
Caterpillar union workers vote in favor of six-year labor agreement

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The United Auto Workers (UAW) union said members at four local chapters working at Caterpillar had voted in favor of a new six-year labor contract with the firm, preventing a strike at the world's largest maker of construction and mining equipment.

Unionized workers unanimously accepted the deal that outlined a 27% combined wage increase and lump sums over the six-year period, a bump in employer contributions to retirement plans, and a \$6,000 bonus.

"The terms of the contract are effective immediately (March 13)," UAW said in a statement on Sunday.

Additionally, the latest deal included a moratorium on plant closures after years of CAT shifting production to other U.S. facilities and shuttering its Aurora, Illinois factory in 2017.

The contract covers roughly 7,000 union workers at plants in central Illinois and a parts distribution center in York, Pennsylvania. In a notice seen by Reuters, 71.5% of union members voted to accept the tentative agreement. The union did not disclose how many workers voted.

Local union leaders at Caterpillar said in a statement they were pleased to have reached an agreement with management to avoid a strike such as those that the company's rivals Deere & Co. and CNH Industrial had gone through.

Rank and file union workers at the company have expressed anger and frustration over the deal, saying that wage increases weren't commensurate in the face of rising inflation.

But some members believe the new contract is the best CAT has offered in years, after they agreed to company concessions in previous deals that froze wages during the great recession.

“It’s a decent contract and I just want it behind us at this point,” a 40-year-old lathe operator who has worked at a Caterpillar plant in Peoria, Illinois since 2006 told Reuters. The operator was not authorized to speak to the media.

The UAW’s contract ratification with Caterpillar comes just six months ahead of the deadline for the union and the three Detroit automakers concluding new master contracts covering roughly 143,000 workers.

(Reuters)