



# WINDSOR TALKS

ONE TEAM. ONE PLAN. ONE GOAL. ONE FORD.



Happy Birthday to Ford of Canada which celebrated 105 years on August 17, 2009! In the early years, the Company struggled to survive, building only 117 cars in its first year and employing 17 people. But over the decades, Ford of Canada has grown to be the longest established automobile company in Canada and has played a major role in the country's economic development. Continuing in that direction, Ford of Canada has been the top selling auto manufacturer in Canada for the past two months in 2009.

Thanks to everyone who worked during the August 17th shutdown week. A great deal of needed maintenance was accomplished and there were no serious injuries during this time! As stated last month, our schedule for the HVL line at Windsor remains strong for the next several months. We will be working 5 full days of assembly during this time. This will challenge all of us to demonstrate that WEP can meet the increasing demand—safely, with quality and on schedule. We've made too much progress this year and must continue to remain focused. Check out the latest WEP scorecard comparison on the Windsor Engine Plant homepage. *Best Regards, Alex Maciag, Site Operations Manager*

## Safety:

We had a recent visit from Jim Tetreault, Vice President of North America Manufacturing. The first item on Jim's agenda was Safety and how we can improve. Here is an excerpt from Jim Tetreault's corporate message: "Safety must continue to remain first and foremost in all we do. We have made good progress (39% improvement in 2009) in the reduction of our DART rate-surpassing Toyota. While this is great progress, we have not reduced the rate of serious injuries. Walking and working surface related incidents and the lack of adherence to work rules are the leading contributors. Only through our unrelenting focus on ensuring personal safety and the safety of each other, will we reduce the risk of a serious injury at work."

*Jim Tetreault, V.P. of North America Manufacturing*

## Cost:

Recently, Ford has received favorable press, particularly on its improved cost structure, market share and quality. While this information is positive, we must still work together to continue to improve our competitive position.

- Ford's debt is projected to be \$35 Billion at year-end while GM has reduced their debt to \$17 Billion
- Our debt rating is "CC" - deep into "Junk" status. Toyota is at "AA" (second highest level)
- The automotive supply base is distressed
- Industry volumes remain weak
- Continued cash burn

Our highest levels of debt and higher borrowing costs (due to junk debt rating) result in high interest expense. This results in less money to invest in our product—the lifeblood of our future.

Manufacturing plays a key role in our journey to return to profitability. We must continue to reduce our cost structure, reduce inventory levels (helps improve cash flow) and maintain our focus on quality.

*Rich Rothmann, Windsor Site Controller*

## Coyote Program Updates—EEP and Annex:

### Tearout and Demolition Activities:

Tearout and demolition are complete for Coyote operations. Installation of a demarcation wall is in progress. This wall will separate active (Coyote) and idled (i.e. V6 Assy./Machining equipment) areas of the plant and result in significant energy savings.

### Crank Line Status:

Conversion of the line for production of Coyote Cranks is complete. Cranks for Production "TT" (tooling trial) Build/Trial Run #1 have been delivered to MVL Assembly.

### Engine Assembly—MVL:

MVL—"TT" engines are being assembled in the production process. Customer requirements are scheduled for shipment on Thursday, September 3, 2009. Capability (repeatability) and equipment cycle rate will be accomplished during "TT" build/Production Trial Run #1.

### Head Assembly:

Facility shipment is complete and installation is on schedule. "TT" head assemblies were built on the OEM floor due to timing delays. EEP Engineers and Hourly Techs monitored the "TT" build to ensure quality.

### Piston and Rod Assembly:

Piston and Rod "TT" build is complete and assemblies are ready for MVL build.

### Rod Machining—Annex:

"TT" build/Production Trial Run #1 requirements are complete.

### Head Machining—Annex:

Single pass conversion is complete. Capability is on-going. "TT" build requirements are complete. The Team is working through Nemak cubed casting quality concerns to support Production Trial #1 requirements.

On August 21st, Jim Tetreault, Vice President, North America Manufacturing attended an Executive Product Business Review of the Coyote Program at Essex Engine Plant. Mr. Tetreault shared positive comments on the Product Performance data, the status of Plant Readiness, the Shop Floor/CAW presentations and the Teamwork between Production Engineering, Manufacturing Engineering and the EEP Launch Team.

*Larry Stiers, EEP Launch Mgr.*

**Environmental Message:**

Windsor Engine Plant has made great progress for 2009 to date in the reduction of Energy, Oil use, Water use and Waste management. Please keep the momentum! Energy, Water and Waste reductions are all better than the objectives for 2009 year-to-date. Oil use reduction is still not at objective but the trend is improving.

Areas to focus on are **OIL** and **ENERGY** use:

**Oil:** Oils include both the hydraulic and way oils in addition to all the coolants and washer fluids used throughout. Remember to identify and resolve leaks. Also, please keep floor cleaners out of the coolant systems and make sure they go in the proper drains.

**Energy:** Every little thing we do for energy conservation helps. Please remember to shut down your areas before every down shift and weekend. Keep all man and zip doors closed. If you have any ideas for energy conservation, contact your Environmental Committee.

**Update on the Windsor Casting Plant Demolition:**

As you have probably noticed, all work has been completed at the old Windsor Casting Plant site. Please remember to keep to the concrete walkway just outside the east side of WEP. The old Casting plant site is for authorized personnel only. Thanks to all for your patience during the demolition phase of this project.

**Environmental Operating System:**

- All construction, alterations or replacement of anything that may discharge a contaminant needs to be evaluated by the Environmental Engineer, Carmela Franco (x2198). A couple of examples include changing the ductwork routing or tying into the sanitary/storm water sewers.
- Please make sure that the chemicals you use have a site approved TOX# on them as well.
- In the last year, this Plant has implemented an Environmental Operating System (EOS) which utilizes TEM to track environmental tasks. You may be assigned an EOS task; if that is the case, be certain to complete the work task because this task was designed to ensure compliance and awareness to the standard of both the Government and Ford.
- Remember to place waste materials in the properly labeled containers.

If you have any questions or concerns regarding Environmental Management at Windsor Engine/3V/Annex Plants, please contact Carmela Franco (x2198) or Chris Vilag (x2489).

*Karen Leblanc, WEP Plant Engineering Team Manager*

**Ford Motor Company of Canada Limited -**

**July 2009 National Sales Results—Highlights:**

- Ford of Canada—#1 manufacturer for the second consecutive month (at both retail and total sales) in over 50 years!
- #2 manufacturer in total sales, calendar year-to-date!
- The Ford brand remains the “best selling brand” in Canada!
- F-series remains the #1 nameplate in Canada on a calendar year-to-date basis!
- Lincoln outsold Cadillac for the 6th month in a row!
- Customer Satisfaction—Up 2 points vs. same-point-in-time for Overall Service Satisfaction for the month!
- Non-warranty parts sales are up 8.6% for the month!
- Ford of Canada’s July total vehicle sales were up 47.4% in an industry that was down 7.3% vs. same-point-last-year!
- Ford retail performance for July was up 62.8% vs. same-point-in-time in a retail industry that is estimated to be down 8% vs. same-point-last-year!
- Ford of Canada’s July estimated retail share of industry is 14.7%, up 6.3 pts. vs. same-point-last-year!

**Quality - Cost of Poor Quality:** An engine exchange can have a major impact on a customer’s experience with their vehicle. The customer could be stranded on the road when the failure occurs and left without their vehicle for several days due to the repair and shipping time of a replacement engine. In addition to a high customer dissatisfaction, an engine exchange costs Ford Motor Company, on average, over \$6,000 per vehicle and up to \$10,000 for a V10 motor home engine. The cost of losing a valued customer as a future Ford owner is much higher, especially when they inform their friends and family about their bad experience.

**Timing Is Everything:** I cannot stress enough the importance of performing our gage and process checks. With the existing tight inventories of engines and parts, our engines are shipped to our vehicle assembly plants in record time. Frequently, Dearborn Truck Plant (DTP) will build vehicles with engines we build on the same day! Crankshafts machined in the AM can make it to engine line during the day and those engines will be shipped to DTP and built into vehicles by third shift. We must ALWAYS perform all checks properly and thoroughly every time. Keep a **ZERO DEFECT MINDSET—Don’t Make It, Don’t Take It and Don’t Pass It On!**

*Joe Intravaia, Site Quality Mgr.*

**Delivery:** I would like to first welcome everyone back from shutdown. Our customer demand remains at 2,160 engines per day. There continues to be minimal or no downtime for the remainder of the year. August was not a very good month for us. We lost 696 engines to our required build schedule. Our YTD losses increased from 2,350 engines to 3,046 engines. The Engine Line and the majority of the Machining Departments are well short of their committed JPH. I have included the departments required JPH versus their YTD actual.

<u>Department</u>	<u>Required JPH</u>	<u>Actual JPH</u>	<u>(+/-) JPH</u>
Engine Assembly	149	143.3	- 5.6
Cylinder Block	78	75.1	- 2.9
V8 Crankshaft	82	71.7	-10.3
3 Valve Machining	60	55.0	- 5.0
Conn Rod	112	110.8	- 1.2
Camshaft	123	121.9	- 1.1
2V Cylinder Head	42	44.1	+ 2.1

We must all stay focused and ensure that we meet our daily requirements. It is imperative that we react to all machine faults in a timely manner. It is also very important that we seek immediate assistance if we are unable to reset the fault condition. I would like to congratulate the 2 Valve Cylinder Head Team for achieving their YTD JPH!

*Tony Savoni, Machining/Assembly Area Manager, WEP*