Teamsters sign pro-company deal with trucking companies

Jerry White
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The Teamsters union signed a tentative agreement with four major trucking companies February 9 which will result in a further reduction of real wages and a worsening of working conditions for 120,000 drivers and warehousemen covered by the national Master Freight Agreement.

The five-year pact is a transparently pro-company agreement. The *Wall Street Journal* praised the pact, noting that the trucking companies "got their longest contract ever, promising stability for shippers while the booming economy is filling trucks." The *Journal* added that the contract was "likely to disappoint many union members," and quoted an economist who warned that its terms might cause "unrest" among rank-and-file workers.

The union concluded a deal more than seven weeks before the March 31 expiration of the current contract. Both management and Teamsters officials were concerned that workers' expectations were high following last August's strike by 180,000 workers at United Parcel Service. Both sides worked for a quick settlement without a strike and a long contract like the one signed at UPS, so that the companies will have all the time they need to restructure their operations at the expense of jobs and working conditions.

Under the agreement, truckers and warehousemen will get a $750 signing bonus and an average 2.5 percent increase in wages and benefits each year. This wage provision is below the current rate of wage increases in the US, and fails to match the inflation rate.

The contract will also allow the trucking companies greater flexibility in the use of railroads to move freight, a cost-cutting measure. The companies will continue to have a free hand to employ low-paid, part-time employees and ship freight through their nonunion subsidiaries.

The present agreement involves about 72,000 workers at the four largest less-than-truckload companies. These firms carry small loads of freight that they consolidate on their trailers. Roadway, Consolidated Freightways, Yellow Freight and Arkansas Best Corp. employ three-quarters of the 120,000 Teamsters in the freight hauling industry. Their agreement serves as the model for the rest of the unionized trucking companies.

The position of truck drivers and warehouse workers has steadily declined since government deregulation of the industry in 1980. Real wages have fallen by 33 percent and the number of workers covered by the Master Freight Agreement has plummeted from 300,000 to the current level of 120,000.

Because of longer working hours, exhausting schedules and unsafe equipment, the trucking industry has become the nation's number one on-the-job killer, recording more than 10 percent of all occupational fatalities. These conditions have produced a high employee turnover rate—as high as 100 percent at some companies. In an effort to fill vacancies some freight carriers have recruited workers from Ireland, Russia and Latin America.

Many unionized companies, like Consolidated Freightways, have established multi-billion-dollar nonunion subsidiaries, a practice known as "double breasting." Nonunion companies now control 90 percent of the cargo shipped in the United States. In the current negotiations, the trucking companies and their customers simply threatened to use nonunion carriers in the event of a strike.

In 1994 Teamsters covered by the Master Freight Agreement struck for 24 days against double breasting and company demands for increased use of part-time workers. Teamsters President Ron Carey ended the strike with a deal brokered by the Clinton administration. The settlement was hailed by the trucking industry.

With booming levels of cargo and low fuel costs, trucking companies are recording high profits. But the pressure from manufacturing and service industries for quicker shipments and just-in-time deliveries has led to further demands for lower labor costs. The trucking companies have introduced new technology like computer and satellite tracking to increase productivity and eliminate jobs.

The new Teamsters agreement will facilitate this process. Commenting on the current contract one trucking consultant told the *Wall Street Journal*, "A deal was essential to the companies. This is going to allow them to be a viable player in the transportation industry."

The contract was signed in the midst of a shakeout of the Teamsters bureaucracy. Union president Ron Carey was forced to resign after it was established that he had illegally diverted hundreds of thousands of dollars from the union treasury into his 1996 reelection campaign. Despite bitter infighting between supporters of Ron Carey and his chief rival, James P. Hoffa, both factions of the bureaucracy are committed to pushing this agreement through. The negotiating committee, which was evenly divided between Carey and Hoffa supporters, unanimously recommended ratification of the contract.

Both factions have attempted to divert the anger of workers through a chauvinist campaign against Mexican workers. One of the main demands made by Teamsters officials in the negotiations was that trucking companies agree not to relocate work to terminals in Mexico.

The tentative contract will be submitted to rank-and-file members for ratification by mail ballot.