

Automation jobs bloodbath is underway at UPS: Seven facts workers need to know

The UPS Workers Rank-and-File Committee
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The following statement was adopted by the UPS Workers Rank-and-File Committee, founded last year to oppose the sellout contract pushed by the Teamsters bureaucracy. To contact the Committee, email upsrankandfilecommittee@gmail.com or fill out the form at the bottom of this page.

UPS management is celebrating the new year with hundreds of job cuts. Day sort shifts are already being cut at the Centennial ground hub in Louisville and at the 81st Street hub in Indianapolis. A day sort shift in Portland, Oregon was also briefly eliminated over the holidays before being reinstated.

This is not a one-off that will not seriously impact most of us, as the Teamsters bureaucracy would have us believe. This is the new beginning of a massive attack on jobs. The company intends to maximize profits and offset the minor wage increases under the new contract by cutting thousands of jobs.

A key role in this attack is being played by automation. This technology, which could and ought to be used to make life easier, is instead being used by major corporations to cut jobs and increase the exploitation of workers. New technologies are being rolled out that can eliminate almost all of the work inside the warehouses. The jobs of nearly 200,000 part-timers at UPS are at risk.

This is not something coming down the pike. It is here, it is happening now, and we have to organize ourselves now to fight it.

The first step is to arm ourselves with information. The Teamsters officials are helping make sure these cuts, which have been long planned, take place under a veil of total silence. They said nothing about the potential for these cuts while we were voting on their so-called “historic” contract last summer.

The UPS Workers Rank-and-File Committee, on the other hand, is fighting to puncture this veil of silence and give workers the facts they must know, and have the right to know.

Here are the seven most important things to understand about the new round of layoffs:

1. UPS has already opened automated facilities across the country. The centerpiece is the Velocity hub in Louisville which opened in November. It handles 350,000 packages a day with 3,000 robots and 200 people. But there are seven facilities utilizing automation in UPS’s eastern region alone, including hubs in Harrisburg and Atlanta. In fact, 57 percent of all US packages pass through automated facilities at some point.

2. UPS says they want to TRIPLE the use of robotics over

the course of 2024. “We plan to triple [robots] across our network in the next year. Goods-to-person technology uses AI to arrange space for optimal speed and can even pick up inventory,” an article in Robot IQ quoted a UPS official as saying. “It’s a linchpin of our strategy. It’s important to be able to deliver best-in-class cost and best-in-class service for your customers,” one UPS executive said of the automation in the Velocity hub.

3. This new technology has the potential to cut 80 percent of warehouse labor. Here is how one insider recently described to us how the new automation works:

About 90 percent of the existing UPS facilities are “conventional,” meaning a single package might be touched by 10 people as it goes from truck to truck. The unloading, sorting, bagging, sorting for re-load, and physically loading a truck again are all done by union employees in a conventional building, so it is much slower and way more error prone.

In an automated facility, the unloading is done by hand. Everything in between, the sorting, scanning, routing, et cetera, is all done by computers, and finally it is re-loaded by hand. That’s 2 people touching a package; not 10.

He concluded: “This ain’t nothing yet ... There are hundreds of sorts closing in the 1st quarter as more volume moves to automated buildings.”

4. The Teamsters bureaucracy is concealing the job cuts from the membership. Neither the International nor General President Sean O’Brien have even publicly acknowledged the cuts at Centennial and in Indianapolis. Local 89 in Louisville issued a letter claiming to be blindsided by the cuts, but that they will likely not impact workers anyway because the jobs will be shifted to the night sort or to other facilities. This is a lie: they did not even acknowledge that all the work being performed by hand on the sort shifts in Centennial is being performed by robots at Velocity only a few miles away.

A UPS Rank-and-File Committee member described the situation at his hub: “The union barely adheres to their own rules and has no accountability. The members have been trying to make things work so that there’s enough work for everyone and nobody gets laid off ... There’s constant rumors of layoffs and the union

isn't doing much to keeping the company from doing so."

5. The new contract has no safeguards against job losses due to new technologies. The deal only requires that management give the Teamsters 45 days notice before implementing the cuts. There are no limits to the number of jobs they can cut as long as they meet this worthless requirement. During the contract vote, the bureaucracy bragged that the agreement committed UPS to "creating" 7,500 new full-time jobs over five years. But even this pathetic number will be more than offset by cuts to part-time jobs.

6. UPS executives and analysts knew that the new contract would lead to job cuts. "As wages rise, the relative cost of technology drops. I expect you will see accelerated investments in technology that help employees become more productive, and in some cases, replace them," one former UPS executive told industry outlet *FreightWaves*. After the contract passed, CEO Carol Tomé gloated that the Teamsters had bargained away thousands of jobs: "We 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."

7. The cuts at UPS are part of a worldwide jobs bloodbath. Thousands of jobs are also being cut in the auto industry, months after UAW President Shawn Fain, another so-called "reformer," orchestrated the passage of another contract that the union also called "historic." The shift towards electric vehicles, which require far fewer moving parts, is being used to permanently eliminate tens of thousands of jobs. At the US Postal Service, tens of thousands more jobs are being cut under the "Delivering for America" restructuring program. A thousand maintenance jobs are being cut in the railroad industry, which has cut a third of its workforce in the last three years.

Automation is even being used to eliminate the jobs of actors and writers through ChatGPT and other platforms. According to a survey by ResumeBuilder.com, 38 percent of business leaders think layoffs are likely in 2024 and 39 percent cite the replacement of workers with AI as reasons for potential layoffs.

The situation calls for the independent organization of the rank and file. It cannot be left in the hands of the bureaucracy. Everything the Teamsters said in order to pass the contract last summer is now being exposed as the pack of lies it was. Nobody can doubt that they knew these cuts were coming all along and kept quiet about it.

As far as the bureaucracy is concerned, as long as whoever is left continues to pay dues to finance their six-figure salaries, they will let UPS do whatever they want. That is the only quibble they have with nonunion Amazon, which for years has set the standard for hi-tech exploitation but whose methods are now being replicated and even surpassed at UPS.

The Teamsters bureaucrats are in bed with the government as well as the company. In 2022, O'Brien kept engineers and maintenance of way workers on the job in the railroad industry while Biden and Congress prepared to ban a strike. Now, the Teamsters are continuing to help "secure" supply chains by eliminating whole sections of the logistics workforce. O'Brien's recent meeting with Trump shows the bureaucracy is not particular about who it maintains these corrupt ties with.

The central demand of the rank-and-file movement must be that not a single job be lost due to automation. We are not against new technology, which could and should be used to make our lives easier instead of throwing us out on the street. Instead of losing our jobs, the huge efficiencies promised by automation should be used to reduce the length of our work schedule, while *increasing* our total take-home pay. It should also be used to fund badly needed infrastructure such as HVAC systems in the warehouses and air conditioning in delivery vehicles.

We propose a counter-campaign by UPS workers be guided by the following three principles:

First, the maximum initiative must remain in the hands of rank-and-file workers. We must not be chained to a perspective of pressuring this or that union bureaucrat or waiting on the outcome of backroom talks. We insist we have the right and the duty to take all actions which we deem necessary to defend our jobs, regardless of whether the bureaucracy sanctions them or not. If they refuse to do so, they only further expose themselves as pro-company stooges.

Second, we must reject the "right" of UPS and other corporations to a profit at our expense. Everyone knows there is enough money to secure good-paying jobs. In 2022, UPS made \$13 billion in profit off of \$100 billion in revenue created by our labor. The problem is not a lack of money but the domination of the logistics and delivery networks at the heart of the modern economy by massive corporations run by super-wealthy oligarchs. Their domination over society must be ended if we are to make any headway in defense of jobs and living standards. This requires the public ownership of UPS and other huge corporations, run democratically by workers themselves as public utilities.

Third, we must unite with workers in logistics and other industries around the US and the world. Everywhere the policies of the major multinational corporations are the same: endless job and wage cuts to pay for profits, and for wars in defense of profits. We must meet their global strategy with a global movement uniting workers across all countries in defense of our common interests.

If you agree with this strategy, then join the UPS Workers Rank-and-File Committee and fight for it. Contact us today by emailing upsrankandfilecommittee@gmail.com. Alternatively, you can fill out the form below.



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