

Fiat Chrysler and union reach tentative contract deal in US

November 30 2019



Union workers at Fiat Chrysler vehicle assembly plants like this one, in Warren, Michigan, are expected to vote on a new contract on December 6, 2019

Fiat Chrysler and the United Auto Workers union have reached a tentative labor agreement calling for billions in new investments and thousands of new jobs, the UAW announced Saturday.

Fiat Chrysler Automobiles (FCA) is the last of Detroit's three big automakers to reach agreement in principle with the powerful union.

Ford and General Motors have already ratified their accords with the union—GM only after a paralyzing 40-day strike.

The agreement with FCA, which still requires ratification by employees, comes at a delicate time for the union: Two senior officials including President Gary Jones were forced to resign amid an ongoing investigation into corruption.

The corruption allegations are at the heart of a federal lawsuit GM filed earlier this month against Fiat Chrysler.

The suit alleged that FCA had bribed union officials to secure an unfair advantage in labor talks and to force it to agree to a merger.

The Italian-American automaker in turn accused GM of attempting to foil its planned merger with French carmaker PSA.

FCA and the UAW have not released full details of their tentative agreement, but the union indicated that it generally reflected the deals negotiated with GM and Ford.

"The pattern bargaining strategy has been a very effective approach for the UAW and its members to negotiate economic gains around salary, benefits and job security," UAW Vice President Cindy Estrada said on the UAW website.

She said the accord called for additional investment of \$4.5 billion by FCA, which is expected to lead to the creation of 7,900 jobs.

The deal reportedly includes a \$9,000 bonus for employees, as well as a

three percent wage increase in the second and fourth years of the contract.

The heads of UAW local chapters are to meet Wednesday to review the tentative agreement and decide whether to recommend it to members.

If approved, hourly and salary employees would vote on ratification starting Friday, the union said. The vote is expected to take about two weeks.

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