Unifor wants Canadian government to buy all-electric BrightDrop vans for mail delivery

Jackie Charniga

Unifor is working with GM toward promoting BrightDrop delivery vans on both sides of the border.

Auto labor scholar says selling BrightDrops to government agencies could protect auto jobs.

Unifor leader said she is losing sleep over fear of potential layoffs at the CAMI Assembly.

Unifor is in talks with Canada Post to promote the idea of the country's primary mail service purchasing Chevrolet BrightDrop vans, the Detroit Free Press has learned.

Unifor National President Lana Payne said during an interview that the labor union has spoken with provincial and federal agencies to suggest purchasing vans produced at its Ingersoll, Ontario, based CAMI Assembly plant.

GM produces BrightDrop 400 and BrightDrop 600 vans at CAMI Assembly, Canada's — and GM's — first full-scale all-electric vehicle manufacturing plant, which required massive investment to retool for EV production, including <u>funding support</u> from both governments. As the <u>Detroit Free Press first reported</u>, a glut of those slow-selling delivery vans has built up on both sides of the U.S.-Canada border.

Last month, a Free Press photographer captured images of hundreds of vehicles lining a Flint storage lot. Reuters published similar photos

from CAMI in Ingersoll, Ontario.

"We understand the very real challenges, and certainly our members do too, but know we're in this fight — on top of dealing with the trade war — to make sure that we can get to a better place for CAMI," Payne said.

Need a break? Play the USA TODAY Daily Crossword Puzzle.

In addition to looking for buyers for the Chevrolet-branded electric vans, Unifor is engaging in "general conversations" with the Canadian federal government about using procurement dollars to support the nation's auto sector.

Piles of vans

GM <u>launched BrightDrop in 2021</u> as a wholly owned subsidiary with expectations its revenue would top \$10 billion by 2030 with low-20% profit margins. BrightDrop offers two commercial electric delivery vehicles: the Zevo 600, which resembles a UPS-style truck, and a smaller EV410 midsize truck.

BrightDrop's sales figures fall far short of its immediate competitors. GM sold 1,529 BrightDrop commercial electric vans in the <u>U.S. last</u> <u>year</u>, compared with Ford's 12,610 E-Transit vehicles and Rivian's 13,243 EDV.

Even without tariff impacts, BrightDrop sales in the U.S. remain low. GM reported sales of just 274 Chevrolet BrightDrop vehicles so far this year, up 7% from 256 sold in the first quarter of 2024.

Last month, CAMI underwent a two-week shutdown related to inventory. GM is offering tens of thousands of dollars in rebates in the

U.S. on the largest BrightDrop model — which normally costs about \$74,000 — accounting for roughly 40% in discounts.

BrightDrop bargains

Dimitry Anastakis, the L.R. Wilson and R.J. Currie Chair in Canadian Business History at the University of Toronto, said selling BrightDrops to government agencies is certainly possible, and potentially the best method of mitigating excess inventory on the Canadian side of the border.

Any additional incentives for purchasing Canadian-made vehicles could amount to substantial savings on BrightDrop vans and make them more attractive for fleet purchases in Canada — particularly when compared with imported automobiles slapped with 25% retaliatory tariffs coming from the U.S.

"It's certainly not going to solve the problem of BrightDrop, but it could facilitate production of that plant," he said.

Canada Post is in the midst of transitioning its 14,000 vehicles to a fully electric fleet by 2040, according to its website. Hybrid and electric vehicles make up more than 10% of its total vehicles and it is currently testing low-carbon options for last-mile delivery that include e-cargo trikes and low-speed vehicles.

Could save jobs?

It's unclear what low BrightDrop sales in the U.S. mean for the future of CAMI, a question further complicated by the ongoing trade war President Donald Trump launched this week.

A carveout for U.S.-Mexico-Canada free trade agreement-compliant

products was conspicuously absent from Trump's executive order, despite his <u>insistence this week</u> that tariffs apply to all imported automobiles. Automakers reacted swiftly to roll out plans, some months in the making, to mitigate impacts on core operations in Canada and Mexico.

General Motors <u>intends to increase light-duty truck production</u> in Fort Wayne, Indiana, a move CEO Mary Barra suggested during the company's January earnings call. Stellantis, owner of the Jeep, Ram, Chrysler, Dodge and Fiat brands, <u>is pausing production</u> at some of its assembly plants in Mexico and Canada, which simultaneously impacts about 900 workers facing temporary layoffs between the Warren and Sterling stamping plants in Michigan and the Indiana and Kokomo transmission plants and Kokomo Casting in Indiana.

Community members in Ingersoll expressed concern over job stability in the current landscape, with the plant's 1,300 employees making up a significant chunk of the area's roughly 11,000 residents.

"CAMI is the biggest employer in town and thousands of spinoff jobs across the region are attached to its future," read a report from the London Free Press ahead of the planned shutdown. The newspaper also reported auto and auto parts plants could shut down within a week of U.S. tariffs being imposed.

But Unifor is working hard to prevent that from happening. The fear of potential layoffs at the CAMI Assembly plant is one Payne loses sleep over, she told the Free Press.

"Am I concerned about CAMI? Absolutely. It keeps me awake at night. We're not building as many vehicles there that I believe we could be building," she said. "Our conversations with General Motors have been about how we, and they, can do more work in terms of how we

market this van."

A General Motors spokesperson told the Free Press last month that the company is still committed to the success of Chevrolet BrightDrop, "and we remain optimistic about its future."

Payne said that the union is counting on that support and will work closely with GM toward promoting the van on both sides of the border.

"We're going to just keep holding their feet to the fire on that," Payne said. "All of the lobbying, all of the work that needs to happen to make sure that that plant has a long future."

Free Press staff writer Eric D. Lawrence contributed to this report.

Jackie Charniga covers General Motors for the Free Press. Reach her at jcharniga@freepress.com.

			B