More than two-thirds of UPS' US package volume now handled in automated facilities

Alex Findijs
18 August 2026

UPS is now handling 68.5 percent of its US package volume through automated facilities, up from 64 percent a year ago, an increase equivalent to 337 million additional packages handled through automation, according to the company's quarterly earnings call on July 28. The company is combining this automation drive with the largest consolidation of its network in its history. UPS Chief Financial Officer Brian Dykes said in the company's second-quarter earnings call, "We will have eliminated 50 million hours through the course of last year and this year, nearly 78,000 operational positions that were associated with that volume, and we'll close nearly 150 buildings."

These developments further expose the Teamsters' so-called "historic" 2023 contract as an historic sellout. The contract dropped the demands of part-time workers, while wage increases for some workers were to be more than compensated for by massive attacks on jobs through automation. The jobs assault began almost immediately, with UPS eliminating entire shifts in late 2023 and announcing plans to cut 12,000 primarily management positions in early 2024, a precursor to the large-scale reductions in drivers and operational staff that have mounted since.

Since the beginning of this jobs onslaught, the Teamsters bureaucracy has organized no struggle against the elimination of tens of thousands of jobs. General President Sean O'Brien has occasionally claimed the union would "fight" if UPS violates the existing contract, but the bureaucracy has been almost entirely silent on the deepest layoffs in the history of UPS. Teamsters for a Democratic Union, which backed O'Brien's election, acknowledged last year that automation would cause permanent job losses but declared, "we can't stop it altogether," directing workers instead toward grievances, seniority rules and other provisions of the contract.

The bureaucracy's claims that the 2023 agreement secured thousands of full-time jobs and protected workers from layoffs have been exposed as a sham. The contract requires UPS to fill 22,500 permanent full-time positions with existing part-time workers and create 7,500 additional full-time jobs in its final three years, but it does not bar the company from eliminating far larger numbers of jobs elsewhere through automation, closures and attrition.

Even the bureaucracy's most aggressive intervention concerned only one narrow aspect of the cuts. The Teamsters challenged UPS' Driver Choice Program because the company sought to make severance deals directly with individual drivers without negotiating with the union. The eventual settlement allowed UPS to buy out as many as 7,500 drivers for $150,000 each under terms negotiated with the Teamsters. The union presented this as a victory even as it allowed UPS' much broader cuts to continue without any organized opposition.

The scale of the attack is clear from UPS' own figures. The company reported 370,000 US employees at the end of 2025, down from 414,000 at the end of 2023; about 295,000 US workers were covered by the national Teamsters agreement at the end of 2025. UPS says it reduced its operational workforce by 48,000 positions in 2025, including 15,000 fewer seasonal positions. Its second-quarter 2026 figure of nearly 78,000 operational positions eliminated across last year and this year shows that the assault is still accelerating.

The technology being introduced goes far beyond faster conveyor belts. UPS is deploying robotic systems to unload trailers, pick and sort small packages, and autonomous guided vehicles to move packages and heavy or irregular shipments through facilities. These systems directly automate work traditionally performed by package handlers inside the hubs.

UPS is also automating the identification and routing of packages. Its Smart Package Smart Facility system uses RFID sensors to register packages as they move through buildings and vehicles, reducing the need for repeated manual scans. Network-planning software and a digital twin of UPS' facilities, air and ground networks and package flows are used to model volume and reroute work across the system.

These technologies function together as part of UPS' "Network of the Future." Automation allows the company to consolidate sorts into fewer buildings, shift volume to highly automated hubs and reduce the number of workers needed for a given package volume. UPS itself says the program combines automation with operational sort consolidation and has already led to reductions in facilities, vehicles, aircraft and workforce.

Essential to this process has been UPS' deliberate reduction of its Amazon business. By the end of the second quarter, UPS had completed a reduction of more than 50 percent in Amazon volume from 2024 levels, shedding roughly two million lower-margin packages per day. The company is replacing this volume with higher-margin business, particularly healthcare, business-to-business and international shipping, while concentrating the remaining work in a smaller and more automated network.

The impact on productivity is substantial. UPS CEO Carol Tomé said that the cost per piece in an automated facility is about 28 percent lower than in a non-automated facility. US revenue per piece, a separate measure reflecting pricing and shipment mix as well as other factors, rose 9.3 percent in the second quarter.

Expansion of automation and network consolidation is yielding enormous savings for UPS. The company reported second-quarter revenue of $22.8 billion and raised its full-year revenue forecast to approximately $91.2 billion, with a target of $8.65 billion in adjusted operating profit. UPS says its Network Reconfiguration and Efficiency Reimagined programs produced about $1.2 billion in benefits in the first half of 2026 and are expected to produce about $3 billion for the full year.

UPS is part of a much broader drive to use automation to reduce labor costs. Internal Amazon planning documents reported last year projected that robotics could allow the company to avoid hiring more than 600,000 US workers by 2033.

The enormous increase in productivity raises the decisive issue of which class will control the technology and for what purpose. UPS has demonstrated that new machinery and software can move packages with far less human labor. Under corporate ownership, however, every hour of labor saved becomes a target for elimination from the payroll, so that the greater the advance in productivity, the greater the threat to workers' livelihoods.

The working class has the opposite interest. If technology allows the same work to be done in fewer hours, it should mean a shorter workweek with no loss in pay, lighter workloads and safer conditions, not unemployment and intensified exploitation for those who remain. Realizing that potential requires taking control over production and the deployment of technology out of the hands of UPS management and Wall Street and placing it under the democratic control of the workers themselves.

The fight against layoffs at UPS therefore requires the building of rank-and-file committees in every workplace, independent of the Teamsters bureaucracy, to organize action against closures and job cuts rather than bargain over their effects after management has decided them. These committees must unite workers across the logistics industry and internationally in a struggle for workers' control and the socialist transformation of society, so that the vast productive gains from automation are used to shorten the workweek, raise living standards and improve safety instead of destroying jobs and enriching corporate executives and Wall Street investors.