plug, carbon canisters, air induction systems, fuel pumps, injectors, mechanical throttle bodies, & air/fuel charging assemblies	898	1,853
	Romeo Engine	4.6L / 5.4L V8 engines for F-Series, Explorer, E-Series, & Town Car	400	1,174
	Sterling Axle	Front and rear axles	228	2,520
	Van Dyke Transmission	FN & 6F automatic transmissions for Focus, Edge/MKX & 500/Montego/Freestyle ²	2280	1,549
	Woodhaven Forge	5.4L/6.8L crankshafts for Windsor Engine Plant	387	74

	Woodhaven Stamping	Sheet metal stampings & sub-assemblies primarily for Dearborn Truck, Michigan Truck, Kansas City Assembly, AAI & Wixom Assembly	387	1,464
New York	Buffalo Stamping	Sheet metal stampings & sub-assemblies primarily for Oakville & St. Thomas Assembly	897	1,367
Ohio	Batavia Transmission	CD4E & CVT automatic transmissions for 500/Montego/Freestyle & Escape/Mariner/Tribute	863	1,213
	Cleveland Casting	4.6L/5.4L/6.8L Cylinder blocks and caps	1250	1,534
	Cleveland Engine 1	3.0L V6 engines	1250	778
	Cleveland Engine 2	Duratec 30 RFF & DAMB engines for Edge/MKX, 500 / Montego / Freestyle, Fusion, Escape & Mustang	1250	898
	Lima Engine	3.0L / 3.5L V6 engines for 500 / Montego / Freestyle, Ranger, Edge/MKX, & Fusion	1219	1,000
	Maumee Stamping	Scheduled to be idled	1892	612
	Sharonville Transmission	5R110 automatic transmissions for F-Series & E-Series, gear machining for 6F & 6R trans.	863	1,432
	Walton Hills Stamping	Sheet metal stampings & sub-assemblies primarily for Ohio Assembly	420	786

Ford Customer Service Division

<u>State</u>	<u>Location Name(s)</u>	<u>UAW Local Number</u>	<u>Hourly Employees (12/31/2006)¹</u>
Arizona	Phoenix HVC	509	28
California	Ontario HVC (Rancho Cucamonga, CA)	509	96
	Sacramento HVC / HCC	76	118
Colorado	Denver HVC	186	47
Connecticut	Hartford HVC	376	74
Florida	Lakeland HVC	788	78
Georgia	Atlanta HVC	882	132
Illinois	Chicago HVC	551	108
Indiana	Evansville HVC	862	59
Kansas	Kansas City HVC	249	67
Michigan	Brownstown Complex (Romulus, MI)	600	885
	Detroit HVC (Brownstown Township, MI)	600	121
	National PDC (Livonia, MI)	600	272
New Jersey	New York HVC (Cranbury, NJ)	2210	88
North Carolina	Greensboro HVC	3520	50
Oregon	Portland HVC	492	45
Tennessee	Memphis HVC / HCC / LVLC	3036	216
Texas	Fort Worth HVC	870	84
	Houston HVC	864	70
Virginia	Washington DC HVC (Winchester, VA)	3519	75
Wisconsin	Twin Cities HVC (Menomonie, WI)	879	36

Other Manufacturing-Related Facilities

<u>State</u>	<u>Location Name(s)</u>	<u>Hourly Employees (12/31/2006)¹</u>
Michigan	Central Staffs (Research & Engineering, Michigan Proving Grounds)	233
	Central Staffs (Ford Land)	846
	Vehicle Operations General Office / New Model Programs Development Center	514

¹ The above hourly employment numbers are 2006 year-end actuals for active on-roll employees and include temporary employees, employees in GEN (excluding those at idled facilities), and employees on pre-retirement leave. There were approximately 73,800 total on-roll hourly employees (including ACH) at 2006 year-end.

² Chicago Assembly Plant will produce the Ford Taurus / Taurus X and the Mercury Sable as of the second quarter 2007.

³ Employment figures include both assembly and stamping operations.

Appendix – Highlights of Prior Negotiations

Highlights of Prior Negotiations

The first UAW-Ford Agreement was signed on June 20, 1941. Since then, the parties have negotiated new national labor agreements on 24 occasions; the most recent was concluded on September 15, 2003.

On three occasions - 1961, 1967 and 1976 - bargaining impasses resulted in nation-wide strikes. The longest occurred in 1967, lasting 49 days.

Here is a summary of significant provisions negotiated over the 62-year history of the UAW-Ford relationship.

1941

- UAW recognized as bargaining agent
- Seniority provisions established
- Union shop and dues checkoff established
- Grievance procedure established
- UAW representation formula developed

1942

- Grievance procedure formalized
- Vacation plan established (1 week after 1 year, 2 weeks for 5 years)
- Arbitration established as terminal point of grievance procedure (separate agreement in 1943)
- Apprenticeship Standards Agreement, covering eight trades, was signed

1946

- Management rights delineated
- Wages increased 18¢

1947

- Wages increased 11-1/2¢
- Skilled trades wages increased an additional 5¢
- Six paid holidays established

1948

- Wages increased 13¢
- Vacation plan improved
- Group insurance coverage made available - medical, disability, death and dismemberment

1949

- Noncontributory pension plan established (effective March 1, 1950)
- Scheduling of reduced workweek restricted
- Understanding added for subcontracting skilled maintenance and construction work

1950

- Wages increased 4¢, and 4¢ Annual Improvement Factor (AIF) established
- Cost-of-living allowance (COLA) established
- Vacation plan improved - 3 weeks after 15 years service
- Shift premiums increased
- Half of Blue Cross/Blue Shield premiums paid by company
- Bonus of 5¢ established for persons on seven-day continuous operations
- Continuing group life insurance coverage extended to retirees

1953

- AIF increased to 5¢
- COLA continued with 19¢ of the prevailing 24¢ folded into base rates
- Pension benefits increased
- Skilled wages increased an additional 10¢
- Blue Cross/Blue Shield coverage made available to retirees

1955

- Supplemental Unemployment Benefit Plan (SUB) established
- AIF increased and changed to 2.5% of base with a 6¢ per hour minimum
- Holiday plan improved
- Life and accident insurance benefits increased
- Pension benefits increased
- Vacation plan improved

1958

- AIF increases continued
- COLA continued with 15¢ of the prevailing 25¢ folded into base
- Separation pay plan established
- Jury duty pay plan established
- Health insurance benefits, SUB and pension benefits increased
- Midnight shift premium increased, Saturday made premium day for overtime pay

1961

- AIF increases continued
- COLA continued with 12¢ of the prevailing 17¢ folded in
- Group life insurance, SUB and pension benefits increased
- Medical insurance made fully paid by the company for employees; one-half paid for retirees
- Moving allowance provided

1964

- AIF increases continued in 1965 and increased to 7¢, or 2.8%, in 1966
- Additional 2¢ per hour added to base wages in September 1966
- COLA continued with 9¢ of the prevailing 14¢ folded into base
- Life and disability insurance made fully paid by the company
- One week of vacation and two holidays added for all employees
- Bereavement pay plan established
- Hospital-surgical-medical insurance fully paid by Company for retirees
- SUB, separation pay and jury duty pay increased
- Relief time for employees on assembly lines increased
- Tuition reimbursement for after-hours schooling

1967

- Wages increased 20¢ the first year (with additional 30¢ for skilled trades), with increases ranging from 9-1/2¢ to 17¢ and 10¢ to 17-1/2¢ in the second and third years
- COLA "capped" at a maximum of 21¢ during the life of the agreement (18¢ of the prevailing 23¢ folded into base)
- SUB plan revised to include Guaranteed Annual Income Credits and an increase in regular weekly benefit levels
- Pension benefits increased
- One additional holiday each in 1968, 1969 and 1970 - timed to provide long weekends at Christmas and New Year
- Relief time increased for certain employees in the assembly plants
- Prescription drug plan established
- Hospital-surgical-medical plan coverage improved and fully paid for surviving spouses of retirees
- Disability insurance provisions extended

1970

- Wages increased 46-1/2¢ to 58¢ the first year with increases ranging from 9-1/2¢ to 20¢ and 9-1/2 to 21¢ the second and third years
- COLA continued with "cap" removed (16¢ of the prevailing 21¢ folded into base)
- 30-and-out retirement benefits established (supplemental allowance payable upon attainment of 30 years service)
- Holidays increased to allow for unbroken period from the day before Christmas through New Year's Day
- SUB plan contributions increased
- Life insurance and weekly accident and sickness benefits increased
- Hospital-surgical-medical benefits improved
- Pension benefits to present retirees increased and prescription drug plan extended to retirees
- Tuition reimbursement improved
- Vacation increased to 5 weeks for employees with 20 or more years of service
- Jury duty, bereavement and short-term military duty pay improved

1973

- Wages increased 22¢ to 33-1/2¢ the first year with increases of 11-1/2 to 24¢ the second and third years
- COLA formula revised to provide a 1¢ increase for each 0.3 change in the combined U.S. and Canadian Consumer Price Index (35¢ of the prevailing 40¢ per hour folded into base)
- Dental Plan established
- Pension benefits improved
- Grievance procedure changed to increase opportunity for oral discussion
- Voluntary overtime rules established
- Friday after Thanksgiving made a paid holiday
- Vacation scheduling provisions revised
- Full-time union health and safety representatives appointed
- SUB plan contributions increased
- Life and disability insurance benefits increased
- Hospital-surgical-medical benefits improved
- Tuition reimbursement increased
- Foundry workers with 25 or more years of service receive bonus retirement credits

1976

- Wages increased 32-1/2¢ to 45¢ the first year with increases ranging from 16-1/2¢ to 30¢ and 17¢ to 31¢ in the second and third years
- COLA continued with \$1.09 of the prevailing \$1.14 folded into base
- Skilled trades given additional increases of 25 to 35-1/2¢ over the first two years
- Vision care program established
- Hearing aid program established
- Full-time Benefits Plan Representatives appointed
- Scheduled Paid Personal Holiday Plan established providing 12 personal holidays during the life of the agreement
- Tuition reimbursement increased
- Dental plan benefits increased and extended
- Lump sum payment of \$200 to \$600 made to present retirees and 55% of the retiree amount to surviving spouses
- SUB plan improved to provide limited benefits should the regular fund become exhausted
- Discount Rebate Plan established (forerunner of New Vehicle Purchase Plan)

1979

- Wages increased 41-1/2 to 56¢ per hour the first year with increases ranging from 23¢ to 38¢ and 23-1/2¢ to 39¢ in the second and third years
- COLA continued with \$1.32 of the prevailing \$1.37 folded into base
- COLA formula revised effective December 1981 to provide a 1¢ increase for each 0.26 change in the combined U.S. and Canadian Consumer Price Index
- Scheduled Paid Personal Holiday Plan continued providing up to 26 personal holidays during the life of the agreement
- National Joint Committee on Technological Progress established
- National Joint Committee on Employee Involvement established
- Tuition reimbursement increased to \$1,000 a year
- Fully paid Vision Program extended to retirees and surviving spouses
- Dental plan benefits improved
- Jury duty, bereavement and short-term military duty pay provisions improved
- Pension benefits improved with initial increases and periodic increases in each year of the agreement for future and past retirees
- SUB plan improved and some eligibility rules liberalized
- Tax Reduction Act Stock Ownership Plan (TRASOP) established

1982

- Wages maintained at current levels
- COLA continued with three adjustments deferred for 18 months
- Jointly administered Education, Development and Training Program established
- Guaranteed Income Stream (GIS) Program established
- Profit sharing plan established (effective January 1, 1983)
- SUB plan strengthened
- Scheduled Paid Personal Holiday Plan terminated
- Guidelines established for plant closings, review of sourcing decisions and preferential placement arrangements
- Pilot Employment Guarantee project (PEG) authorized
- Mutual Growth Forum established
- Ford Money Market Account made available
- New Vehicle Purchase Plan established

1984

- Wages increased by amounts ranging from 8¢ to 47¢. Increases ranged from 1% to 3.5% with a companywide average of 2.25%
- COLA continued with \$2.99 of the prevailing \$3.04 allowance folded into base. Future COLA to be calculated using CPI-W index
- Performance bonus for seniority employees equal to 2.25% of qualifying earnings in 1985 and 1986
- Seven-day operators' bonus increased from 20¢ to 25¢ per hour
- A new holiday on July 5, 1985. In 1986 and 1987 Martin Luther King Jr. Memorial Day to be observed on March 31 and April 20, respectively
- Protected Employee Program established
- Pension benefits improved
- Company SUB Plan contribution rates increased progressively during the term of the Agreement
- GIS eligibility lowered to 10 years of seniority for plant closings
- Legal Services Plan established
- Tax-Efficient Savings Plan established for hourly employees
- Attendance Improvement Plan established
- Profit sharing plan maintained
- Joint UAW-Ford programs strengthened including EI, Mutual Growth Forum and the Education, Development and Training Program. Labor-Management Studies, Child Care Resource and Referral Service, Employee Assistance Plan established
- Retiree Servicing Center benefit delivery program for retirees established

1987

- Base hourly rates increased by amounts ranging from 33.5¢ to 50.5¢, reflecting an increase of 3%
- COLA continued with 81¢ of the prevailing 86¢ folded into base
- Performance bonus for seniority employees equal to 3% of qualified earnings in 1988 and 1989
- Joint UAW-Ford programs expanded through increased funding. Expansion of Child Care Resource and Referral Service; Employee Assistance Plan; Education, Development and Training Program; and Apprenticeship Program. Established a UAW-Ford Quality Improvement Implementation Committee
- Pension benefits improved
- Company SUB plan financing increased
- Profit sharing plan improved
- Holiday plan improved
- Established the Job Security Program (GEN) and committed \$500 million to the program
- Union Work Standards representatives for each car and truck assembly plant appointed
- Employee-paid optional employee life insurance program provided; optional dependent life insurance program improved
- Preferred employee interest rates and payroll deduction for Ford Motor Credit Company loans provided
- Hospice care and generic drug programs implemented

1990

- Base hourly rates increased by amounts ranging from 37¢ to 56¢, reflecting an increase of 3%. Skilled trades base hourly rates increased by an additional 30¢
- The COLA formula continued with \$1.68 of the prevailing \$1.73 folded into base
- A lump-sum Performance Bonus equal to 3% of qualified earnings paid during 1991 and 1992
- A \$600 Christmas bonus paid in 1990, 1991 and 1992
- Seven-day operations bonus increased from 25¢ to 35¢ per hour
- Profit sharing plan formula improved to pay from the “first dollar” of profits
- Job and Income Security Program (GEN and SUB) financed with \$1,156 million
- Pension benefits improved
- Attendance Recognition Award payments discontinued after 1990, and the Attendance Improvement Program may be applied to employees with 10 or more years’ seniority who demonstrate an unacceptable attendance pattern
- Improved benefits for dental, mental health and substance abuse services
- Commitment made to place 1,000 apprentices company-wide on course, business conditions permitting
- A total of 46 paid holidays provided during the three-year agreement
- Joint UAW-Ford programs expanded through increased funding. Established the Employee Support Services Program, agreed to pilot a joint child care center, and established grants for local plant fitness centers
- Additional full-time representatives, both appointed and elected, added to the existing structure

1993

- Base hourly rates increased by amounts ranging from 43¢ to 63¢ reflecting an increase of 3%
- Skilled trades base hourly rates increased by an additional 25¢
- The COLA formula continued with \$1.34 of the prevailing \$1.39 folded into base
- A lump-sum Performance Bonus equal to 3% of qualified earnings during 1994 and 1995
- A \$600 Christmas bonus paid in 1993, 1994, and 1995
- Profit sharing plan formula continued unchanged - new hires eligible for profit sharing from their date of hire
- Job and Income Security Program (GEN and SUB) financed with \$1,156 million
- Pension benefits improved
- A total of 44 paid holidays provided during the three year agreement
- National Quality Agreement continued as a "living document" that permits continuous improvement and expansion of quality efforts outside the negotiations process
- Commitment made to place 1,000 apprentices company-wide on course, business conditions permitting
- Joint UAW-Ford programs expanded; established Technical Skills Program; Employee Tuition Plans improved; Employee Support Services Program expanded; established a national and local Critical Incident Stress Debriefing Procedure; agreed to pilot programs in physical rehabilitation, child-care, and eldercare consultation and referral

1996

- A lump-sum payment of \$2,000 paid immediately
- The COLA formula continued with \$1.03 of the prevailing \$1.08 folded into base
- Base hourly rates increased by 3% in the second and third years.
- Skilled trades base hourly rates increased by an additional 30¢ in the second year
- A \$600 Christmas bonus paid in 1996, 1997 and 1998
- Profit sharing plan formula continued unchanged
- A total of 48 paid holidays provided during the three year agreement
- Job and Income Security Program (GEN and SUB) financed with \$1.8 billion
- GEN revised substantially with an overlay of provisions that enhance certain existing job and employment guarantees, principally with respect to replacing attrition
- Commitment made to place 1,200 apprentices company-wide on course, business conditions permitting
- CRAFTT Concept was established to facilitate more efficient use of skilled trades
- Joint UAW-Ford programs expanded. Technical Skills Programs expanded to include "Grants for Plants," providing funding for developing and renovating on-site learning centers to include technical training. Employee Tuition Plans improved to provide tuition assistance for children of UAW-Ford workers and retirees. Health and Safety Programs strengthened

1999

- A lump-sum payment of \$1,350 paid immediately
- The COLA formula continued with \$0.85 of the prevailing \$0.90 folded into base
- Base hourly rates increased by 3% in each year of the agreement (1999, 2000, 2001, 2002)
- Bereavement pay expanded to five days, in the case of death of a present parent or stepchild, or in the case of multiple deaths in the immediate family
- A \$600 Christmas bonus paid in 1999, 2000, 2001 and 2002
- Profit sharing plan formula continued unchanged
- A total of 67 paid holidays provided during the four year agreement
- GEN revised substantially with respect to replacement of attrition
- Commitment made to place 1,800 apprentices company-wide in the apprenticeable trades during the term of the agreement
- Education and Training Assistance Plan (ETAP) for active employees increased to \$4,200
- Family Service and Learning Centers established
- Traditional dental program replaced with dental PPO

2003

- A lump-sum payment of \$3,000 paid upon ratification
- A 3% performance bonus paid in 2004
- The COLA formula continued with \$2.00 of the prevailing \$2.05 folded into base ¹
- Base hourly rates increased by 2% in 2005 and 3% in 2006 ²
- Skilled Trades' base hourly rates increased by an additional \$0.30 upon ratification
- A \$600 Christmas bonus paid in 2003, 2004, 2005 and 2006
- Profit sharing plan formula continued unchanged
- A total of 67 paid holidays provided during the four year agreement
- New Job Opportunities Posting process allowed for greater placement opportunities for both in-zone and out-of-zone employees on layoff or in GEN protected status
- Commitment made to allow forecasting model driven by business conditions determine number of apprentices placed in the apprenticeable trades during the term of the agreement

¹ *Additional COLA diversions were approved for the DC VEBA as part of the December, 2005 Memorandum of Understanding*

² *The 3% increase scheduled for 2006 was deferred to the DC VEBA as part of the December, 2005 Memorandum of Understanding*

Appendix – Base Wage Rate Increases

Base Wage Rate Increases for Two Sample Classifications

Examples of the change in base rates of pay for two job classifications in use at many Ford plants are listed in this table. The Tool & Die Maker is an apprenticeable trade classification and the Major Assembler classification is a typical highly-populated production classification. The rate shown for the Tool & Die Maker is the maximum rate of a 20-cent spread. (The figures do not include the present cost-of-living allowance, shift, seven-day incentive or overtime premiums.)

Base rate changes for the period 1941 through 1975 are shown in five-year increments although rates increased nearly every year. Base rate changes for the years 1981-83, 1984-86, 1987-89, 1990-92 and 1993-95 are shown in three-year increments since the base rates were increased only in the first year of the agreement. Base rate changes for the years 2003-04 and 2005-06 are shown in two-year increments since the base rate was increased only in the first year of the agreement (2003) – with a performance bonus paid in 2004, a base rate increase in 2005, and an agreement to defer the 2006 base rate increase to the DC VEBA.

Year	Tool & Die Maker	Major Assembler
1941	\$1.450	\$1.150
1945	1.600	1.150
1950	2.075	1.575
1955	2.690	2.005
1960	3.285	2.455
1965	3.825	2.905
1970	5.610	4.250
1975	7.010	5.430
1976	8.660	6.885
1977	9.020	7.090
1978	9.290	7.305
1979	11.130	9.085
1980	11.465	9.360
1981-83	11.810	9.640
1984-86	15.205	12.825
1987-89	16.470	14.020
1990-92	18.945	16.120
1993-95	20.105	17.945
1996	22.135	18.975
1997	23.100	19.545
1998	23.795	20.130
1999	25.360	21.585
2000	26.120	22.235
2001	26.905	22.900
2002	27.710	23.585
2003	30.100	25.585
2004	30.100	25.585
2005	30.610	26.095
2006	30.610	26.095

NOTE: In January 1914, Ford Motor Company established the \$5-a-day base rate. On January 1, 1919 this was increased to \$6, and on December 1, 1929 it was advanced to \$7.

Appendix – Cost-of-Living Allowance Changes

Cost-of-Living Allowance Changes

From September 1950 through June 1973, COLA was based on the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). A combined U.S. and Canadian Consumer Price Index was used from September 1973 until September 1984, when the parties agreed to again use the U.S. CPI-W. Adjustment was determined quarterly between September 1950 and July 1967 on the basis of index levels for January, April, July and October. From July 1967 through December 1971, the allowance was adjusted annually. Beginning in December 1971, the allowance was adjusted quarterly, based on the average change for the quarter.

Since initiated, a total of \$16.82 in hourly wage increases has resulted from increases in the cost-of-living allowance caused by rises in the Consumer Price Index. Of this amount, \$14.83 has been transferred into base rates: 19¢ in July 1953; 15¢ in September 1958; 12¢ in October 1961; 9¢ in September 1964; 18¢ in October 1967; 23¢ in November 1970; 43¢ in November 1973; \$1.18 in October 1976; \$1.56 in October 1979; \$2.99 in October 1984; 81¢ in October 1987; \$1.68 in October 1990; \$1.34 in October 1993; \$1.03 in September 1996; 85¢ in September 1999 and \$2.00 in September 2003.

Following is a year-by-year account of cost-of-living allowance changes:

Year	Change	Cumulative	Year	Change	Cumulative
1950	3¢ ¹	\$0.11	1980	89¢	\$5.28
1951	10	0.21	1981	88	6.16
1952	4	0.25	1982	15	6.31
1953	2	0.27	1983	50	6.81
1954	(2)	0.25	1984	54	7.35
1955	1	0.26	1985	31	7.66
1956	6	0.32	1986	12	7.78
1957	6	0.38	1987	36	8.14
1958	6	0.44	1988	53	8.67
1959	3	0.47	1989	61	9.28
1960	4	0.51	1990	56	9.84
1961	1	0.52	1991	47	10.31
1962	3	0.55	1992	47	10.78
1963	3	0.58	1993	27	11.05
1964	3	0.61	1994	36	11.41
1965	4	0.65	1995	35	11.76
1966	11	0.76	1996	35	12.11
1967	2	0.78	1997	37	12.48
1968	8	0.86	1998	23	12.71
1969	8	0.94	1999	35	13.06
1970	0	1.01	2000	67	13.73
1971	14	1.15	2001	49	14.22
1972	11	1.26	2002	33	14.55
1973	22	1.56	2003	45	15.00
1974	49	2.05	2004	50	15.50
1975	37	2.42	2005	94	16.44
1976	19	2.70	2006	38	16.82
1977	36	3.06			
1978	54	3.60			
1979	55	4.36			

¹The initial amount of COLA was \$0.08 in September 1950. The first adjustment (\$0.03) was made in December 1950.

²The cost-of-living allowance as of December 2006 was \$1.99 per hour (\$16.82 - \$14.83 transferred to base rates = \$1.99).

Appendix – Paid Time Off

Paid Holidays

The 2003 UAW-Ford Collective Bargaining Agreement provides for the following paid holidays:

- Martin Luther King, Jr. Day
- Good Friday
- Monday Following Easter Sunday
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Election Day (2004, 2005, 2006)
- Thanksgiving Day
- The Day After Thanksgiving Day

In addition, the following holidays for the years:

- 2003 – December 24, 25, 26, 29, 30, 31
- 2004 – January 1, 2; December 24, 27, 28, 29, 30, 31
- 2005 – December 26, 27, 28, 29, 30
- 2006 – January 2; December 25, 26, 27, 28, 29
- 2007 – January 1
- Up to Two Family Days in Lieu of November 4, 2003 & July 3, 2006

Paid Vacation

Paid vacations are provided as follows:

Seniority (Years)	Amount
3 months but less than 1	56 hours (1 week, 2 days)
1 but less than 3	96 hours (2 weeks, 2 days)
3 but less than 5	100 hours (2.5 weeks)
5 but less than 10	120 hours (3 weeks)
10 but less than 15	140 hours (3.5 weeks)
15 but less than 20	160 hours (4 weeks)
20 or more	200 hours (5 weeks)

Other

Other paid time off provisions include: bereavement pay, jury duty pay, and short-term military pay.

Appendix – Premium Payments

Premium Payments

Shifts	Premium
• Afternoon Shift (starts on or after 10:30 a.m. but before 7:00 p.m.)	5%
• Midnight Shift (starts on or after 7:00 p.m. but before 5:00 a.m.)	10%

Memo: Employees assigned to necessary continuous 7-day operations are paid a bonus of \$0.35 per hour irrespective of shift premium.

Overtime	5-Day Operations
• Daily & Weekly	- Time and one-half for hours worked over 8 per day and 40 per week
• Saturday	- Time and one-half
• Sunday	- Double time
• Holidays	- Double time plus holiday pay (if eligible)

Overtime	7-Day Operations
• Daily & Weekly	- Time and one-half for hours worked over 8 per day and 40 per week
• Saturday & Sunday	- Time and one-quarter for hours worked on Saturday or Sunday (that are not payable on an overtime basis)
• Holidays	- Double time and one-half (it being understood that there will be no pyramiding of holiday pay and holiday premium). If the holiday should fall on one of the employee's regularly scheduled days off, the employee, in addition to holiday pay (if eligible), will be paid double time for the time worked.
• Scheduled days off	- Time and one-half for work on first scheduled day off - Double time for work on second scheduled day off