

Teamsters announces last-minute deal at Yellow to block strike, as hundreds of workers gather to discuss industry-wide strategy at rank-and-file meeting

Our reporter
23 July 2023

The Teamsters union announced a deal Sunday afternoon to avert a strike by 20,000 Yellow freight workers that would have started at midnight. The announcement was made less than an hour before the start of a well-attended meeting on the struggle at Yellow hosted by the UPS Workers Rank-and-File Committee, calling for a united struggle of UPS and Yellow workers, together with other sections of the working class.

The strike would have been over the refusal of the company, which is reportedly on the verge of bankruptcy, to pay \$50 million in obligations to the Teamsters Central States Pension Funds. Yellow's declaration that it would not pay into the fund would have led to the cut-off of workers' pensions by Sunday.

The agreement to avert a strike is a sellout that resolves nothing for Yellow workers. The Central States Pension Funds agreed to extend the deadline for its cut-off of coverage for another 30 days. In exchange, Yellow "agreed" to pay the \$50 million it owes to the fund within that time frame, "with the understanding the company will do so within the next two weeks."

In reality the agreement does not commit Yellow to pay a penny. If the company was already unilaterally refusing to pay the amount, there is every reason to assume that Yellow will make a similar decision in the next month.

Even in the event that the Teamsters union was compelled to call a strike, it is determined to isolate it as much as possible. A letter issued Saturday by Freight Division director John Murphy declared that "**only** those Local Unions (emphasis in original)" under the Central States Pension Funds would be allowed to strike. "Local unions ... in other funds (i.e., Non Central States Funds) should **not** go out on strike at this time." Workers in the other regions of the country, however, may still face being locked out by management.

In a particularly ominous portion of the Teamsters' press release, the union declared, "Meetings will take place in Washington, D.C., to review the state of the company and the current contract." In other words, all options are on the table,

including massive cuts to pay, benefits and jobs, in order to pay off the company's creditors, which includes the notorious corporate raider firm, Apollo Global Management, as well as the federal government.

Above all, the agreement is aimed at peeling off Yellow workers from 340,000 UPS workers whose contract expires in eight days. While the Teamsters apparatus has been forced to adapt its rhetoric to the enormous rank-and-file anger at UPS by pledging repeatedly to strike by August 1 if a new deal is not in place by then, it is doing everything it can to reach a deal to prevent a strike. A strike by 20,000 Yellow workers on the eve of the UPS contract expiration would have been a significant boost to the position of workers but a blow to bureaucracy.

The 11th hour deal at Yellow is a serious warning to UPS workers that the Teamsters bureaucracy is prepared to do the exact same thing to them. On Tuesday, the Teamsters will restart talks with UPS for the first time in three weeks, as it strives to announce that it has a deal right before the deadline. General President Sean O'Brien has already admitted that if the union gets a tentative agreement before August 1 that the union will not call a strike.

Whether or not the company, the union apparatus and the federal government decide to allow Yellow to go under or not, they are determined that the cost will be borne entirely on the backs of workers. The profits of Wall Street will come before all other considerations.

The Central States Pension Funds, which had been the most underfunded of all multi-employer pension funds in the United States, received a \$35 billion government bailout last December, after the Teamsters bureaucracy helped to suppress a strike by railroaders. This was, above all, aimed at supporting the financial and institutional interests of the apparatus, which uses this and other funds as piggy banks to bolster their six-figure salaries. At the same time, Yellow has been allowed by the Teamsters to contribute to the Central States Pension Funds at a one-quarter rate for years. It has been allowed to leave

other regional funds entirely, with defined benefit pensions replaced with 401(K)s.

UPS Workers Rank-and-File Committee holds successful public meeting

On Sunday evening, the UPS Workers Rank-and-File Committee held a public meeting titled “The battle at Yellow freight: Logistics and postal workers must rally in support!” In its announcement of the meeting, the Committee declared: “The unity of logistics and delivery workers is not just a slogan. It requires the self-organization of the rank and file to prepare a fight against both management and the corrupt union bureaucracy and to defeat attempts to isolate each section of workers from each other.”

The meeting was very well attended, with more than 300 workers registered from Yellow, UPS and other companies.

The opening report was delivered by WSWs reporter Tom Hall, who reviewed the situation at Yellow, including the breaking news of the deal. A meeting on Yellow had been called by a rank-and-file committee of UPS workers, Hall explained, “because these are not separate struggles. They are part of a single movement of the working class across the United States and around the world.” Hall also reported that he had been invited speak earlier that day at a meeting of the Postal Workers Rank-and-File Committee in Britain, where, he said, workers are following the development of the class struggle in the United States “with intense interest.”

The claim that there is no money to defend Yellow workers’ jobs is a “contemptible lie,” Hall said. “There is money all over the place. The question is who controls it.” He pointed out that last week, the federal government spent twice as much as Yellow’s entire debt—\$2.4 billion in new funding for the proxy war against Russia in Ukraine.

“A struggle can and must be organized by workers themselves,” he concluded, “uniting workers across different companies on the basis of their common interests. Workers should reject from the outset the lying claim that nothing can be done to save Yellow workers’ jobs. That is only true if the financial interests of Apollo General Management and Wall Street are held above workers’ lives.”

He concluded, “If profiteering has driven Yellow to the verge of bankruptcy, the alternative is to place it under public ownership and run it as a public utility, organized under the control of workers themselves, not executives a million miles away from and indifferent to the fate of logistics infrastructure.”

The meeting also heard a report from WSWs reporter Alex Findijs on the financial status of Yellow and the background behind the crisis, including the roles of Apollo and the federal

government.

A lively discussion followed. Many Yellow workers expressed skepticism about the company’s claim to be out of money, noting that executives will all continue to make million-dollar salaries and have their “golden parachutes” prepared for them even as workers are in danger of losing their pensions.

One Yellow worker expressed his opposition to the agreement the Teamsters had reached. “It doesn’t matter what they tell you, they’re never going to come back with the money. Never. ... They’ve paid one-quarter into my pension plan since 2009. After that contract was over, they were supposed to go back up to the full pension ... [but] I haven’t seen them turn it around. We’re owed more now than what we were owed when they bought Roadway.

“They give them [two weeks] to come up with the money. Now you give them two weeks, they’re going to have every piece of freight off of the dock, have the trucks where they want them, the trailers where they want them ... then they’ll have the auction and that’ll be it. If they don’t come up with the money in two weeks, then what do we do?”

A member of the UPS Workers Rank-and-File Committee also spoke. “Your frustrations and concerns” about “what is going on in the entire logistics business” is the “very reason that we are talking about rank-and-file committees across the logistics industry. The concerns here at UPS are very similar to those at Yellow. We were offered basically what they considered a ‘cost-neutral’ contract, but I believe a lot of that is positioning by both the company and the Teamsters bureaucracy. The Teamsters bureaucracy for years has been pushing through sub-par contracts and colluding with big business.

“I would just implore each and every one of you to continue these discussions, not only on these meetings, which I’m sure we’ll continue, but talk to your coworkers in and around where you job is. So continue to fight, continue to talk with each other, and let’s build these rank-and-file committees across industries not just here in the US but on an international basis.”



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