

Lana Payne Remarks

Federal Reserve Bank of Chicago's 29th Annual Automotive Insights Symposium



Good morning everyone. I hope you have all had your coffee.

Thank you for this very warm welcome.

It is a pleasure to be speaking with you all today, albeit virtually from Toronto.

I appreciate all of the effort that folks like Rick, Leslie, Kristin and others put in to make this work, navigating some scheduling challenges on my end.

Let me just start by saying it is an honour to have this space with you today.

I consider it a privilege to chat with such a distinguished group of industry observers, business representatives and officials on a topic that matters so much to our union right now.

I'm told that my appearance here today might be the first for a Canadian labour leader.

If so, I'd say this is a double-honour. So thank you.

Of course, as a proud Canadian trade unionist (and unapologetic Newfoundlander), my first reaction to this was, 'Well what took you so long?'

You all know we are generally a friendly and accessible bunch up here – well most of the time.

And I might add, we make some pretty damn good cars and parts!

In all seriousness, I'm glad to have the opportunity to share some thoughts and perspectives ahead of what may be the most significant year for North American autoworkers, within this historic shift toward vehicle electrification.

I was elected President of Unifor on August 10 of last year, at our union's Constitutional Convention.

In less than 24 hours, on August 11, I was formally launching to the world, Unifor's new auto industry policy, called Navigating the Road Ahead.

It was a heck of a first day on the job, let me tell you.

And it shows how central the auto industry is, not just for tens of thousands of Unifor members in the sector, but for hundreds of thousands of workers up and down the value chain in Canada – and millions throughout North America.

Our strategy contains twenty-nine specific recommendations developed by rank-and-file leadership and staff.

Each recommendation serves as an important piece of a large and complex puzzle to ensure Canada's economic, climate, trade and labour market policies work in synch, to maximize the benefits of this EV transition for workers.

The scale of this industrial transformation doesn't happen very often.

We know the stakes are high.

The job implications of building vehicles with fewer moving parts is not lost on us.

Our own internal analysis shows nearly one-third of our membership in the independent parts supply sector are vulnerable in this shift to EVs.

That's thousands of workers building parts that are simply non-transferrable to electric vehicles.

What happens to those good, union jobs? What happens to those critical skills?

This is a real challenge.

And our policy document presents some possible solutions.

At the same time, we look at this shift toward zero emission vehicles as part of an inevitable evolution.

We see the opportunities this shift presents to secure new work in plants.

New tools and skills in the hands of workers.

New openings for regional economic development and innovation.

We also see this as a necessary shift to tackle greenhouse gas emissions in transportation, a key contributor to climate change, the most pressing and existential threat of our generation.

I don't think I need to oversell this any more than I am.

But I do want to up the ante a little further.

I'm going to suggest that there's much more at stake in this transition than the auto industry itself.

How this shift is managed, and executed, will have broader political and economic ramifications for tens of millions of workers, in other climate-affected industries.

In many respects, the auto sector is the first, major industrial sector to undertake a mass-scale 'green' transition.

It will serve as a testing ground, and will happen under a microscope. Everyone is watching. So no pressure!

As a union we are focused on how workers will fare in the shift to a clean economy?

What will these jobs look like?

Will they build communities, raise living standards and benefit from unionization?

Or, will they be plagued by precarity, low-wages and limited benefits?

These are some of the outstanding questions on the minds of millions of workers, including Unifor members. Suffice it to say, we must get this transition right.

Now, prior to serving as National President, I held the office of Secretary Treasurer for Unifor.

In that capacity, I had the privilege of participating on the Unifor Master Bargaining Committee during 2020 contract talks with the Detroit 3.

This bargaining round proved a watershed moment for Canada's auto sector.

We entered talks without as much as a dime allocated to future EV assembly investment in the country, and lingering fears that Canada would be an afterthought in the global shift to electrification.

By the time we had complicated negotiations over 2020 and 2021, our union helped secure an initial \$4.3 billion in new EV-related investment, breathing new life into assembly plants in Oakville, Windsor, and Ingersoll (with commitments made to Brampton in 2022).

And, along the way, we successfully negotiated the restart of vehicle production in Oshawa – a victory most thought impossible. This was represented over a \$1B investment.

(What you might not know, is with the new jobs, this is a factory with a workforce that is now 50% women, something also once thought impossible!)

Those 2020 and 2021 negotiations inspired what's been, perhaps, the most impressive series of auto investments we've seen in generations.

At last count, we are nearing \$20 billion (of course I'm referring to Canadian dollars) – from assembly programs, to battery components, to precursor materials, to critical minerals.

According to our friends at the Center for Automotive Research, all of that represents about 15% of total EV investment across the continent – a shade above our share of the North American sales market.

This is important, since EV investments have significantly outpaced investments in gas-powered vehicles for the past 3 years, with no signs of slowing.

This is a key message we relay to skeptics, who would rather wait-and-see whether EV production takes shape or proves a passing fad.

We see this as a once-in-a-Century transformation.

Yes, from a workforce perspective, there are risks.

But the biggest risk would be for our union to refuse change.

To roll the dice, and watch our domestic industry die on the vine.

The strong ratification results we received in 2020 shows that this isn't a risk our members are willing to take.

It's not a risk governments are willing to take either.

I will tell you that what's most impressed me is the full commitment and coordination we've seen between the federal and provincial governments, making the case for new investment in Canada.

It's one of those rare occasions where collaboration transcends partisan politics. A federal Liberal government working with a provincial Conservative government. In your world it would be Democrats and Republicans working together. I know shocking.

And all with an eye to growing this vital industry.

These are truly remarkable times.

As many of you know, the next cycle of collective bargaining takes place this year.

And it's not just for Unifor members, in Canada, but for members of the UAW as well.

For those not following the bargaining cycles as closely as we do, this will mark the first time our two unions will be bargaining concurrently since 1999.

(Of course, I am not including the extraordinary, off-cycle, bargaining that took place in 2009 on the heels of the Global Financial Crisis. This was a totally different context).

Without a doubt, you'll be hearing a lot about jobs, job quality and the EV transition over the coming months. And perhaps even more investment.

Bargaining has a tendency to put these critical worker issues in the public spotlight.

Our internal processes and bargaining prep will continue to work itself out over the coming months.

But it's fair to say we see this year's talks as a sort of 'waystation' on the path to electrification.

2023 is the next stop on the road to implementing new EV architecture at many of our Canadian facilities, including Oakville, Windsor and Brampton.

Bargaining provides an opportunity to ensure our collective agreements are equipped to support workers through this transition period, from workforce retention, to income security, to skills readiness.

And, yes, despite economic storm clouds looming (largely manufactured by central bankers, I might add) we'll be bargaining against the backdrop of a very tight labour market with a high-demand for skills.

This put workers' very much in the drivers' seat.

My team and I are looking forward to getting talks underway.

Let me close these initial remarks by recognizing that the auto sector is at a certain inflection point.

The decisions made today on matters of product allocation, consumer adoption and skills will define what success looks decades from now.

How we define job quality and promote collective bargaining – as a social good – will, in turn, present our vision for what a truly "just" transition can (and should) be.

We have to get this right. And as I said everyone is watching.

Last month I had the opportunity to attend the official start of production of new Brightdrop ZEVO delivery vans at the GM CAMI plant in Ingersoll, Ontario.

The first operational and fully electric assembly plant in Canadian history.

I can tell you I was so proud to stand there along with hundreds of Unifor Local 88 members, who are so committed to this project and are so excited to see it succeed.

A group of workers who had the opportunity to discuss, debate and ultimately vote to accept this transition plan – in the course of their bargaining.

The ownership they've taken in this project fuels the pride in the work they'll do.

It's inspiring.

CAMI, like I imagine Factory Zero in Detroit, will quickly become a case study in this transition.

And there are lessons we can take from these early experiences to shape our responses moving forward.

There's an undeniable anxiety though that afflicts workers in these periods.

Communication strategies that are clear, honest and consistent is the best path forward.

It's also important that we do not disregard the challenges that transitions bring.

More than 750 Unifor members working in the supply base around the Ingersoll facility lost their jobs as a result of the shift to EV delivery vans.

That is a fact.

And it's important we understand it, and cross examine it.

What is key here is that we are building stronger public support systems and skills pathways to help transition workers into new, in-demand jobs within a growing EV world.

Just as important is the need to localize supply chains, so we are bringing more of this critical EV work to impacted workplaces and communities.

The more that workers, families and communities feel the direct benefits of this shift, the stronger political and person bonds will form. (The more buy-in there will be for transition in auto, but in other sectors too.)

These are extraordinary times.

These are also hopeful and exciting times.

I'm glad to be here with you all for the hour, and look forward to your questions.

Thanks very much.