

# RANK-AND-FILE MILITANCY AND POWER: REVISITING THE TEAMSTER STRUGGLE WITH THE UNITED PARCEL SERVICE TEN YEARS LATER

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*This article argues that militancy, union democracy, and rank-and-file intensive tactics play a crucial role in collective bargaining, and that by embracing these tactics unions achieve better collective bargaining agreements than they otherwise would have attained. I do this by examining the Teamsters for a Democratic Union, its efforts to democratize the International Brotherhood of Teamsters, and the effects these have had on collective bargaining. I compare the Teamsters before and after Ron Carey's reforms, and under James Hoffa, Jr.'s presidency. I analyze the Teamsters negotiations/collective bargaining agreements with United Parcel Service (UPS), as this is the Teamsters' highest profile campaign and the U.S.' largest collective bargaining agreement. I focus on the 1997 and 2002 negotiations/agreements, but I provide a brief overview of the 1990 and 1993 agreements to put the 1997 agreement in context. In addition to demonstrating the benefits of militancy, union democracy, and rank-and-file intensive tactics in collective bargaining, I argue that the 1997 UPS campaign is a model for unions on how to effectively create a bottom-up contract campaign.*

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With this being the tenth-year anniversary of the Teamsters' historic strike with United Parcel Service (UPS), it is a good time to revisit the strike and determine how it was won. Furthermore, by also comparing the 1997 efforts to the 2002 UPS contract negotiations and collective bargaining agreement, I determine that the 1997 contract was better because of the Teamsters employing militance, union democracy, and rank-and-file intensive tactics. The Teamsters adopted these tactics in a large part because of the influence of the Teamsters for a Democratic Union (TDU). In 2002, the Teamsters, with James Hoffa, Jr. in charge, employed a top-down campaign, with little rank-and-file involvement. The 2002 contract was a disappointment, especially to part-time UPS employees. In addition to espousing the benefits of a militant rank-and-file campaign, the article is also a demonstration on how unions should create a bottom-up campaign. I begin by looking at the TDU's efforts to democratize the Teamsters.

### Teamsters for a Democratic Union

Since its formation in 1976, TDU emphasized militancy and fighting against concessions in collective bargaining agreements. Although not always successful, the TDU “. . . led many battles, involving thousands of teamsters in collective struggle, including job actions, bylaws campaigns, strikes, union elections, worker education, legal defense, and contract campaigns” (Brenner 1995, 129). These battles paved the way for the TDU’s future successes.

In 1986, the U.S. government had begun investigations into the Teamsters through the Racketeer Influenced and Corrupt Organizations Act (RICO), believing that the Teamsters was corrupt and had ties with the Mafia. Indeed, from 1957 to 1990 “. . . every president of the teamsters, save Billy McCarthy, has been convicted and sentenced for one or another federal offense” (Moody 1992, 24). The government considered placing the Teamsters under trusteeship. However, the TDU opposed the move. Instead, the TDU argued that the government should monitor Teamster elections, and that members should directly elect the president and other leading union officials. While the U.S. Labor Department continually disregarded TDU, in 1986 the president’s Commission on Organized Crime report noted that the Teamsters’ election methods for Local delegates were illegal: “. . . the Commission recommends that union members have the right to vote for delegates to their union’s convention.” A *New York Times* editorial also supported this view (Crowe 1993, 39; La Botz 1990, 286). The TDU campaigned around the U.S., gathering 100,000 signatures in support of members directly electing the Teamsters’ leadership. It held rallies across the U.S., and many TDU members persuaded their Locals to adopt the TDU’s position. The campaign was ultimately successful (La Botz 1997; Moody 1992, 25). In March 1989, the U.S. government and the Teamsters reached an agreement. The government dropped the RICO charges in return for the democratization of the Teamsters. Among the key points were:

1. Government involvement to weed out corruption and mob influence
2. Direct vote for national leaders
3. Direct vote for delegates to the international convention
4. Nominations to be made at the national convention
5. Secure nominations for candidates receiving 5 percent of delegate support through a secret ballot
6. Independent auditor’s review of the international books
7. Government-supervised elections in both 1991 and 1996. (Tillman 1999, 142)

Without government intervention, these changes would not have occurred as quickly. Nevertheless, the TDU’s national campaign against trusteeship and for Teamster members to directly elect the top union officials influenced the U.S. government to implement this strategy.

The TDU decided not to field a candidate for the 1991 IBT presidential election, instead endorsing Ron Carey because he supported union democracy

and militancy in collective bargaining. TDU President Ken Paff argued that TDU supported Carey because he “. . . had been a Teamster official in the capital of Teamster corruption, New York City[,] . . . had never sought to rise in the hierarchy, had a modest salary, [and] stood up as a militant for his members, including opposing national contract settlements repeatedly” (*Convoy Dispatch* 1989, 1; Ken Paff quoted in Tillman 1999, 142). The TDU organized meetings in support of Carey; its members provided places for Carey to stay as he toured the country, and “. . . passed out literature, made phone calls, organized rallies and got out to vote.” This effort paid dividends. In December 1991, Carey “. . . and his entire slate won a three-way race, receiving 48 percent of the vote and a five-year term” (La Botz 1997; Tillman 1999, 142). In addition, through TDU efforts, the 1991 IBT convention saw 275 reform delegates elected (15 percent of the total delegates) (Feeley 1998, 18). However, this demonstrates the extent that old hierarchy remained in office at different levels as there were 1,900 delegates elected in total (Kwik 1991, 10).

Under Carey’s leadership, the Teamsters supported many of the TDU’s goals and it moved to the Left. Carey spearheaded the campaign against the North American Free Trade Agreement (NAFTA) and he increased the organizing budget, while reducing union officials’ salaries. Likewise, “. . . he increased education for stewards and rank and file members, putting emphasis on contract campaigns, local unions, and shop floor organizing.” In addition, the Teamsters finally endorsed the Democratic Party despite a long history of supporting the Republican Party. However, the Teamsters did not endorse Bill Clinton’s reelection bid because of Clinton’s support of NAFTA (La Botz 1997; La Botz 1998a, 17). The Teamsters’ newfound progressive orientation would eventually pay dividends in its collective bargaining negotiations with UPS.

### **Negotiating an Agreement with UPS**

The 1990 UPS collective bargaining agreement demonstrates that it is very difficult for the Teamsters to achieve a good contract with UPS. It further demonstrates that without a long preparation, with a campaign that involves militancy and rank-and-file intensive tactics, union members will often accept a substandard contract rather than fight.

The 1990, the UPS negotiations served as a backdrop to the Teamsters’ presidential campaign. Reform candidate Ron Carey attempted to defeat the incumbent William McCarthy. McCarthy personally took charge of the negotiations as he sensed the importance a good settlement would have for his reelection chances. Likewise, TDU argued that the “1990 UPS agreement has great historic potential. Bargaining patterns and pensions for hundreds of thousands of Teamsters, and elections for a vital new Teamster leadership are all at stake” (*Convoy Dispatch* 1990, 1). The negotiations were bound to be difficult, as UPS’s profit margins had been declining since 1987. The UPS management initially offered the Teamsters an 11-percent increase over three years, but McCarthy told Local Teamster officials that he would reject the deal. This led UPS management to

increase its offer by over 25 percent in an attempt to prevent a strike (Bernstein and Vogel 1990, 32). Under the revised offer, UPS workers would have received a 50-cent-an-hour increase for each year of the contract and a \$1,000 signing bonus. McCarthy, TDU, and Carey recommended that UPS workers reject the improved offer (*Boston Globe*, August 11, 1990; Crowe 1990, 41). UPS mounted a “. . . well-organized campaign [in which it] held numerous work-site meetings to boost the proposed pact” in an attempt to persuade workers to accept the contract (*Los Angeles Daily News* August 14, 1990). Nevertheless, the TDU believed that UPS workers would reject the offer. However, the rank-and-file voted 65,463 to 53,091 (85 percent turnout) to ratify the contract against the recommendations of McCarthy, Carey, and the TDU. McCarthy argued that the members voted for the contract because UPS conducted a fear campaign. He stated: “I believe that many of the company’s employees were frightened by management’s ability to use permanent replacement workers, or scabs, in the possible event of a strike.”

While TDU agreed with McCarthy’s assessment, it also claimed that he failed to adequately counter UPS’ campaign (*Boston Globe*, August 14, 1990; McCarthy quoted in *St. Petersburg Times*, August 14, 1990). The rank-and-file’s acceptance of the contract damaged his reelection chances as McCarthy personally took charge of the negotiations. However, as both TDU and Ron Carey urged the membership to reject the contract the only winner was UPS. Nevertheless, Carey had an opportunity to orchestrate the next UPS negotiations after the Teamsters’ membership elected him to office in 1991.

### 1993 UPS Collective Bargaining Agreement

Although the 1993 contract was an improvement on 1990, it further demonstrates how difficult it was for the Teamsters to achieve a good UPS contract. The 1993 UPS negotiations were a key test for Carey’s leadership. The TDU believed that a good UPS contract would strengthen the reform movement. The TDU believed that the most important issues in the negotiations were transforming part-time jobs into full-time ones and maintaining benefits, with wages being open for discussion (*Atlanta Constitution*, August 27, 1993). However, UPS and the Teamsters were far apart on wages. UPS management initially offered the Teamsters a six-year contract with a 35-cent-an-hour increase for each year. The Teamsters wanted a three-year contract with a \$1.10-an-hour increase for each year of the contract (*New York Times*, August 28, 1993). The UPS workers overwhelmingly voted to give the Teamsters’ leadership strike authorization if UPS and the union could not reach a settlement. The Teamsters only had \$30 million in its strike fund, but the AFL–CIO guaranteed the Teamsters a \$50-million loan (*Wall Street Journal*, August 3, 1993).

During the negotiations, Carey promised militancy. He stated that unlike previous years, “UPS is faced with a union leadership that’s not going to operate in the interests of corporate America” (Carey quoted in Bernstein 1993, 39). Moreover, the Teamster leadership “. . . for the first time in recent memory, kept rank-and-file members involved through bulletins and meetings” (*Labor Notes*

1993, 7). After the Teamsters rejected UPS's initial proposal, UPS management offered a five-year contract with a 45-cent-an-hour increase for four years and a 50-cent increase in the fifth year. However, the Teamsters rejected this too. The union decided to extend the terms of the current contract, which expired on July 31, during the later stage of contract negotiations in the hope that it could reach a settlement. However, in September the Teamsters' leadership withdrew the contract extension in preparation for a possible strike (*Wall Street Journal*, June 15, 1993; *Wall Street Journal*, September 24, 1993). Three days later, the two sides reached a settlement.

The parties agreed to a four-year contract, with workers receiving a 60-cent-an-hour increase in the first year, and a 55-cent-an-hour increase in subsequent years. United Parcel Service also agreed to ". . . pay an additional \$1.80 an hour over the life of the agreement for health, welfare and pension plans for union members." However, the agreement did not transform part-time jobs into full-time ones and the ratio between the two stayed the same. Understandably, this disappointed part-time workers (*Washington Post*, September 28, 1993). Carey believed that the rank-and-file would overwhelmingly ratify the agreement. The TDU also supported him. Teamster UPS workers voted 61,387 to 30,640 to ratify the agreement by a two-to-one margin, but only 56 percent of UPS members voted (*Commercial Appeal*, November 9, 1993). While the membership did ratify the contract by a large margin, Carey and his supporters were hoping 80 percent of the membership would vote for the agreement.

Three months later, UPS announced that it would increase the weight limit of its packages from 70 pounds to 150 pounds. The proposed increase would have had negative implications for UPS employees, as it would result in them having to do work that is more physical. The Teamsters claimed that it was willing to strike over the issue. After negotiations failed, the Teamsters stated that it would defy a court order and go on strike (*Wall Street Journal*, February 4, 1994; *Wall Street Journal*, February 7, 1994). The UPS workers were on strike for one day, with the Teamsters claiming that 80 percent of members walked off the job. United Parcel Service management claimed that a more realistic figure was 50 percent (*Wall Street Journal*, February 8, 1994). Carey argued that the strike was a success. In the settlement, the 150-pound weight limit remained, but

. . . union members . . . [would] be entitled to get help and appropriate equipment in lifting packages that weigh more than 70 pounds. Such packages must also be labeled by customers. UPS also agreed not to discipline any of the strikers and to drop its effort to have the union fined and leadership held in contempt for violating the federal court order. (*Los Angeles Daily News*, February 8, 1994)

The 1993 collective bargaining agreement with UPS was not a success for Teamsters employed at UPS. Wages only increased slightly (an extra 5 to 10 cents an hour compared to the 1990 contract), and the ratio of part-time to full-time employees remained the same despite it being a key point in the negotiations. Moreover, UPS more than doubled its parcel limit three months

after UPS workers ratified the contract. Thus, neither the 1990 nor the 1993 UPS agreements were a major success for the union. This makes the 1997 UPS contract all the more remarkable.

### 1997 UPS Negotiations/Collective Bargaining Agreement

The 1997 negotiations/collective bargaining agreement demonstrates the benefits of mobilizing the rank-and-file and using militant tactics in collective bargaining. As the 1993 UPS contract failed to meet member expectations, the Teamsters implemented many new campaign tactics. The Teamsters prepared well in advance for the negotiations after previous UPS collective bargaining agreements failed to meet members' expectations. The union decided to implement the TDU's idea for a contract campaign. As the TDU argued, "[b]argaining moves on two fronts. One is at the bargaining table. An equally important front is in the field—a contract campaign in which union members support our bargaining committee, work to unite all Teamsters, and show management we won't settle without a fair contract" (*Convoy Dispatch* 1997, 4).

The Teamsters conducted a survey of its UPS members in the lead-up to the contract negotiations. It asked for a list of contract priorities and activities workers were willing to undertake, such as passing out leaflets and attending local union meetings, to achieve a good contract (Witt and Wilson 1999). The key issue for 90 percent of part-time workers was the conversion of part-time jobs into full-time positions. This became the Teamsters' number one goal during the negotiations (La Botz 1997). In addition to the survey, the Teamsters "... distributed cards that thousands of individual members, many of them in locals where their leaders [i.e., Carey's opponents] showed little interest in the campaign, mailed back to the international union headquarters, so that they could become directly involved" (Moberg 1997, 13). This way the rank-and-file of all Teamster Locals could become involved irrespective if conservative officials headed their Locals. Another Teamster initiative was holding rallies in targeted cities just before it and UPS exchanged contract offers.

Six weeks before the old contract was set to expire, "... the organization and unity built by the member-to-member networks paid off as more than 100,000 Teamsters signed petitions telling UPS that 'We'll Fight for More Full-time Jobs'" and the Teamsters' efforts built unity between full-time and part-time workers (Witt and Wilson 1999).

The Teamsters fought for three key issues during the negotiations. The first was the number of part-time workers UPS employed. Approximately 58 percent of UPS' employees were part-time, and in the period 1993–1997, 38,000 out of 46,000 new jobs at UPS were part-time. The starting rate for part-time employees had not risen in fifteen years, with UPS seeking to extend that for another five years (*Associated Press Newswires*, August 7, 1997; Cockburn 1997, A13). Moreover, while many UPS workers were part-time, they worked a full-time schedule. UPS preferred part-time employees as it paid them less than full-time workers (Rothstein 1997, 477). The second issue was pensions. The Teamsters

. . . wanted increased contributions to its multi-employer pension and health funds. The company responded with a proposal to increase pension benefits for its workers by an average of 50 percent in exchange for pulling out of the multi-employer funds. (*Associated Press Newswires*, August 7, 1997)

All Teamsters received the same benefits irrespective of the company they worked for under the multi-employer pension fund. As a very profitable company, UPS did not want to subsidize the Teamsters' pension fund. The third issue was the Teamsters demanded that UPS limit the amount of work that it (UPS) could subcontract (*Associated Press Newswires*, August 7, 1997). In preparation for the negotiations, Carey formed a fifty-person UPS bargaining committee. The committee included, among others, officials who did not support Carey, several TDU activists, and ". . . four UPS rank and filers and part-timers, something virtually unknown in union bargaining committees" (La Botz 1997; Moberg 1997, 13).

As part of its contract campaign, the Teamsters sought international alliances, partly because UPS was planning to expand its overseas operations. In the UPS plant in "Gustavsburg, Germany, workers handed out leaflets and stickers, wore white socks as a symbolic show of unity, and blew whistles like those being used by Teamster members at actions in the US" (Witt and Wilson 1999). Other international action included ". . . a one-hour strike at half of the UPS facilities in Italy, a two-hour strike in Spain at the Madrid hub, and a protest at UPS European headquarters in Brussels" (Moberg 1997, 14).

While it is difficult to determine the effect campaign tactics had on UPS' management, UPS offered the Teamsters a "last, best and final" contract, which included an extra \$1-an-hour increase, for a total increase of \$2.50 an hour for full-time workers (the company initially offered a \$1.50-an-hour increase). It would begin a profit-sharing plan, and ". . . would ensure 10,000 full-time opportunities for part-time workers." However, UPS refused to contribute to the Teamsters' multi-employer pension plan (*Associated Press Newswires*, July 31, 1997). In the 1990 and 1993 negotiations, the Teamsters accepted UPS' "final" offer, with the membership ratifying the agreement on each occasion (*Wall Street Journal*, August 21, 1997). This time the Teamsters rejected the offer, and the Teamsters conducted a national strike at UPS beginning on August 3.

As Matt Witt and Rand Wilson (1998) note, "UPS launched a million-dollar ad campaign at making management appear reasonable to UPS workers, customers, and the news media," while attempting to portray the strikers as greedy (84). However, the issue of part-time workers resonated strongly with the U.S. public. UPS Vice Chairman John Alden stated, "[i]f I had known that it was going to go from negotiating for UPS to negotiating for part-time America, we would've approached it differently" (Alden quoted in Witt and Wilson 1999).

UPS, however, tried to convince the public that it was a victim. Nevertheless, UPS campaign did not work. A *USA Today-CNN-Gallup* poll showed that 55 percent supported the Teamsters and only 27 percent supported UPS and 75 percent of respondents ". . . opposed UPS' plea that President Clinton declare a

national emergency and order the Teamsters back to work” (Rothstein 1997, 473).

Helping the UPS workers’ public image was that they “. . . traveled their regular delivery routes to visit customers and explain why it became necessary to interrupt service,” and rank-and-file Teamsters were often spokespeople in news conferences (Witt and Wilson 1998, 182; 1999). In addition, the Teamsters had support from community groups. For example, Jobs with Justice organized protests against companies that urged President Clinton to order the Teamsters back to work. Witt and Wilson state that “[l]ocal Coalitions for Occupational Safety and Health planned news conferences and demonstrations highlighting how UPS had paid academics to help attack federal job safety rights for all workers.” Women’s groups highlighted the effect that a reduction of jobs with decent benefits has on women (Witt and Wilson 1999). David Moberg (1997) claims that

[b]y preparing well in advance, the Teamsters were able to mobilize critical support from the rest of the labor movement: UPS pilots and mechanics refused to cross Teamster picket lines, and AFL–CIO President John Sweeney pledged to raise whatever money was necessary to sustain the modest Teamster strike benefits. Just as the strike was settled, the European UPS unions were preparing for a major meeting and protest that would have included more job actions. (15)

The Teamsters announced that it would hold a national Action Day of Good Jobs on August 22.

However, the union and UPS agreed to a five-year contract (the union had demanded a three-year contract; UPS wanted a six-year contract) before the rally took place. UPS pledged to create 2,000 new full-time jobs for each year of the contract. It would only subcontract during peak seasons, and, unlike in 1993, it would consult with the Teamsters before it increased the package weight limit. UPS abandoned its opposition to the Teamsters’ multi-employer pension plan and agreed to increase its contributions to the plan. It provided a wage increase of \$4.10 an hour for part-time workers, with full-time workers receiving an extra \$3.10 an hour over the life of the agreement (*Associated Press Newswires*, August 20, 1997). The strike was an overwhelming success for the Teamsters as UPS caved in to a majority of the union’s demands. Carey stated that “[t]his strike marks a new era. American workers have shown . . . we [can] stand up to corporate greed. This victory shows that American workers are on the move again” (Ron Carey quoted in Rothstein 1997, 473).

In July 1998, however, UPS argued that under the terms of the contract it did not have to create 2,000 full-time jobs per year “. . . if a reduction in the amount of parcels shipped by UPS forces layoffs.” It claimed that because of the 1997 strike, it laid off 10,000 workers due to a reduction in parcel traffic. The Teamsters argued that UPS had engaged in speedup. It claimed that UPS was forcing drivers to work through their lunch breaks as it did not want to employ full-time workers (*Knight-Rider Tribune Business News*, July 11, 1998; *Wall Street Journal*, July 10, 1998). This led the Teamsters to file a complaint with the

National Labor Relations Board (NLRB). In March 2000, the Board ruled that UPS was in violation of the 1997 contract. It ordered UPS to create the full-time jobs as outlined in the 1997 contract within 90 days, and provide back pay and benefits to the new full-time workers (*Wall Street Journal*, March 31, 2000; *Dow Jones Business News*, March 30, 2000).

That the Teamsters was overwhelmingly successful demonstrates the benefits of militancy and employing rank-and-file intensive tactics in collective bargaining. The 1990 and 1993 Teamster–UPS agreements demonstrated the difficulty of achieving a good contract with UPS. In comparison, the Teamsters were successful on all fronts in 1997, with it achieving the majority of its demands. Even after UPS tried to avoid creating the new full-time jobs it agreed to, the Teamsters were victorious as the NLRB upheld the contract. Admittedly, the Teamsters benefited during the strike through the public identifying with it over the issue of part-time jobs, but the public sided with UPS over the company wanting to withdraw from the Teamsters' multi-employer pension plan (Rothstein 1997, 478–9). The union did profit from President Clinton's decision not to call a national emergency and order the strikers back to work, a decision that surprised UPS management. Likewise, improved economic conditions, such as the low unemployment rate (4.9 percent), and that UPS management did not bring in scabs during the strike further aided the Teamsters. Nevertheless, this does not take away from the Teamsters' achievement.

In addition to demonstrating the benefits of militancy and rank-and-file tactics in collective bargaining, the Teamsters' 1997 UPS campaign is a model that other unions should follow on how to effectively launch a bottom-up contract movement. The Teamsters surveyed members on the demands the union should make in the negotiations (and more importantly, listened to and implemented the members' wishes), included rank-and-file workers in the UPS bargaining committee, and kept the rank-and-file informed on the state of contract negotiations. This led to unity within the Teamsters between part-time and full-time workers (often a problem for unions in collective bargaining), and where rank-and-file workers believed that they and the union were the same; it was us versus them. The Teamsters tactics to involve the rank-and-file can easily be embraced by other unions and judging from the success of the campaign, should be implemented, especially in light of the 2002 UPS agreement.

### A Change in Leadership

The 1997 UPS negotiations was Carey's last major triumph. Instead of relying on the rank-and-file during his successful 1996 reelection campaign, as he did in 1991, Carey hired political consultants. However, the consultants—the November group—implemented “. . . an illegal fundraising scheme on Carey's behalf.” This led to union funds being channeled into his reelection campaign (La Botz 1998b, 26; Larkin 1998, 22). While Carey was eventually cleared of all charges, during the investigation the justice department forced Carey to step

down as president and for the Teamsters to conduct a new presidential election. In the election, James Hoffa, Jr.—Jimmy Hoffa's son—defeated TDU-backed candidate Tom Leedham to become president of the International Brotherhood of Teamsters.

Initially, there was some surprise at Hoffa, Jr.'s leadership. He seemed to maintain the Teamsters' newfound progressive orientation. For example, the "Teamsters have been lauded for participating in the November 1999 demonstrations in Seattle against the World Trade Organization (WTO) and for making overtures to Ralph Nader during the . . . [2001 US] presidential campaign before finally backing Al Gore (rather than immediately casting support to the Democrats as did the rest of the AFL-CIO)" (Cooper 2000, 15; Phillips-Fein 2001, 46).

Nevertheless, the Teamsters under Hoffa, Jr. is very different from the union under Carey's leadership despite the above examples and the TDU's efforts. Hoffa has eliminated many national organizing campaigns that Carey initiated, with primary emphasis for organizing returned to Locals. However, ". . . many Locals have only one or two full-time organizers; and others have little interest in organizing at all" (Phillips-Fein 2001, 47–8).

The Teamsters have once again begun to support the Republican Party despite its flirtation with Ralph Nader and endorsement of Al Gore in the 2000 U.S. presidential election. For example, "Hoffa supports [US President] Bush's controversial Terrorism Information and Prevention System . . . which would try to turn UPS workers into government informers" (Moberg 2002, 30). Unlike the majority of U.S. unions, the Teamsters endorsed President Bush's proposal for oil companies to drill in the Arctic National Wildlife Refuge. Hoffa also claimed ". . . that the IBT was working to 'find common ground' with Bush and [US Vice-President Dick] Cheney." Likewise, the Teamsters endorsed the reelection bid of an antilabor Republican in Michigan because he supported the elimination of federal court supervision of the Teamsters (Larkin 2001, 21). However, the Teamsters endorsed John Kerry in the 2004 U.S. Presidential election.

In addition to the Teamsters' realignment to the Republican Party, Hoffa, Jr. has shown distaste for union democracy. During the 2001 Teamsters' presidential election campaign, Hoffa, Jr. called Leedham's campaign a joke and stated that he should withdraw from the race as the election costs the Teamsters millions. Likewise, a leading Hoffa, Jr. supporter claimed that "Leedham's running helps employers by showing we're a divided union" (Larkin 2001, 22). At a special convention in April 2002, the Teamsters' leadership approved the largest dues increase in the union's history. This is not necessarily something to criticize, as increased funds are beneficial to unions in organizing and during strikes. Indeed, Hoffa, Jr. argued that the dues increase would lead to a good UPS contract.

However, the increase occurred without a rank-and-file vote. In 1994, Carey put a dues increase to a rank-and-file vote, but it was rejected. Hoffa, Jr. banned attendance at the special convention by rank-and-file Teamsters and the media

and he refused to make public how Local union presidents voted (“Hoffa Rams Through Dues Hike” 2001; Eidlin 2002, 16). Moreover, the dues increase will result in an extra \$130 million for the Teamsters, but only \$20 million, or approximately 13 percent of the increase, will be earmarked for the Strike Fund (the 1994 dues increase would have resulted in the Strike Fund receiving an extra \$63 million). The Teamsters claimed that the remaining money from the dues increase would go to organizing (\$13 million), with the Teamsters’ general fund receiving \$97 million (*Dow Jones News Service*, May 1, 2002; Eidlin 2002, 16). Hence, the TDU feared that the dues increase will not be used for the overall good of the union, but for “. . . large and multiple salaries, golf outings, and other official perks” for the Teamsters’ hierarchy (Eidlin 2002, 16).

### **2002 UPS Negotiations and Collective Bargaining Agreement**

The 2002 UPS collective bargaining agreement further demonstrates that top-down campaigns in which the leadership is right-wing are often not as successful as left-wing militant campaigns that extensively involve the rank-and-file. The shadow of the September 11, 2001 terrorist attacks on the U.S. served as a backdrop to the 2002 UPS negotiations. The U.S. economy was in recession, with workers being laid off across the country.

Unlike in 1997 when a Democrat was in the White House, an anti-labor Republican, George W. Bush, was U.S. president. However, UPS was still a very profitable company. In 2001, UPS’ profit after taxes was \$2.1 billion, which was its second best result ever (Teamsters for a Democratic Union 2002h). Likewise, while net income decreased 3.3 percent during the March 2002 quarter, it was still \$563 million. This amount exceeded UPS’ expectations. Moreover, since the signing of the 1997 contract, UPS had accumulated profits of almost \$8 billion (*Business Wire*, April 18, 2002; *Reuters News*, April 18, 2002; Teamsters for a Democratic Union, 2002b). United Parcel Service could not credibly cry poor during the negotiations.

UPS believed that it could reach a settlement with the Teamsters without a strike. UPS chairperson and chief executive, Michael Eskew, claimed that a strike was unlikely because “I think we’re dealing with reasonable, rational people this time. Ron Carey is no longer here” (Eskew quoted in *Dow Jones News Service*, June 11, 2002).

However, Hoffa, Jr. was promising UPS workers that the Teamsters would negotiate the best contract ever. He stated that the Teamsters would “. . . win the strongest contract ever at UPS. UPS is the goose that laid the golden egg, and we will grab that goose by the neck and get every one of those golden eggs” (Jimmy Hoffa, Jr. quoted in Miller 2002, 16). While the Teamsters did not release its economic proposals, it did release its noneconomic proposals. One of its demands being that UPS create 3,000 full-time jobs every year for the life of the contract (International Brotherhood of Teamsters 2002c).

Hoffa, Jr. did not actively involve the rank-and-file in the negotiations. However, the union did distribute surveys to all UPS employers almost a year

before the old contract expired to measure “. . . bargaining priorities, including wage and benefit improvements, time-off improvements, benefits, job security, the grievance procedure and paycheck accuracy, and gauge member positions on issues regarding part-time workers, safety and health and working conditions” (International Brotherhood of Teamsters 2001). In addition to 3,000 new full-time jobs for each year of the contract, the union’s other major issues during negotiations were wages, pensions, and health-care benefits. Hoffa, Jr. stated that the increases would be better than the 1997 contract (*Economist Intelligence Unit* 2002).

Apart from the survey, other campaign tactics included touring two UPS contract caravans across the U.S. to increase support for the negotiations. The first caravan began from Louisville, the second from Seattle, and they traveled to Las Vegas for the IBT Unity Conference and Special Convention. The only other rank-and-file intensive tactic the Teamsters employed in the lead-up to the 2002 contract was in June when it held rallies across the U.S. At a rally in New York, Hoffa, Jr. claimed that “. . . we will protect Teamster pensions. We will maintain good health benefits. We will win more full-time jobs. And, we will preserve and expand good Teamster jobs” (*PR Newswire*, June 23, 2002).

The caravans and the survey, however, were not used to mobilize members; union officials conducted the campaign with little rank-and-file involvement. For example, the union did not make its opening economic proposal public, nor did it release *any* information on the progress of the negotiations to members. Nevertheless, reports indicated that the Teamsters demanded a \$1.25 wage increase for each year of the contract, while UPS offered a 35-cent increase. The Teamsters wanted a three-year contract, while UPS wanted a five-year contract (Teamsters for a Democratic Union 2002d). Although there is some uncertainty about UPS’ opening economic proposal, it is clear that Teamster officials were not impressed by it. Ken Hall, who was one of the key architects, along with Carey, of the 1997 negotiations/strike was also cochair of the National Negotiating Committee for the 2002 negotiations. Hall claimed that the two sides “. . . are very far apart on economic terms of the contract. I have urged the company to submit proposals that reflect the contributions of our members to UPS’ success” (*PR Newswire*, June 27, 2002).

Two weeks later, however, the Teamsters reached an agreement with UPS. This was very surprising, as the old contract was not set to expire for another sixteen days. Hoffa, Jr. claimed that the agreement “. . . surpasses any contract ever negotiated at UPS . . . [and] it is the richest contract in UPS history and will set the tone for all collective bargaining for years to come” (*AP Online*, July 16, 2002). The agreement revealed otherwise. The six-year agreement (the longest UPS agreement ever) contained a 3.2-percent wage increase for full-time workers (\$5 per hour), and part-time workers received \$6 per hour over the life of the agreement. As Rick Hurd argues, “. . . it gives . . . [UPS workers] a decent pay rise . . . It’s not an extraordinary pay rise, but it’s solid” (*AP Online*, July 16, 2002; *Dow Jones News Service*, July 16, 2002). However, there is only a 50-cent increase in starting pay for part-time workers.

Thus, by 2008 the starting rate for part-time UPS employees will only be \$8.50 per hour compared to \$22.50 for full-time employees. As the TDU notes, “. . . there seems little doubt that by 2008 McDonalds, Burger King and other low wage employees will be paying more than \$9 per hour,” as does the non-unionized Federal Express. Moreover, there is no increase in the daily guarantee for part-time workers. United Parcel Service agreed to create 10,000 new full-time jobs over the life of the contract (as in the 1997 agreement, but in that agreement UPS agreed to create 10,000 full-time jobs over five years) with “. . . annual increases of \$.63 per hour in health and pension contributions, compared to \$.36 in the 1997 agreement.” However, UPS workers in the Central States Pension Fund, which is the largest pension fund, received no pension increase (International Brotherhood of Teamsters 2002a; Teamsters for a Democratic Union 2002c, 2002e, 2002f; *National Master United Parcel Service Agreement* 2002, 69–70). Likewise, the new full-time jobs are not necessarily real full-time jobs. The contract stated that UPS “. . . wherever possible, [would] reschedule part-time employees to make additional full-time jobs or *combination full-time jobs*” (*National Master United Parcel Service Agreement* 2002, 31). In other words, UPS has the option of classifying workers in these new jobs as full-time for only part of the day, while for the rest of the day, workers would be classified as part-time.

There is a substantial difference between full-time and part-time wages. A part-time worker with four years experience and seniority would receive \$11.25 per hour, while a full-time worker would receive \$22.50 per hour. Thus, the company would save money by only classifying a worker as full-time for part of the day. Overall, the agreement was good for full-time UPS employees, and average for part-time employees.

It is likely, however, that the Teamsters could have achieved a better contract. Following the 1997 strike, UPS was very fearful that another strike would occur. Indeed, UPS volume was decreasing before the contract expired, as customers anticipated another strike. Volume declined by 4 percent in June, and 5 percent in the first two weeks of July (*Financial Times*, August 1, 2002). This gave the Teamsters bargaining strength.

In addition, Hoffa, Jr. increased the strike fund, claiming that it would allow the Teamsters to “. . . grab that goose [UPS] by the neck and get every one of those golden eggs.” However, failure to mobilize the rank-and-file in advance of the negotiations made threat of a strike less plausible. Nevertheless, the Teamsters did not take full advantage of the situation. While the contract was good for some UPS workers, it was unsatisfactory for others, particularly part-time workers who make up the majority of UPS’ workforce.

The TDU campaigned against the contract. It argued that UPS workers should reject the contract because of, among other things, the Central States Pension Fund freeze, the widening of the gap between full-time and part-time wage rates, and the six-year contract. However, a clear majority of UPS workers ratified the contract (72.1 percent), although voter turnout was only 38 percent. This was the lowest voter turnout in UPS history and the first time it had fallen

below 50 percent (International Brotherhood of Teamsters 2002b; Teamsters for a Democratic Union 2002g). Moreover, Hoffa, Jr. imposed the UPS Detroit Area Contract Rider (a Local contract in addition to the national UPS agreement) despite a majority voting against the contract. Hoffa, Jr. implemented the two-thirds rule as less than 50 percent of UPS members voted (Teamsters for a Democratic Union 2002a). This further demonstrated the distaste of Hoffa, Jr. for union democracy.

A recent survey further casts further doubts on the claim by Hoffa, Jr. that the 2002 UPS agreement is the best contract ever: "Over 56% . . . [of UPS Teamster members] said that conditions are worse today than they were in 2002," with an astounding 95 percent claiming that the Hoffa administration has failed to live up to its promises on benefits (Teamsters for a Democratic Union 2005).

### Conclusion

This article has outlined the TDU's efforts to democratize the International Brotherhood of Teamsters and to transform the Teamsters into a progressive union and its effects on collective bargaining. The TDU, despite its small size, managed to play a crucial role in moving the Teamsters to the Left. This was through its attempts to make Teamster officials agree to majority rule in contract and strike votes, and helping to persuade the U.S. government not to put the Teamsters into trusteeship, but to allow the rank-and-file to vote for top Teamster officials. Moreover, it helped Ron Carey's successful election campaign, which subsequently led to the Teamsters increasing its organizing efforts. In the political arena, the Teamsters moved away from the Republican Party and toward the Democratic Party.

After the failure of the Teamsters to achieve good collective bargaining agreements with UPS in 1990 and 1993, the union implemented a contract campaign in the 1997 negotiations that used militancy, rank-and-file solidarity, and had community and international involvement; left-wing tactics. This led to a stunning victory for both full-time and part-time UPS workers. However, under Hoffa, Jr.'s leadership, with little rank-and-file and community involvement, and the union moving back to the Right, the 2002 UPS agreement was a disappointment. While the contract was good for full-time workers, it was inadequate for part-time workers.

The difference between the 1997 and 2002 Teamster-UPS agreements demonstrate the benefits of militancy and rank-and-file intensive tactics in collective bargaining. Moreover, the 1997 campaign provides a model for all unions on how to effectively implement bottom-up contract negotiations in which the rank-and-file are united. The Teamsters surveyed the rank-and-file on their bargaining demands (and followed through on its members' wishes), included rank-and-file workers on the UPS bargaining committee and kept members informed on the negotiations. Other unions can easily embrace the

Teamsters 1997 bottom-up campaign. More to the point, in light of the success of the 1997 agreement compared to 2002 agreement, all unions should welcome a bottom-up campaign.

The reelection of Hoffa, Jr. does not bode well for the next UPS agreement. Even though the UPS agreement does not expire until 2008, Hoffa, Jr. has already begun negotiations with UPS. In light of the lackluster 2002 UPS agreement where Hoffa did not utilize the rank-and-file and settled early, there is a very real possibility that the next UPS agreement will also be substandard. The difference between the 1997 and 2002 UPS negotiations/agreements clearly demonstrates that with regard to collective bargaining, the rank-and-file would have been better served by electing Tom Leedham. Nevertheless, if the rank-and-file pressure the Teamsters hierarchy for a greater say in the UPS negotiations, there still is hope for a good contract. Otherwise, those who do not learn from the past are doomed to repeat it.

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