

Safeway workers-management reach consensus on contract

By Heather Somerville and George Avalos, San Jose Mercury News

Safeway struck a deal with union leaders early Thursday, ending more than 15 months of negotiations and easing fears that the recent bout of labor strife in local grocery stores might spread to the region's largest supermarket.

The tentative contract lays out new agreements on health care, wages and other prickly labor issues, and would cover Safeway employees in the Bay Area and Northern California through October 2014.

"This new agreement provides our employees with among the best wages, benefits and working conditions in the region, while ensuring the company can compete successfully in the future," said Karl Schroeder, president of Safeway's Northern California Division.

While Safeway turns an amicable corner in labor negotiations, family-owned grocery Raley's remains locked in a bitter stalemate with union members who went on strike Sunday and show no sign of leaving the picket line.

Ron Lind, Local 5 president of the United Food and Commercial Workers Union, would not disclose the specifics of the Safeway agreement, but said he was pleased that the union health plan was unscathed in the final offer.

"Members are relieved," Lind said. "They've seen what happened at Raley's and Nob Hill. I think they are relieved to have a peaceful settlement."

The Safeway contract awaits approval by members of Locals 5, 8 and 648 of the UFCW, and labor leaders said Thursday they

expected to finalize the contract in less than a month.

"We will recommend strongly that they ratify this contract, and I'm confident that they will," Lind said.

The agreement could put pressure on Raley's to bend to union demands on pay and benefits. Save Mart, the other major grocer in the region, has already signed a deal with the UFCW.

A Raley's spokesman said this week the company's offer is better more generous than the Save Mart contract, and Raley's will keep stores open and continue serving customers until the union votes. The strike is the first in Raley's 77-year history.