

Chrysler-UAW Talks Break For A Day Without Deal

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WARREN, Mich. (AP) — Union leaders from Chrysler plants around the country were told to park in Detroit for two more days as negotiations toward a new labor contract continue with the company.

Around 200 local leaders assembled in a Detroit suburb Monday expecting to hear details of a new four-year contract. But instead, UAW President Bob King and Vice President General Holiefield said there was no deal they could recommend to the membership and asked attendees to stick around until another meeting on Wednesday, according to two officials who attended the meeting. The officials asked not to be identified because the meeting was private.

UAW spokeswoman Michele Martin said that bargaining will resume Tuesday morning after negotiators rest from a weekend of near around-the clock bargaining. Neither the union nor the company would say what's holding up a deal.

By asking the local leaders to stay in Detroit, King is signaling that a deal may be close. But the fact that there was no deal before Monday's meeting is a sign that the talks have become snagged on money issues. Late last week, the union and Chrysler were hung up on how many workers would be paid entry-level wages and the size of signing bonuses and profit-sharing checks. Entry-level workers make \$14 to \$16 per hour, about half the pay of a veteran UAW worker.

Chrysler is the last of the Detroit Three without an agreement. Workers at General Motors Co. approved a new contract late last month. Voting is under way at Ford Motor Co. At both companies, the union agreed to forego annual pay raises for most workers in favor of profit-sharing checks and signing bonuses. The companies held their labor costs steady but promised thousands of new union jobs.

Talks with the UAW are closely watched because they set the pay and benefits for 112,000 auto workers nationwide, and they set the bar for pay at auto parts suppliers and other manufacturers.

Bargaining continued with Chrysler through the weekend and into Monday morning over money issues, spokeswomen for both sides said. All the non-money issues have been settled for several days.

Sergio Marchionne, CEO of Chrysler and Italian automaker Fiat SpA, said Friday that the GM and Ford deals — which guarantee thousands of dollars for each worker over four years — may be too rich for Chrysler. The company, unlike GM and Ford, lost money during the first half of the year.

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Marchionne said he hopes a new deal can be reached without resorting to binding arbitration. Chrysler workers gave up the right to strike over wages under the terms of its 2009 government bailout, but either side in contract talks can take disputes to an arbitrator.

Gary Chaison, a professor of labor relations at Clark University in Worcester, Mass., said Chrysler is likely pushing for a deal that would give significantly less to workers than GM and Ford did, but the union is worried that such a deal won't be ratified.

"Marchionne needs the union commitment to a settlement to get ratification, but on the other hand, he'd rather show the union that he can win," Chaison said.

Marchionne might calculate that an arbitrator would give Chrysler a less expensive deal than the union would ratify, Chaison said. But other analysts say both sides will want to avoid long and costly arbitration that will have no guaranteed outcome.

Marchionne has been tough on Fiat's Italian unions, challenging the Italian way of negotiating new contracts and seeking plant-by-plant deals in a bid for more flexible work rules instead of the traditional national contracts.

In the process, he has run up against fierce resistance from the FIOM metalworkers union. FIOM is planning a one-day strike at all Fiat plants on Oct. 21

Fiat was given a 20 percent stake in Chrysler by the U.S. government in exchange for management expertise and technology. The Italian automaker has since raised its stake to more than 50 percent.

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