

UPS executives gloat over Teamsters contract: “Really good” for shareholders

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More details have emerged about the sellout UPS national contract, which was declared ratified by the Teamsters in late August amid a cloud of suspicion.

Recent statements by UPS CEO Carol Tomé and UPS Chief Financial Officer Brian Newman confirm that far from being a “win” for workers, the contract rammed through by the Teamsters bureaucracy under President Sean O’Brien is a cost-cutting, pro-company deal that meets none of workers’ basic demands.

In the first place, the actual voting process on the contract, which used an unsecured QR-code, was flawed and convoluted with multiple potential points of failure or error. Furthermore, the Teamsters made no effort to update the addresses and contact information of members, especially the younger drivers.

The mail-in contract vote in the Teamsters had parallels to the disputed UAW national officers election, where an abysmal 9 percent of the eligible membership voted under conditions where a large number of workers did not receive ballots or any notice that an election was even taking place.

According to figures provided by Teamsters for a Democratic Union, out of 340,000 workers, less than half, 150,997, actually voted on the contract. Only 38 percent of the membership, under a tremendous pressure campaign from the bureaucracy, voted in favor of the national agreement.

In an interview with CNBC on Monday, UPS CEO Tomé bluntly refuted claims from O’Brien and his lackeys in the bureaucracy and the pseudo-left that new contract put “\$30 billion in new money on the table” for workers.

“It’s not a \$30 billion deal,” Tomé said. “It’s a barbell structure where it’s heavier in the beginning of the contract. We’ll go in the middle of the contract and it

steps back down. This 46 percent of the cost increase happens in the first year, so imagine what the last four years of the contract are!”

Tomé added that the labor increases over the life of the contract, “are really good for us.” By “us” Tomé is referring to shareholders and investors.

“We can grow now that we have certainty,” Tomé added, “Because we know what our labor costs are over the next five years.”

Confirming that the Teamsters have negotiated away potentially thousands of jobs to automation, Tomé gloated, “[W]e can put together plans to mitigate that cost, plans to drive productivity inside of our business through automation, which, oh by the way, we retained the ability to do so.”

Likewise, in a statement given to website Logistics Management, CFO Newman exposes all the false claims the Teamster leadership used to promote the contract, stating that “the company is very pleased the new agreement, which covers more than 340,000 UPS employees, has been reached.”

Newman described some of the details of the contract. “Our part-timers make up approximately 55 percent of union employees while full-timers make up about 45 percent of our union workforce, and full timers represent more than 70 percent of wages and benefits paid. Lastly, these new wage rates should improve turnover and reduce the need for market rate adjustments. Over the life of the contract, union payroll cost increases will average 3.5 percent CAGR. This includes 22.4 conversions, the Martin Luther King Jr. Holiday and converting 15,000 part time jobs into 7,500 full time jobs over the life of the contract. Health, welfare and pension benefits will average a 2.7 percent CAGR over the life of the contract.”

From management’s perspective, he noted that, “Costs

will increase at a 3.3 percent compounded annual growth rate, or CAGR, over the five-year life of the contract,” the cost efficient result UPS mandated.

The contract that was reached at the 11th hour to block a strike of 340,000 UPS workers does not address several of their key demands. The workers, who had voted by 97 percent to strike, demanded real wages that reflected the cost of living, including at least \$25 an hour starting wages for all part-timers. Another key demand was air conditioning in all trucks and warehouses.

Newman boasted, “Health and welfare contributions increased by \$0.50 per hour each year, and there was no increase in contributions to multi-employer pension plans or MIP. This is the first contract in over 20 years that does not include an increase in the contributions.”

He went on to praise the “flexibility” the contract provides management. He gloated that the contract allows drivers to take additional hours driving and delivering using their personal vehicles and facilitates the further casualization of labor in the logistics industry.

Further on Newman stated, “it’s worth highlighting that 46 percent of the total annual contractual cost increase occurs in the first year of the contract.... while year one will be higher than normal years, two, three and four are at a much lower growth rate.” The overall cost to the company is, according to Newman, “right in line” with company expectations. This statement alone exposes all claims that the contract represents a “victory” for workers.

These words underscore the warning made in the statement published by the UPS Workers’ Rank-and-File Committee, which stated, “The contract is not an ‘historic’ gain, it is a sellout that helps limit the company’s labor costs for the next five years. The Teamsters claim it eliminates tiers, but it maintains the company’s bottom tier, part-timers, who make up two-thirds of the 340,000-strong workforce. The new \$21 per hour starting part-time pay is only slightly above Amazon wages and leaves UPS workers in poverty. They will be left waiting for years to move up to full-time because the contract includes a pathetic 7,500 new full-time jobs over five years.

“Pension contributions will be frozen in much of the country in order to offset modest increases elsewhere, the general wage increases are below inflation for drivers, the air conditioning ‘deal’ will leave drivers in most vehicles without air conditioning, and Uber-style personal vehicle delivery remains intact.”

This concessionary contract is a devastating exposure of the Teamsters for a Democratic Union, which promoted Sean O’Brien as a supposed reformist. O’Brien, a long-term figure in the Teamsters bureaucracy and lieutenant to former Teamsters President James Hoffa Jr., only postured as a fighter for workers in order to better prepare this betrayal.

It should be pointed out that O’Brien was deeply engaged in closed-door talks with the Biden Administration, leading to the blocking of a potential strike of 110,000 railroad workers and the imposition of a pro-management contract.

UPS management and the Teamsters bureaucracy also carry responsibility for the death of a UPS worker who died in the Dallas heatwave. The Teamsters have also allowed the effective erasure of holidays for UPS workers in New York. In the D.C. area, the elimination of certain positions has resulted in a group of UPS workers taking a massive pay cut, proving all the more that the promises of the Teamsters are hollow lies.

But the willingness of UPS workers to fight cannot be contained by the Teamsters bureaucracy forever. There is a mass of suspicion over the alleged 86 percent margin of passage of the contract. The UPS Rank-and-File Committee has held and will continue to organize meetings of workers to organize opposition to the contract.

As more information comes out about the contract, it becomes every more apparent that the only way UPS workers can defend their interests is through a rebellion against the pro-corporate Teamsters bureaucracy that acts as a lower level of corporate management and as an agent of the two big business political parties.

Workers must organize into rank-and-file committees to provide workers with lines of communication between workplaces and timely and accurate information in order to wage a genuine struggle for their interests. These committees, controlled by workers themselves and not corrupt bureaucrats, would seek to unite workers across industries and across national borders in a common struggle against the multinational corporations.



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