Voting concludes at trucking company ABF amid opposition to Teamsters sellout

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Work at ABF? Tell us what you think about the contract. All submissions will be kept anonymous.

Workers at the less-than-truckload company ABF are concluding their voting on a Teamsters- and company-backed contract Tuesday evening.

The Teamsters union announced the tentative agreement to much fanfare, declaring it a great victory for ABF workers. But workers are angry about the details of the contract, which include significant concessions on wage progression, benefits and other details. Several locals have already voted down the contract, and the large Local 63 in Southern California, with 700 members, finished voting Tuesday night. The outcome of the vote at that local will be decisive.

The Teamsters and ABF have engaged in a full-court press to get workers to ratify. John Murphy, Teamsters national freight director, said, "This tentative agreement is a testament to our hard work, strength and determination at the bargaining table.

"This committee did a fantastic job and worked hard to secure this very strong tentative agreement," he added. "Their months of dedication and resolve have resulted in a comprehensive agreement that addresses members' top priorities and secures significant economic gains and non-economic improvements."

ABF also praised the deal, issuing a statement that said "ABF's goal throughout the negotiation process has been to reach a fair agreement that pays market-based wages and benefits and allows employees to continue sharing in ABF's success while enabling ABF to grow and make necessary investments in the business. In general, the proposed contract provides for annual wage increases, which will allow ABF to recruit and retain a highly tenured, experienced workforce during a time when driver shortages are common."

In reality, ABF's and the Teamsters proposed wage scale is worse than even the leaked company-proposed contract at UPS, and is a preview of the kind of corrupt bargain which the Teamsters bureaucrats, behind militant-sounding phrases, are preparing there.

Under the proposed deal, workers would receive a $3.50 an hour raise in the first year and a total of $6.50 over the life of the contract. However, this upfront wage increase was designed to swing support in favor of the contract despite the wage increases barely keeping up with inflation. By 2028 workers would make only the same real wage as they did in 2018.

The contract did remove the ceiling on cost-of-living adjustments, which was capped at just five cents per year in the previous contract. However, again, the impact would have been minimal.

Altogether, the proposed wage adjustments amount to little more than an accounting correction to keep the real value of the wage in line with what it was in 2018. With ABF raking in a record $200 million in profit last year and workers even taking a pay cut in 2013 to keep the company profitable, workers have been keen to demand an increase in real wages, not just an adjustment to keep their pay the same.

Furthermore, the contract adds an extra year to the wage progression for non-CDL qualified employees, starting them at 70 percent of top rate and requiring them to work an extra year, five in total, before they can reach top rate pay. This effectively creates a new tier of workers, with those hired before the new contract remaining in the four-year progression system.

Additionally, casual "part-time" workers will only see their starting wage increase to just $17.50 an hour, rising to a paltry $18.50 an hour in 2027. This wage is woefully inadequate to meet the ever rising cost of living and is a steep pay cut for new workers in real wage terms, who had a starting pay of $16 an hour in 2006.

The treatment of benefit contributions is another hidden concession. The Teamsters had stressed that there would be a total of $4.46 in additional benefit contributions by the end of the contract, but there was no breakdown of how that money would be distributed in any of the contract language.

In the National Master Agreement, workers were told to refer to their regional supplemental contracts for details on benefit contributions, which in turn said that they had to refer to the national economic settlement for details. This smoke and mirrors game was designed to hide a critical concession to the company by the Teamsters.

The contract stipulated that if a regional pension fund decides to reject the company's contribution or terminates the company's participation in the fund, then ABF will convert pension contributions into the Teamsters National 401k fund at a value of $7.50 per hour.

What is not clearly stated in the contract is that the money is distributed as a block to health and welfare first, with whatever is left over contributed to the pension fund. This creates the ability for ABF to essentially withdraw itself from a pension fund by starving it of funds. Teamsters pension funds across the country are woefully underfunded after decades of declining membership, mismanagement and concessions on company contributions.

By reducing contributions, ABF can force the regional fund to decide whether it can afford to accept new workers into the fund or expel ABF as a contributor to cut down on future payments, after which the pension would be replaced with a 401(k). This amounts to collusion between the Teamsters and ABF to abolish the pension system at the company without outright conceding it. It allows ABF to indirectly end pensions and place the financial risk of worker's retirement savings on workers themselves, while allowing the Teamsters to reduce future pension costs while covering up their actual role in facilitating the cuts.

The contract was clearly to the benefit of the company, and workers have dealt a blow to both ABF and the Teamster bureaucracy by showing that they will not be bought out with a cheap upfront raise.

The issue of driver shortages and concern over a potential work stoppage appear to have been a guiding force in the negotiations. The contract includes language that allows ABF to offer location specific wage increases designed to bolster hiring in areas with a higher cost of living without being required to pay all workers additional wages, and Murphey stated that "It is our [the Teamsters] hope to reach a tentative agreement in time to have it ratified prior to the expiration of the current agreement and avoid a work stoppage."

Market analysts have anticipated ratification, even before details of the contract were released. TD Cowen, a division of the investment giant TD Ameritrade, issued a report after the tentative agreement was announced saying, "We are encouraged to see [ABF] reach a tentative labor agreement ahead of the June 30 deadline, and the announcement should avert any shipper angst and potential freight diversion. While we were not of the belief that a strike would occur, putting the potential unknown behind them is nonetheless a near-term positive from a customer standpoint. The details of the labor deal are yet to be published, and we will continue to monitor future announcements on the agreement."

The confidence with which major financial interests brushed aside the possibility of a strike, without any public knowledge of what was in the contract or how workers would vote, is a testament to their confidence in the ability of the Teamsters union to force through contracts that are favorable to the company. This was demonstrated most notably in 2018, when the Teamster leadership used a loophole in the union constitution to enforce a sellout contract that workers had voted to reject at UPS.

The opposition to the contract demonstrates the disconnect between the union and rank-and-file workers. The Teamsters even went as far as mandating in-person voting at union halls in an attempt to suppress voting. By contrast, in previous ABF contract votes the Teamsters had sent workers pamphlets in the mail with information on the contract and instructions on how to vote online.

If workers reject the deal, momentum will be on their side. They have already authorized a strike by more than 97 percent, demonstrating their will to fight for what they deserve. Having soundly rejected the contract, there would be nothing keeping workers on the job—except the Teamsters bureaucracy, which has publicly stated it does not want to call a strike and heavily endorsed the sellout contract.

The conditions at ABF closely mirror those at UPS, where the company is demanding new tiers and additional wage and benefit cuts to extract ever greater profits from workers. The "no" vote at ABF gives strong encouragement to UPS workers that they too can fight back against the corporate onslaught against wages, benefits and working conditions.