

Wall Street celebrates Teamsters deal with UPS

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Corporate executives and investors are lauding the proposed contract signed by the Teamsters union for nearly a quarter of a million workers at United Parcel Service (UPS) for its potential to cut labor costs and boost profit margins even higher.

UPS share values, which had been sliding downwards since mid-June, reversed course after the Teamsters released the details of the sellout early last week. The stock had trended downwards due to investor fears of a potential strike when the contract expires on July 31. Wall Street is pinning its hopes on the Teamsters union, which has extended the contract indefinitely, to wear down rank-and-file opposition and ram the deal through.

David Vernon, the Senior Analyst at Bernstein Global Wealth Management, encouraged private investment in UPS upon the release of the contract, saying its replacement of up to 25 percent of full-time drivers with hybrid drivers was “better than he hoped.” He explained, “Added flexibility in the UPS cost structure from hybrid drivers should increase the flexibility with which UPS is able to accommodate future growth from e-commerce and lower the effective rate of wage growth at the margin.”

UPS executives have also expressed excitement with the deal. “We are confident in our ability to resolve remaining issues, building on the progress we have achieved with current tentative national and local agreements,” stated UPS spokesman Glenn Zaccara. “UPS’s objective is to reward our employees for their contribution to our success, provide flexibility to keep our company strong, and meet the needs of our customers and other stakeholders.”

Echoing these comments, the co-chairman of the Teamsters UPS National Negotiating Committee Denis Taylor said workers “will see that this agreement is among the very best ever negotiated.” In fact, as the praise from Wall Street investors and corporate executive show, the deal is only “the very best” for the company, along with the union apparatus.

The Teamsters accepted a host of concessions, including the introduction of hybrid drivers who start at \$20.50 and are

subject to working more than 9.5 hours at the will of management. The insulting wage increase for part-timers, which caps out at \$15.50 by the end of the five-year contract, would leave tens of thousands of workers in poverty.

As part of the steep rise of the stock market, the value of the UPS stock hit its highest point in the twenty-first century on January 31, 2018, reaching \$127.32 per share. According to MarketWatch.com, profits in 2017 reached \$7.2 billion before taxes and \$5 billion after taxes, with CEO David Abney raking in \$14.6 million in total compensation.

UPS plans to keep up their profit-making by continuing the expansion of their operations and ratcheting up the exploitation of the workforce. Its drive is heightened by the need to prepare for even greater competition from the high-tech corporate giant Amazon.com, which has plans to form its own freight delivery service for Amazon products.

Rank-and-file workers have nothing but scorn for the Teamsters’ efforts to claim the deal contains “tremendous gains.”

Chris, a UPS driver in New York City with 31 years at the company, told the World Socialist Web Site’s *UPS Workers Newsletter*, “The company is proceeding like the contract has already passed. The Teamsters have sold out the membership with this deal and the deadline extension is just another move to make sure a work stoppage doesn’t occur. The bottom line is [Teamsters President James] Hoffa and the Teamsters are UPS’ tools to help with their corporate agenda. Everyone has seen the union sellout and have zero faith in the system.

“I have been working for more than three decades and it’s like night and day from when I began to the current situation. The contracts have ‘gray language’ that the company has exploited in arbitration regarding seniority, excessive overtime and subcontractors along with salary concessions. I have lost almost \$2,000 a month from my pension and we are all staying longer now to survive.”

David, a part-time worker in Oakland, told the WSWWS *UPS Workers Newsletter* that he would vote “no” because

the deal sold out both older and new workers. Having worked as a driver for ten years, he said the new deal is on the road to destroy basic rights for younger workers. “In ten more years, there will be no more health care, no more pension.” He said the contract includes hybrid full-time positions “just so the young people would vote ‘yes’,” since part-timers need raises and better work, but that even for them “it’s a complete sellout.”

In a lengthy thread on the online forum Brown Cafe, one worker explained, “If we went on strike, it would only benefit the workers, and not the company or the union. So, we get screwed all the while the union gets the dues and contributions to health insurance that our unions now control.”

UPS workers are pitted directly against the Teamsters whose executives have a direct financial interest in colluding with management. While part-time workers will remain in poverty and full-time legacy drivers will be replaced by the lower-wage hybrid positions, the union apparatus has expanded its ability to collect dues payments, sit on corporate committees and pad their six-figure salaries.

Under the conditions in which larger numbers of workers can opt out of the unions in so-called right-to-work states, two key sections of the contract help the union defend and expand its dues base. They give the union unrestrained access to recruit new hires into the dues-checkoff system during orientation in addition to pulling dues during workers’ vacation weeks.

The Teamsters union disperses hundreds of millions of dollars in salaries and perks to its executives and army of international, regional and local functionaries. At least four dozen union officers make over \$200,000 annually, including James Hoffa Jr. (\$386,344) and national president Terrence Hancock (\$386,344). Denis Taylor, who leads the UPS negotiations, pulls in \$154,000.

The salaries reported to the US Labor Department do not include payments for sitting on various corporate boards, pension and health care trusts and other investment vehicles, as well as compensation from other business opportunities.

Teamsters representatives sit next to corporate figures on boards such as the Technological Change Committee, Competition Committee, and TeamCare, the union-based health care plan that replaced the company’s plan in 2013. The new contract ensures that the union will secure their positions in these committees, where they essentially work as members of corporate management, ignoring everyday grievances and gutting basic rights to job security, safety, and health.

The union is censoring hundreds of critical comments on its Facebook page “UPS Rising.” Among workers there is deep suspicion that the union could resort to ballot stuffing

to ram the deal through or simply defy a ‘no’ vote like Hoffa did in 2014.

At the same time, the Teamsters for a Democratic Union (TDU), the loyal opposition in the union, is acting as a safety valve to divert and dissipate rank-and-file opposition and allow another sellout. While calling for a ‘no’ vote, TDU promotes the illusion that workers can defend their interests by pressuring the union to “reform” and electing TDU-backed candidates in the future.

This is a dead end. Former President Ron Carey, who was backed by the TDU, sold out workers in the 1997 UPS strike with the first introduction of a second tier in full-time jobs at a much lower pay rate. Carey was further exposed in a corruption scandal where he channeled union money into his own re-election campaign through the AFL-CIO and the Democratic National Committee.

Rank-and-file workers must take the conduct of this struggle out of the hands of the Teamsters by electing workplace committees to conduct a real fight against the giant corporations and the Wall Street banks that stand behind them. These committees, which must be completely independent of all factions of the union, should mount a campaign for the defeat of this sellout and prepare for a national strike. The committees should formulate their own demands, including a 30 percent across-the-board raise, the roll over of all part-timers to full-time positions and the elimination of all tiers of wages and benefits.

Rank-and-file committees must immediately reach out to all logistic workers, including at Amazon, FedEx and the US Postal Service to mount a common fight against low-wages, speed ups and unsafe conditions and for workers’ control of production. Such a struggle must be the beginning of a powerful movement of the working class to fight the economic dictatorship of the banks and giant corporations.



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