

# Teamsters block DHL strike with tentative agreement one day before deadline

Alex Findijs  
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The Teamsters and global logistics giant DHL announced a tentative agreement Monday, blocking a strike of 6,000 workers across 16 states. Workers had voted earlier in March to authorize strike action by 96 percent if they did not get a new deal before the old one expired on March 31.

In a statement announcing the deal the union claimed the agreement “includes a 20 percent wage increase, higher health and welfare contributions, and critical job protections” as well as “safeguards against AI-driven routing systems” and “autonomous vehicles.”

The 20 percent over four years will barely keep pace with inflation, worsened by economic shocks from the US war on Iran. A recent report from the Organization for Economic Co-Operation and Development (OECD) anticipates an inflation rate of 4.2 percent for 2026.

Full details of the Teamsters’ deal with DHL have not been made available and the union has not stated when a contract vote will occur, only that it will take place “in the coming weeks,” meaning that workers will continue to work without a contract for weeks before a vote occurs.

Moreover, wages for DHL workers are largely set by their local supplemental contracts, so it is not clear what this 20 percent figure represents. For locals across much of California and Nevada the advertised wage increases would raise top pay for drivers from nearly \$40 an hour to \$48 an hour in 2030 in some of the country’s most expensive areas, barely behind the top rate of \$49 an hour which UPS drivers will have reached by 2027.

Part-time and warehouse workers make significantly less, roughly half of what drivers make and in some places close to local minimum wage. These workers are at the highest risk of layoffs as DHL moves towards heavily automated warehouse infrastructure.

There is every reason to believe that the claims about job security are a lie. For weeks, the Teamsters bureaucrats loudly claimed they were preparing to strike DHL, not to prepare workers for a struggle but to market the contract as the product of a “credible strike threat.” This bait-and-switch maneuver was used notoriously in 2023 to push through a contract at UPS.

As soon as the contract was ratified, UPS began laying off tens of thousands as part of its automation-led “Network of the Future” restructuring. There were no protections against job losses due to automation, only requiring that management give the union advance notice.

For nearly three years, Teamsters officials have barely even acknowledged one of the largest layoffs in the company’s history. The Teamsters are even allowing UPS to deploy AI driver-facing cameras despite claiming they had prohibited such devices in the contract.

This same maneuver was used on March 31 on 17,000 First Student school bus drivers across the US, whose contract was set to expire at the end of the month.

Across the economy, layoffs are rising to their highest levels since the start of the pandemic and the Great Recession, with the logistics industry leading the way. Automation in logistics has the potential to eliminate around 80 percent of warehouse labor, according to some projections. DHL has already closed two warehouses in the US, laying off hundreds of workers.

DHL is part of the same corporate entity as Deutsche Post, the German post office, which was privatized in the 1990s. In 2025, Deutsche Post announced 8,000 new layoffs.

At the US Postal Service, years into its own

restructuring project, the independent agency could run out of money as soon as next February, setting the stage for the deepest cuts in its history.

For years, DHL has been building partnerships with robotics companies like Boston Dynamics and Robust.AI to design warehouses around automated processes. DHL global head of digital transformation, Tim Tetzlaff, told CNBC that the company had increased automation projects from 240 in 2020 to 10,000 in 2026. These systems include fully automated forklifts and product picking robots guided by artificial intelligence technologies.

In 2023, DHL announced plans to build four new automated warehouses in addition to the nine it already built, four of which are in the US. It also announced interest in building five more in the future.

Automation is also targeting truck and delivery drivers. In 2024, *Supply Chain Dive* reported that DHL was partnering with Volvo VNL Autonomous to launch two autonomous trucking routes in Texas, between Dallas and Houston, and Fort Worth and El Paso. On DHL's website the company also highlights "outdoor autonomous vehicles" as a subject of interest for the deployment of AI driven delivery vehicles. While they note that the technology is several years away from widespread deployment, the company is clearly keen to adopt new technologies that will displace thousands of its highest-paid workers.

Just as with UPS in 2023, DHL management issued statements declaring their satisfaction with the outcome. DHL told *FreightWaves* that "We believe that fostering a collaborative and respectful relationship with our employees and their representatives is key to our continued success." UPS CEO Carol Tome gave similar remarks about the 2023 UPS contract just months before announcing 10,000 layoffs of middle management in preparation for the purging of tens of thousands of drivers and warehouse workers.

The automation technology being deployed in the logistics industry has the potential to greatly reduce the physical burden on workers, increase efficiency, reduce working hours and improve safety. But it can only be used for this purpose under the control of the working class itself.

The fight against layoffs and workers' control over new technology requires the building of rank-and-file committees, in opposition to the union bureaucracy.

The Teamsters apparatus, headed by the right-wing Sean O'Brien, cannot be reformed, because its interests are intertwined with management and the corporate political establishment. Instead, workers must organize to take back power in the union by abolishing the bureaucracy and replacing it with genuinely democratic organs made up of workers themselves.



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