International Newsroom

Navistar and UAW Approve New Labor Agreement

Increased Flexibility and Lower, More Predictable Cost Structure Highlight New Deal

WARRENVILLE, Ill. (Oct. 30, 2010) – UAW-represented employees at Navistar have ratified a new four-year labor agreement, the company announced today. The contract was approved by a majority of voting UAW members and replaces the prior contract that expired Oct. 1, 2010.

“The new contract is mutually beneficial. It will improve the operating structure and flexibility at our UAW-represented facilities to better compete in today’s market,” said Dan Ustian, chairman, president and chief executive officer at Navistar. “At the same time, it maintains a good quality of life for our employees and retirees.”

Ustian commended the UAW for its focus during negotiations and its efforts to address needs of the business. “We jointly found common ground on some difficult issues. We look forward to continuing in that spirit of mutual respect and cooperation as we address other opportunities in the future,” he said.

Great products and a competitive cost structure remain integral to Navistar’s strategy. “We’re committed to positioning all of our global operations to deliver on our strategy,” Ustian said. Some of the key competitive changes and other collaborative provisions in the new labor contract include:

• Increased truck and engine model flexibility to better utilize manufacturing capacity at all facilities
• Investment in new technology center on existing campus in Melrose Park, Il., to perform important test and validation work for current and developmental products

• Significantly improved “new hire” package featuring more competitive and predictable cost structure
• Health care cost sharing by employees
• Flexibility in managing non-core activities

Navistar will offer one-time financial packages to certain groups of employees who choose to separate or retire from the company, thus facilitating quicker utilization of the more competitive wage and benefit structure.

“Going forward, we expect these operations to more easily adjust and cost-effectively perform throughout the industry cycle,” Ustian added. “More competitive facilities increase job security and provide confidence of viability in the future.”

The UAW represents approximately 2,000 employees at six Navistar facilities Melrose Park, Ill. (engine assembly and engine engineering), Springfield, Ohio (truck assembly), Atlanta, York (Pa.) and Dallas (parts distribution centers) and Fort Wayne, Ind. (truck engineering). Total worldwide employment at the company is 16,000.

---

https://news.international.com/news?item=438