

UPS rings in the new year with hundreds of job cuts across the US

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UPS workers: Is your facility being impacted by layoffs? Tell us what is happening by filling out the form below. All submissions will be kept anonymous.

Logistics giant UPS announced hundreds of layoffs across the United States as 2023 drew to a close. Based on press reports and on information provided to the *World Socialist Web Site*, the layoffs appear to be concentrated among part-time warehouse workers, especially those working daytime sort shifts.

Only three days after Christmas, the company announced it would eliminate the entire day sort shift at Louisville's Centennial Hub, a ground facility which employs over 2,000 people. Approximately 225 workers are affected by cuts, according to one Centennial worker who spoke with the WSWs. Centennial is separate from the much larger Worldport facility, also in Louisville, which is central to UPS' shipping network.

The Centennial layoffs have been widely reported, but less well-known are layoffs at other facilities. Another daytime sort shift has been cut at the Alderwood facility in Portland, Oregon, affecting about 100 people. The company also announced it would eliminate the day sort at its 81st Street facility in Indianapolis, Indiana, according to a statement by the International Brotherhood of Teamsters Local 135.

It is not clear as of this writing whether day sort operations are being eliminated at other facilities.

A Louisville-area member of the UPS Workers Rank-and-File Committee, founded last year to oppose the Teamsters' sellout contract, told the WSWs: "I've heard rumors that some of this volume is going to be diverted to Lexington, Kentucky," more than an hour away. "According to the contract, workers should be offered to be relocated in order of seniority, but who's going to relocate to follow a part-time job that pays \$21 an hour?"

The elimination of these shifts is not due to seasonal variations as the company exits its peak holiday delivery

seasons. It is part of deep cuts to the workforce, particularly concentrated among warehouse workers, who comprise most of the 340,000 members of the Teamsters at UPS. Warehouse workers are a highly exploited, mostly part-time segment, with starting pay at only \$21 per hour—up from as low as \$16.65 an hour before the ratification of a new contract over the summer.

UPS intends to use massive job cuts to offset the costs of modest pay increases under the new contract, which still leaves part-timers making far less in real terms than what they made in the late 1970s. A major factor in this assault is the implementation of new automated technology. Last November, less than three months after the new contract was passed, the company opened a massive robotic facility in Louisville. Called "UPS Velocity," the warehouse uses over 3,000 robots but employs only 200 people. It is expected to process 350,000 packages per day.

The sort jobs impacted by the layoffs are among those most vulnerable to being replaced by automation.

"UPS is going to try to trim down the fat that they see in the company," the committee member continued. "They've already changed operations in Dallas, Texas; Rockford, Illinois and Philadelphia, Pennsylvania, where sort went to completely nighttime operations. We're going to see a continuous slowdown in the economy, and UPS is going to cut jobs. It's directly correlated to volume for them.

"Now, are they diverting to the new automated facilities? Yeah, I could see that. Obviously, these facilities over time are going to cut labor costs. I see this as a huge push in their long term. We're at the precipice of a new age of work with this technology. They are going to get rid of people, and they won't have to pay these machines healthcare, pensions. People need to pay attention to what's going on. The alarm bells are ringing all over the place. I think we're probably looking at what

some view as a fourth industrial revolution.”

The layoffs are also an exposure of the role of the Teamsters bureaucracy, which sold the new five-year UPS contract to members as supposedly the “richest” in history, which would reverse decades of sellouts by previous union administrations. The Teamsters administration under Sean O’Brien used empty threats of a national strike—which workers overwhelmingly wanted but which the officials never had any intention of calling—to paint the deal worked out behind the scenes with management as the product of a pressure from “below.”

In reality, the contract did not meet any of workers’ demands, including a bare minimum starting wage of \$25 per hour and full funding for pensions and healthcare. Most significantly, it contains no protections against job losses due to automation.

Last month, O’Brien publicly threatened to call a strike at Centennial over the company’s decision to lay off 35 people, mostly in administrative positions, who had voted to join the Teamsters. The company quickly rehired the workers a few days later, suggesting there may already have been a deal in place by the time O’Brien made these empty threats.

But now that 200 jobs are being eliminated at the same facility, neither O’Brien nor the IBT have said anything. Local 89 In Louisville issued a complacent statement that the day shift sort “is a relatively small operation, and most or all its volume can likely be absorbed by the other, larger [Centennial] sorts.”

Local 89’s statement also claims that the union “is not privy to the details of how UPS intends to accomplish” the layoffs. This is a lie. No such employment decisions are ever made by management except without close consultation with their partners in the union bureaucracy. But even if it is true that the bureaucracy is “not privy” to how the layoffs will take place, then that only means there is no basis for its claim that the cuts will have little impact on Centennial workers.

Meanwhile, the Teamsters bureaucrats are deliberately isolating UPS workers both from each other and from other logistics workers. It did nothing, for example, to mobilize UPS workers in defense of a strike by more than a thousand workers at DHL Express in Cincinnati last month, before the union ultimately shut down the strike after 12 days. Nor has the union acknowledged the nationwide extent of the current layoffs at UPS, nor explained where and how many workers will be affected in total.

The layoffs at UPS follow a national pattern of attacks on jobs. Also last month, the auto industry announced thousands of factory job cuts only weeks after the passage of a supposedly “historic” new contract, following a piecemeal strike called by the United Auto Workers which did little to impact operations. On the railroads, Union Pacific is cutting 1,300 maintenance of way jobs, reducing its total workforce to barely half of what it had been only a few years ago.

The jobs bloodbath with which corporate America is ringing in the new year exposes the claims of bureaucratic self-reform by O’Brien at the Teamsters and Shawn Fain at the UAW, who were elevated into the leadership in the last union elections with the support of the Democratic Socialists of America and so-called “reform” factions within the union apparatus. In reality, they are responsible for overseeing the bureaucracy’s collaboration in the next stage in the attacks on jobs. They are doing so in close collaboration with the Biden administration, which was heavily involved in contract talks at UPS and the auto industry last year.

These attacks underscore the need for workers to rebel against both management and the corrupt, pro-company union bureaucracy by building the UPS Workers Rank-and-File Committee. As the WSWS warned last August, workers who voted for the UPS contract under the influence of the militant posturing by O’Brien “will rapidly discover that they have been sold a bill of goods when promised wage and pension increases, air conditioning for vehicles and other improvements never materialize.” This is now taking place.



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