

New Amazon facility in Oregon: Tax cuts for corporation, poverty wages for workers

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After years of tax-break negotiation and construction, a new Amazon fulfillment center will soon be running at full speed in Troutdale, Oregon, a town 15 miles east of Portland. Amazon anticipates the opening of 1,500 full-time positions at the fulfillment center, which would immediately double the number of Oregon employees working for the Seattle-based internet retail and logistics giant.

Residents in the area have been inundated with radio advertisements and news articles about the new facility, which present Amazon as a benevolent provider of “competitive wages, benefits, stocks, and a pre-paid tuition program.” Presenting the \$14 an hour that will be paid at the fulfillment center as generous is a cruel joke, especially given the staggeringly high rental and living costs in the greater Portland area.

The massive 855,000-square foot facility is the first of its scale in Oregon, and cost \$180 million to build. Operating with Amazon’s notorious logistics model, based on fast-paced labor and automated machines, the fulfillment center will specialize in large-sized products, such as exercise equipment and furniture. There will also be massive fulfillment centers opening in Salem, Oregon this year, and in North Portland next year.

Local and state officials offered a total of \$213.1 million in tax breaks to provide Amazon free rein to expand its exploitation of the working class in Oregon, specifically in rural and suburban resource-poor areas of the state. Amazon has acquired \$1.12 billion in tax cuts across the United States since 2000, but Oregon achieved the highest amount promised to the corporation of all fifty states.

Of this giant amount, \$176 million would come through Oregon’s Strategic Investment Program, for a proposed data center in the city of Hermiston.

Corporations in Oregon pay below 8 percent in excise taxes, and account for only 38 percent of all state taxes, the 4th lowest percentage of the 50 states and Washington D.C.

These tax cuts will be paid for by working and middle-class people in the state through the form of more cuts in essential public services. Oregon already trailed West Virginia and Louisiana in per pupil school funding, according to the 2016 Annual Survey of School System Finances, U.S. Census Bureau. Several school districts, including Portland, have carried out budget cuts and layoffs.

In the summer of 2017, the government bodies of Port of Portland and Troutdale handed the trillion-dollar corporation \$9.6 million in tax breaks for the construction of the Troutdale super-hub. In an effort to justify this tax giveaway, politicians in Troutdale said Amazon would pay workers at least \$15 an hour in total compensation, including all benefits.

The approval of tax breaks for the construction of the Troutdale and North Portland hubs went through unanimous votes by Port of Portland commissioners. The commission is a nine-member body, appointed by the governor and approved by the state Senate, that oversees economic development of airports, marine terminals and business parks in the area.

Most of these commissioners are trusted members of the corporate and political elite and their flunkies in the union bureaucracy. They include Vice President of Nike, Inc., and former Obama aide Sean O’Hollaren, President of Oregon AFL-CIO Tom Chamberlain, business manager for the International Brotherhood of Electrical Workers Local 48 Gary Young; and Intel Corporation Vice President Pat McDonald.

Democratic Governor Kate Brown, who has appointed at least two commissioners since she was

elected in 2014, praised the opening of the Amazon center. At a press conference about the approval of the fulfillment center in June of last year, she told the crowd of commissioners and business elites, “Today is a celebration...that this community created together.” She continued by praising the local government’s “vision and leadership that paved the way for this investment” and thanking “Amazon for seeing Troutdale and Oregon as a promising part of your future.”

Kate Brown speaks as a representative of the entire political establishment at local and state levels, which is dominated by the Democratic Party in Portland and the Republican Party in the southern and eastern parts of the state.

Port of Portland commissioners, in conjunction with Troutdale leaders, used Amazon’s contract to launch the construction of a 344,000-square foot facility at the Troutdale Reynolds Industrial Park, to host Amazon, FedEx, and other corporate industrial centers.

Like many other locations chosen by Amazon, the industrial park is the site of a former manufacturing plant, where workers once had relatively secure and good paying jobs. The Reynolds aluminum manufacturing plant operated for 60 years and was one of the biggest employers in the Portland area, with 800 workers at its peak, before it was closed by Alcoa in 2000.

Between the Portland metro-area cities of Troutdale, nearby Gresham and Wood Village, there exists a working-class area of just under 170,000 residents. While official unemployment rates in the area remain close to the national average of 5 percent, 18.8 percent of the population lives below the federal poverty line, mostly between the ages of 18 and 40 years old, according to Data USA. Many workers are employed in warehousing, retail, food and health services, where they have all seen wages stagnate alongside soaring costs of living.

According to a 2017 report by the National Low Income Housing Coalition, the average monthly rent for a two-bedroom apartment in the Portland area is \$1,242. The coalition says a minimum wage of \$23.88 an hour at forty hours per week would be required to afford rental costs. The average renter, however, earns under \$15 an hour.

In order to afford housing, on top of food, healthcare,

clothing and other basic necessities, workers often have to live in precarious conditions or take on multiple jobs to make ends meet.

Such is the situation of hundreds of thousands of Amazon workers internationally. Many are living paycheck-to-paycheck, and still others must rely on dwindling social assistance in addition to their income from Amazon in order to survive. Around the country, Amazon workers are being driven to exhaustion and physical deterioration, broken down with injuries, then cast aside and ignored by management.

These poverty conditions stand in stark contrast to the \$1 trillion value of the Amazon corporation, along with the \$160 billion personal wealth of CEO Jeff Bezos, who makes \$3,000 per second off the backs of the company’s highly exploited workers.

Amazon workers are in a powerful position, however, to launch their own offensive to improve their conditions and living standards. Connected to millions of other workers through an interconnected logistics and technology chain in the US and global economy, a collective struggle by Amazon workers would quickly impact virtually every sector of the economy.

The *International Amazon Workers Voice* urges Amazon workers to form rank-and-file factory committees to unify workers to defend their collective interests and fight speed up, unsafe conditions and the corporate dictatorship in the fulfillment centers. These committees, elected by and democratically run by rank-and-file workers, should link up with freight and distribution workers at United Parcel Services (UPS), United States Postal Service (USPS) and FedEx and wage a common struggle to defend the social rights of all logistics workers.

The fight for fair wages, safe work conditions, full-time jobs and benefits, will pit Amazon workers and every other section of the working class into a direct political conflict with both corporate-controlled parties, the Democrats and Republicans, and the trade unions, which function as tools of big business.



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