Details of Molson Coors contract expose sellout of strike by Teamsters union

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Details of the Teamsters contract with Molson Coors in Fort Worth, Texas acquired by the WSWS expose how the union bureaucrats sold out 420 workers who struck for more than three months against the second largest brewing company in the United States.

Workers rejected the company's initial offer of just one dollar in raises in February, authorizing strike action by 93 percent. Over the next three months workers would defy the company's demands to limit wage growth.

But the Teamsters bureaucracy left Molson Coors workers to fight on their own, especially by blocking strike action by 5,000 workers at Anheuser-Busch whose contract expired at nearly the same time. Having isolated Molson Coors workers, the Teamsters diverted support for the strike behind a failed consumer boycott campaign in an effort to obscure their isolation of the strike.

Since blocking a strike, the Teamsters have announced a new "voluntary headcount reduction" at Anheuser-Busch. The voluntary program includes a reported payout of $30,000 plus another $1,000 for each year of service. Under the AB contract, the company is given explicit authority to close down breweries in exchange for preserving jobs at other facilities without guaranteeing if a worker can keep their current pay, position or seniority.

Workers carried out a courageous struggle. They rejected the company's insulting offers and remained determined to win their strike. But the Teamsters bureaucracy was not and lost patience with the local leadership, dissolving the local executive board in preparations for a sellout.

On May 22 the Teamsters announced that the membership had ratified a new contract, bringing the strike to an end. The union did not release any information about the terms of the agreement nor the tally of the vote. When workers responded to the union's announcement on Facebook by denouncing the contract as a sellout the bureaucracy took the post down. The Teamsters appear to have removed all reference to the strike from their Facebook and Twitter/X pages.

Details from the contract expose why. The contract creates three tiers and establishes new craft categories for operations technicians, mechanics, and electricians. These three tiers will be filled according to how many positions the company determines to keep. The contract outlines roughly 10 percent of the workforce in tier three, 30 percent in tier two and the remainder in tier one for craft positions in packing and brewing.

These new tiers will be filled by a joint hiring program between the union and management. The two groups will then assess the performance of the tier system over the next year and the company will determine if opening new positions at higher tier levels is appropriate.

This system creates the illusion of professional growth. But in reality will be used as a means to keep wages lower by capping and controlling the number of people who can enter the higher tiers. If an employee runs afoul of management or the local union leadership, for example by criticizing the sellout contract, they may be locked out of promotion or bumped down to a lower tier. The contract gives the company extensive power to establish the standards of performance for each tier, giving management the authority to reassign craft workers to operations, which has significantly lower pay with an hourly rate at the end of the contract of $28.77 for tier one technicians and $39.51 for tier one mechanics.

During the last contract negotiations, the Teamsters celebrated the end of a two tier system for warehouse operators that paid different rates based on job assignment. The implementation of a new tier system for all employees, in which the union is a collaborator with management in the assignment of select higher paying positions, exposes the bureaucracy as an adjunct to corporate management that is acting as a labor contract and not a workers organization.

Pay raises across the board are also well below inflation, but are particularly low for operations technicians. For all three levels of technician, pay raises between year one and year three of the contract top out at $1.27 an hour, or roughly 3.5 percent. The highest increases are for electricians, who will see raises of around three dollars an hour, or 7.6 percent.

These pay adjustments are either well below or will barely cover inflation over the next few years and, do not account for the crushing levels of inflation since the passage of the last contract in 2021.

Additionally, the three months spent on strike will not count towards benefit accrual for workers, "including vacation accrual and credited service."

The retirement health care plan for workers is also severely reduced. Under the previous RK Plan the company agreed to contribute $247.20 (rising to $299.10 in 2026) for retirees and $481 (rising to $582 in 2016) for retirees and spouses. All current retirees will remain under the old plan and any employees wishing to retire by June 1, 2024 were given the opportunity to retire under the old RK plan.

But going forward, current employees will be placed under a significantly altered plan called the R4 Plan. Retirees under R4 will have sharply raised monthly rates if they retire early. Retiring at age 57 comes with a monthly employee contribution of $581 compared to $100 at age 62 or older. At retirement, employer contributions will cease and retiree health care will end once the employee becomes eligible for Medicare. Additionally, the worker must have been with the company or under another Teamster contract for at least 20 years.

The overall healthcare plan for workers will also see only a 10 cents an hour increase in employer contributions over the contract. It also includes a Letter of Agreement between the Teamsters and the company that allows management to request to "explore providing alternative medical plan coverage to employees" and that "if any saving result from the implementation of the new plan, the parties will negotiate regarding sharing of such savings with employees." This is an absurdity, since any "savings" will by definition come at the expense of workers.

This is an open door for Molson Coors and the union bureaucracy to negotiate a new medical plan behind the backs of workers and does not include any real language to ensure savings are "shared" with employees.

The contract offer includes the stipulation that the union must recommend the contract to the membership for ratification or the proposal would be withdrawn. The demand to endorse the contract came with conditions, offering adjustments to vacation time and the ability of workers to retire now under the old contract. This quid pro quo, exchanging contract conditions for an endorsement, is a violation of the rights of workers to a democratic contract negotiation process free of collusion between the union leadership and management.

The sellout at Molson Coors must be placed in the context of a growing corporate assault on jobs in the brewing industry and against the working class at large.

Two years ago, new Teamsters General President Sean O'Brien took office as a supposed "reform" candidate who would reverse decades of betrayals under the "old guard" of James Hoffa (son of the better-known Teamsters leader from the mid-20th century). But the sellouts have continued without interruption. This includes the role of the Teamsters in blocking a strike on the railroads in 2022 and the contract at UPS last year, which has paved the way for more than 12,000 layoffs and 200 facility closures.

Not only the Teamsters, but the bureaucracies in every major union are full partners in a global jobs bloodbath. The auto industry has eliminated thousands of jobs with the quiet support of the United Auto Workers, whose bogus "reform" candidate is a key ally of the Biden White House. Millions of jobs are on the chopping block as corporations move to slash expenses and break the strike movement of the past several years.

Companies are attempting to boost profits by cutting costs, especially labor costs. The Biden administration and the Federal Reserve are part and parcel to this campaign, using high interest rates as a way to beat down wage growth by causing an upsurge in unemployment. The creation of tiers, sub-inflation increases to wages and benefits, and the encouragement of early retirement by Molson Coors is tied to this corporate cost-cutting, which the Teamsters are more than willing to help enforce.

The lesson of the Molson Coors strike and other struggles is that a real struggle against giant corporations requires a struggle against the union bureaucracy. Workers are beginning to take matters into their own hands by building new organizations, rank-and-file committees, to wage a two-front war against management and union officials and link up with workers fighting layoffs all over the world.