

As Teamsters pushes for “yes” vote on concessions contract

UPS unveils \$1 billion cost-cutting “transformation plan”

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At a conference for Wall Street investors in New York on Thursday, UPS management unveiled the details of its “transformation plan” aimed at slashing more than \$1 billion per year in annual global spending through increased “efficiencies.” It took place amid the Teamsters union’s ongoing campaign to browbeat workers into accepting a new five-year concessions contract backed by UPS management.

The timing of the event, three weeks before the October 5 deadline for the contract vote, underscores the conspiracy of UPS management with the Teamsters union. Even as the union labels its sellout contract as a great “victory,” UPS management openly admits what workers already know: It is carrying out an attack on workers’ jobs, wages and conditions to boost profits and dividend payouts for its Wall Street shareholders.

The proposed contract would create a new tier of lower-paid “hybrid” workers, paid up to \$6 per hour less than current drivers, who could be shifted between the warehouse and delivery jobs, and, for the first time, forced to work on Sundays. It maintains poverty-level wages for part-time workers who make up 70 percent of UPS’ workforce, and currently earn as little as \$10 per hour.

UPS announced its “transformation” plan last November, hiring Walmart executive Scott Price as transformation officer. In a press announcement on September 13, CEO David Abney referred to the company’s plans to expand automation technologies in its warehouses and hubs, which will facilitate mass layoffs and the erosion of working conditions.

“Today, nearly 50 percent of our nearly 35 million sorted packages per day are processed using our new more-automated facilities,” Abney said. “When we

complete this phase of our Global Smart Logistics Network enhancement by 2022, 100 percent of eligible volume in the US will be sorted using these new more highly automated sites.” The company is creating seven new “super hub” automated package sorting facilities, which boast a 30-35 percent higher efficiency.

Abney told the press conference that UPS is “driving efficiency and cost reduction to improve our margins.” In 2018, “in the US, we are opening almost seven times the capacity we did in 2017.” Abney repeatedly stressed that the “key” to UPS strategy over the next five years would be “continuous transformation.”

Workers know that these are code words for a “continuous” assault on their jobs, wages and working conditions. This will facilitate the goal set out by Abney in the presentation to raise earnings per share from approximately \$1 to \$1.20 by 2022.

The latest concessions contract backed by the Teamsters is a central component of this strategy. On August 9, the same day the national conference of Teamsters officials voted to endorse its contract, UPS management released a gloating statement declaring that the contract will “give UPS greater flexibility,” including for “expanded weekend residential services, as well as to address challenges from competitors.”

Opposition to the union’s sellout is continuing to grow among UPS workers in the lead up to the vote, reflected in hundreds of comments on social media. Workers have posted photos of UPS management advertising the contract and calling for a “yes” vote on television screens inside the workplace.

On Wednesday, a UPS warehouse worker posted an image of a letter sent by the Teamsters’ James Hoffa to UPS workers along with their balloting instructions,

declaring that the contract includes “tremendous gains” in wages, benefits and working conditions. The worker commented, “I make \$11/hour and a \$2/hour increase is not tremendous!... How about [providing] clock punch/login stations after we enter security instead of having us walk almost 13 minutes to our areas and then harassing us for being late to our work area!”

Remarkably, the response on Wall Street to UPS’ cost-cutting plans has been one of dissatisfaction. Investors sent UPS’s share price down by 2.9 percent the day after the announcement. Kevin Sterling, an analyst at Seaport Global Holdings, told *Bloomberg* that shareholders had expected a cost-cutting target of at least \$1.5 billion per year or more.

Such demands make clear that UPS workers confront not merely a single corporate executive or even a single company, but the demands of the banks and financial institutions on Wall Street that every gain won by workers through struggle over the past century be turned back to fuel ever-greater profits and the continued inflation of US stock market prices.

This reality makes clear the bankruptcy of the perspective promoted by the Teamsters for a Democratic Union and Teamsters United, which are factions of the Teamsters union that are calling for a “no” vote against the contract. These organizations claim that workers should hope that a “no” vote will “send a message” to the Teamsters negotiators to go “back to the table” for a “better deal.”

On September 11, the TDU statement released a statement entitled “Why a no vote does not mean a UPS strike,” which declared that “After members Vote No, the International Union and the company will return to the bargaining table.” The TDU and TU are making clear that they will do nothing to organize a real fight against the cost-cutting offensive of the company and the Teamsters.

In fact, in the event of a “no” vote, the Teamsters would not seek a “better deal,” but redouble their efforts to impose a sellout contract. The issue is not that the union does not know that workers want higher wages, the abolition of tiers, and improved working conditions. It is that the Teamsters functions as a representative, not of the workers, but of UPS management and the corporations.

The TDU and TU are determined to prevent any struggle by workers that would break free from the

straitjacket of the corporatized Teamsters apparatus. This is in line with the entire history of the TDU, which from its origins has presented itself as a “rank-and-file” or “grass-roots” opposition to the Hoffa leadership, but in fact represents a faction of the union apparatus itself that is seeking control over the union’s highly-paid leadership positions for itself. (See: “What is the Teamsters for a Democratic Union”)

The WSWS UPS Workers Newsletter is also calling for a “no” vote to reject this rotten sellout. The waging of a real fight, however, will require the establishment of genuinely democratic organizations of struggle, rank-and-file workplace committees, controlled by workers themselves. These committees would draw up their own demands as the basis for a strike, and turn out to other sections of workers, including workers at Amazon, USPS, teachers, autoworkers and steelworkers, to organize a united fight.



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