Details released on sellout agreement used to block strike by 18,000 Costco workers

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10 February 2025

Build a rank-and-file movement against the sellout deal! Fill out the form below to begin building a Costco Workers Rank-and-File Committee.

On February 1, the Teamsters announced a tentative agreement in the dead of night and called off a planned strike by 18,000 Costco workers who had voted overwhelmingly for strike action.

Four days later, the union released a letter to members with some of the details. As of this writing, the letter cannot be found anywhere on the Teamsters' official sites and has not been made public through the media.

The secrecy reflects the union leadership's deliberate attempt to keep workers in the dark, preventing widespread discussion and scrutiny of the sellout contract. Workers have only been able to access snippets of the letter through worker-run blogs and social media, highlighting the union's underhanded tactics to try and force a "yes" vote.

The tentative agreement the union is now ramming down workers' throats is nothing short of an insult. The wage increases amount to a pittance:

•A $1 raise at the top rate over each of the next three years.

•A $0.50 raise at the bottom rate over each of the next three years.

•A paltry pension increase of $0.45 per hour, bringing total contributions to $2.56 per hour.

•Higher pay increases go to select specialized layers and supervisors, including a $3 per hour premium for pharmacy technicians and a $2 per hour premium for supervisors.

George, a Costco worker in the Los Angeles area who spoke to the *World Socialist Web Site*, shared his disappointment about Teamsters: "It feels like a betrayal of their membership. Kind of a slap in the face. We pay a very large portion of our paycheck to be a part of this union to have the kind of union protections, so to not bargain for something that is at least the slightest bit better than the raises that they're giving to the rest of the [non-union] warehouses, it feels like an insult. Why are we wasting our dollars on union dues when you can't even bargain for something that is better than non-union warehouses?"

This sellout is a pay cut when adjusted for inflation. Workers are being asked to accept a deal that will not allow them to even keep up with rising living costs, while Costco rakes in billions.

Significantly, the letter brags that the contract includes a "Labor Peace Agreement to make it easier to organize non-union warehouses to build strength in bargaining future contracts." In plain language, the Teamsters have agreed to a sellout contract in exchange for management to allow them to try to expand their dues base among the 90 percent of Costco workers who are not in unions.

The previous contract already contained a no-strike clause, but in exchange for making it *easier* to organize non-union warehouses, the union has pledged to maintain "peace"—meaning no strikes ever, not even disruptions or protests, no real fight for better conditions.

This is a complete surrender of workers' most powerful weapons: the right to strike or protest, won through bitter and bloody struggles.

The union bureaucracy is not interested in fighting for better wages and conditions; it is only interested in growing its own influence and ensuring a steady stream of membership dues. It is a cynical and corrupt maneuver, trading away the urgent needs of workers for the potential of new recruits—who, once brought into the union, will face the same or worse betrayals.

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This is a textbook example of how the union apparatus operates—not as a representative of workers, but as a tool of management and corporate interests.

Adding insult to injury, the Teamsters have actively sought to keep details of this rotten deal from their own members. Workers have reported that they did not receive any official notification from their own union about the deal.

George condemned the union leadership for its silence: “Remarkable that I hear about this [from the WSWS] first before my own union. The Teamsters have lost all credibility and clearly are nothing more than a bureaucratic entity only willing to act to justify their own existence. If they had any backbone, they would have refused this insulting milquetoast mess of a CBA [collective bargaining agreement] and hit Costco where it hurts the most: the public perception that they are somehow ‘pro-worker.’ What a complete waste of union dues.”

The Teamsters officials knows that if workers had a real chance to examine and discuss this contract, they would reject it outright. To pass the contract, it is using the same methods it used to push through a contract at UPS in 2023. Weeks after workers ratified a contract they had been told was an historic “victory,” management began laying off tens of thousands of workers.

This sellout by the Teamsters comes at a time when workers are under assault from all sides. From Trump’s attacks on immigrant workers and democratic rights to Costco’s phony “pro-worker” image while imposing a real-terms pay cut, the corporate and political establishment is united in its war on the working class. And standing alongside them is Teamsters President Sean O’Brien. His nationalist and pro-corporate agenda which makes him a natural ally of the extreme right is shared by the whole bureaucracy.

O’Brien, who has openly courted Trump, has no intention of leading any real struggle against corporate power. His brand of militant posturing is pure theater, designed to make workers believe that the Teamsters are on their side while, in reality, the union functions as an arm of management.

His anti-immigrant rhetoric pits workers in the U.S. against their brothers and sisters internationally, ensuring that companies like Costco can continue exploiting workers with impunity.

This betrayal is unfolding in the context of a broader wave of struggles in which workers have repeatedly rejected sellout agreements. In recent months, Oregon healthcare workers, BNSF workers, railroad conductors and maintenance of way workers, USPS carriers, Boeing workers have all overwhelmingly voted down tentative agreements pushed by the unions.

Despite this widespread opposition, the leadership of each of these unions has carefully worked to prevent any real unity between these struggles, ensuring that workers remain divided and unable to fight back in a coordinated fashion.

Costco workers must prepare to overwhelmingly reject this sellout contract. But that is only the first step. The Teamsters leadership has demonstrated beyond any doubt that it will not fight for workers’ interests. The rank and file must take matters into their own hands by forming independent committees that are truly controlled by workers—not the union bureaucrats.

These rank-and-file committees must:

- Organize to defeat the tentative agreement and prepare for a real fight against Costco’s exploitative policies.
- Take full control of all negotiations and agreements.
- Reach out to other workers—both unionized and non-union—to build a broader movement beyond the control of the pro-corporate union leadership.
- Reject the nationalist poison pushed by O’Brien and the union bureaucracy, defend immigrant workers, and create communication networks with warehouse and retail workers globally.

Costco workers must recognize that this fight is not just about one contract—it is a political struggle against an entire system of exploitation now led by an openly fascistic government that threatens workers’ existence. The Teamsters leadership has proven itself to be an obstacle to workers’ power, and it must be bypassed. Only through independent organization and direct action can workers secure the wages, benefits, and conditions they deserve.

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