

# Opposition mounting to Teamsters deal to cut pensions at ABF Freight

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Workers' anger is mounting against a sellout deal reached at the end of March between ABF Freight and the Teamsters union. ABF is a subsidiary of Arcbest based in Fort Smith, Arkansas, and is ranked as the overall 11th largest trucking concern handling less-than-truckload (LTL) general commodities from multiple customers within their own regional and national networks. The firm has 10,000 employees, and of that total 8,600 are Teamsters members.

A report from Wolfe Research, a Wall Street analyst, characterized the deal negotiated by the Teamsters as a bonanza for the management. "The details include low annual wage increases and a freeze in pension contributions... we'd view it as positive for ARCB(ABF)," it declared.

While the Teamsters tout the wage raises contained in the deal, they start at a sub-inflation rate of 1.2 percent the first year and a 1.6 percent average in the following years. Further, the contract mandates pension cuts of up to 60 percent for nearly 10 percent for future retirees. Workers will regain one-week vacation lost in the last contract. However, the utilization of lower paid part timers and subcontractors to reduce company costs did not appear to be seriously addressed.

The previous contract expired March 31, but was extended to allow for a vote by the membership. There was no mention of a strike, although workers voted earlier this year by a margin of 98 percent for strike authorization.

The latest sellout deal follows a concession agreement in 2013 where wages were slashed 7 percent. The cuts were declared necessary to stave off an ABF bankruptcy due to net business losses totaling \$7.7 million in 2012. The 2013 concessions were projected to represent a \$55 million to \$65 million annual windfall for ABF investors.

ABF workers are disgusted that the union would consider a contract that contains cuts of up to 60 percent to already inadequate pensions, cuts that are in addition to a proposal to drop early disability retirement provisions before age 64. Teamster President James Hoffa Jr. cynically defended the cuts on the grounds that less than 10 percent of the workforce would be impacted.

On the ABF Teamsters Facebook page many workers raised objections to the deal. Bryan remarked on the insulting wage raises coming after the cuts contained in the previous contract. "Average 1% a year lost 7% last contract!" Bryan said of the prior contract. "Cost of living average is 2% per year on the low side." On the paltry signing bonus, Bryan rejected it as insulting, "\$1000 bonus? Really? Keep it! give us a fair raise!"

Meanwhile, reports from transport industry publications talk of a driver shortage and that pay for truck drivers had gone up by at least 15 percent in the last 12 to 18 months according to the industry group American Trucking Associations (ATA).

Some workers asked whether part time or second tier workers would be brought up to full pay. Cheryl asked, "My husband was hired last August. From what I've heard there was a 5 yr wage freeze. Is that in the new contract? Is it still going to be 4 yrs before he makes scale?"

John, a former worker at ABF, whose sentiments were representative of the widely expressed outrage over the tentative deal wrote, "ABF Teamsters, seriously, those tiny crumbs their tossing out at you?? Embarrassing."

The Teamsters for a Democratic Union and the Teamsters United factions have called on ABF workers to reject the tentative contract agreement. However, these groups offer workers no viable way forward,

raising the illusion that pressure on the Teamsters bureaucracy can force the union to fight. In fact, workers face an intractable enemy in the Teamsters, which over the past several decades has worked hand in glove with the trucking companies to destroy the wages, pensions and working conditions of drivers and warehouse workers.

What is required is the building of new, rank-and-file based organizations of struggle, independent of and opposed to the Teamsters, to mobilize opposition to the sellout deal and organize a fight against the trucking giants, including forging links to striking teachers as well as 230,000 United Parcel Service workers whose contract expires July 31.

The anti-worker character of the Teamsters was starkly demonstrated when the union lobbied on behalf of the Multiemployer Pension Reform Act of 2014 passed by Congress and signed by President Obama. The bill gave plan administrators authority to slash pension payments in “underfunded” pension plans. One of the targets was the Teamsters Central States Pension Fund that covers some 270,000 retired truck drivers. As a result, some retirees received notices they could lose up to 80 percent of their pensions. The cuts were temporarily shelved in the face of mass opposition by workers and retirees, however, future attacks on Teamsters pensioners are all but inevitable.

As of April 19 paper ballots were mailed to ABF workers, and for the first time there will be electronic voting by phone and Internet. The Teamsters leadership claims that electronic voting will increase participation. However, the electronic voting will not be independently monitored, raising the likelihood of tampering. The voting ends on May 9 and the ballots are expected to be tallied the following day.

There are over 3.5 million commercial vehicle drivers in the US who move over 70 percent of the freight and generate over \$738 billion in annual gross revenues.

Figures released this past December by the US Bureau of Labor Statistics (BLS) show that the transportation industry contains some of the most hazardous jobs. There were 1,388 fatalities in 2016, a 7 percent increase, and the highest figure in nearly a decade. Total fatal workplace injuries reached 5,190. Of that there were 918 fatalities for drivers/sales workers and truck drivers, nearly 18 percent of the total. These workers also suffered a high incidence of

injuries because of proximity to large equipment and being outdoors in all seasons, conditions that wear down the bodies of workers much sooner and often force them to retire earlier than planned or desired.

The BLS also found that workers approaching retirement age are more susceptible to injury and death. Their figures show that those age 55 and over suffered 1,848 deaths in 2016. When BLS started keeping track of this in 1992, 55-year-olds and over were 20 percent of lives lost; that same group in 2016 has seen a jump to 36 percent of fatalities annually. This indicates that workers aren’t able to retire, and face increased risk for serious disabling injury or death as a result. The average age for truck drivers is now 55 years old according to BLS.

The author invites all interested in transportation industry struggles to subscribe to the *World Socialist Web Site* Transport Workers Newsletter.



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