

Los Angeles truckers walk off the job over wage cuts and rising healthcare costs

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Last Thursday, over 70 truck drivers employed by Southern Counties Express initiated a strike at 5:00 a.m. outside the Compton truck depot in Los Angeles. The truckers haul imported cargo from the port to warehouses across the Inland Empire and play a vital role in the supply chain.

They launched their strike to protest the draconian conditions imposed by Universal Logistics Holdings, a billion-dollar transportation corporation led by Matthew Moroun (estimated net worth \$745 million) which acquired Southern Counties Express in 2018.

Truckers are demanding a reversal of Universal Logistics Holdings' vicious restructuring, which saw workers lose over \$35,000 annually after the company shifted compensation from an hourly wage to a per-load model. Further adding to the financial ruin of drivers, healthcare costs skyrocketed from \$30 to \$166 per week, with deductibles increasing from \$600 to \$4,400. Sick days and vacation time were slashed, a direct attack on the basic rights of workers who perform backbreaking labor to keep supply chains moving.

Workers are also being impacted by heavier tax burdens. In 2018, changes from the Tax Cuts and Jobs Act (TCJA), which was signed into law in December 2017, took effect. One major change was the elimination of the deduction for unreimbursed employee business expenses for those who itemize deductions on their federal tax returns.

Previously, employees in California (and elsewhere) could deduct certain work-related expenses—such as mileage, tools, uniforms and professional dues—if they exceeded 2 percent of their adjusted gross income. However, under the TCJA, this deduction was suspended. Since California generally conforms to federal tax law in many areas, this change affected employees in the state as well.

At the same time, the TCJA significantly reduced corporate taxes. The corporate income tax rate was permanently reduced from a progressive structure (with a top rate of 35 percent) to a flat 21 percent rate.

Opposite to workers' ability to claim deductions, businesses could immediately deduct 100 percent of the cost of qualified capital investments (e.g., equipment, machinery) instead of depreciating them over several years.

The truckers' strike shows the potential for a broader struggle uniting logistics workers. It took place as more than 40,000 dockworkers on the East Coast and Gulf Coast prepared to vote on a contract this Tuesday. That deal is a sellout, with wage increases more than offset by pledges by the International Longshoremen's Association (ILA) to force its members to outwork automation in order to keep their jobs.

Teamsters Local 848 has framed the struggle as Universal Logistics Holdings aggressively seeking to flout labor laws, including a California law which mandates that independent contractors be reclassified as employees.

Doubtless, the corporation has been able to its assault on workers' livelihoods with impunity thanks to the state and federal governments. But the law's impact on independent truckers was also deeply unpopular among the workers, for whom it represented a worsening, not improvement in conditions.

Signed into law by Governor Gavin Newsom in 2019 with the full support of the Democrats and unions, by reclassifying independent truckers, who comprised the vast majority of port truckers, as employees, AB5 effectively forced them to choose between assuming huge tax burdens by filing to become a "trucking authority," move out of state or sell their rigs and become company drivers.

Meanwhile, the Teamsters supported AB5 provided the bureaucracy with a fresh inflow of dues-paying members.

In the summer of 2022, truckers at the Port of Oakland staged a courageous protest against the implementation of AB5, recognizing that the law would be weaponized to consolidate corporate control over drivers. But the Teamsters actively opposed their struggle. They refused to mobilize their vast membership in support, instead working behind the scenes with city officials and the International Longshore and Warehouse Union (ILWU) to suppress the protests.

Oakland port authorities even went as far as suing truckers to prevent them from demonstrating, an action that was met with deafening silence from the Teamsters leadership and the support of the ILWU. This was because the blockades seriously threatened the “no-strike pledge” between the port operators and the ILWU, which kept tens of thousands of dockworkers on the West Coast on the job without a contract for a year. In 2023, when workers began organizing sickouts and job actions on their own, the Biden administration rapidly intervened to push through a deal.

Teamsters Local 848, which covers the truckers involved in last week’s strike, has done nothing to organize a serious response to the state or the company’s attacks. Instead, they have postured as docile negotiators, despite the fact that Universal Logistics Holdings has shown no interest in reversing its policies.

This is not an accident but a pattern that has played out in every major logistics struggle over the past years. In May 2022, as car haulers in the auto industry prepared to strike, the Teamsters announced a tentative agreement just before the deadline, instructing workers to continue their duties without providing specifics of the deal. The Teamsters are also helping UPS lay off tens of thousands of workers after it forced through a contract with no protections against automation in 2023.

Teamsters President Sean O’Brien in particular has played a treacherous role, from the betrayal of the UPS struggle to his participation in the Republican National Convention, as well as Trump’s inauguration. His enthusiastic association with a fascist president, who has launched a massive attack on the working class, is a

warning to all workers that the union bureaucracy is on the other side.

This strike is taking place in the context of a broader wave of working class struggles, particularly among federal workers, who are coming into conflict with the inaction or outright collaboration of the corrupt pro-corporate bureaucrats.

The only way forward is through the formation of independent rank-and-file committees, controlled directly by workers themselves, that can wage a genuine fight against corporate power and its political enforcers.

These committees must reject the dead-end of negotiations with a company that has already made clear its disdain for its workforce. Instead, workers must appeal directly to the broader working class—to dockworkers, warehouse workers, Amazon employees and beyond—to build a mass movement capable of shutting down logistics operations entirely. The struggle is not just about wages or benefits; it is a fight against the very system that prioritizes profits over human lives.



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