

PROCEEDINGS

28th Convention

International Brotherhood of Teamsters



FOURTH DAY

Thursday, June 30, 2011

**Paris, Las Vegas
Las Vegas, Nevada**

FOURTH DAY—AFTERNOON SESSION

(Applause)

GENERAL PRESIDENT HOFFA: Thank you for that update about UPS. That's what we want, to find out what's going on.

Now, let's get our Package Division Director, International Vice President Ken Hall, up here to give us an update on what's going on with Teamsters working at UPS. Come on up, Ken.

(Applause)

VICE PRESIDENT HALL: Thank you. Thank you and good afternoon. You know, a lot of people were skeptical when we were starting negotiations early in 2006. And, frankly, a lot of people questioned our judgment for starting those negotiations so early. But our goal was to get ahead of the new legislation of the Pension Protection Act, because we knew that we were going to have to take action before January 2008 to protect our funds across the country. So the result of that was that we got record increases of five dollars per hour for health, welfare and pension contributions.

(Applause)

And to put that in perspective, in 1997 when we went on strike, we got \$1.80. So in our negotiations that concluded in 2007, we got nearly three times that contribution of five dollars per hour.

And we also put ourselves in a much better position than we would have been had we started negotiations during the worst recession since the Great Depression. I got to tell you something, in 2009 our members got a raise that for the first time in the 103-year history of this company, supervisors and management employees didn't get a raise; and I'm not that unhappy about that.

(Applause)

And, by the way, I know that a lot of you have been out here for the past week or so. And if you haven't been in your local to get the notice, I'm pleased to tell you that as a result of the numbers we got in from the economics, we are going

to get in August another 12 cents an hour in cost-of-living adjustment added to our wages.

(Applause)

So what that's going to mean is that we're going to get 97 cents an hour starting in August for the next year and then 95 cents the next year. I'm sorry, we got within three cents of a dollar.

(Applause)

In terms of our wages as we went through those early negotiations, by the end of our contract — wages; health, welfare and pension contributions on a straight-time basis — when you combine those three, by the end of this contract our full-time drivers will be making \$48.50 an hour in wages and benefits.

(Applause)

And I might add, they deserve every penny of it.

(Applause)

Our locals have also done a great job of making sure we remain strong at UPS by keeping our membership up. In the past five years we've created a new program to sign up members in right-to-work states, and the result of that, we've signed up thousands of new members; and that's how we keep this contract strong.

Let's talk a minute about the CSI contract. When we last met at our convention five years ago, UPS had just acquired a company called Menlo, which later becomes CSI. At the time, we had about 900 Teamster members there. I'm pleased to tell you that as of today we represent 2600 workers at CSI.

(Applause)

Five years ago we said we would make CSI a part of the national contract so that they would have the benefit of negotiating with 230,000 Teamsters rather than 900 or 2600. I'm pleased to tell you that we were successful in doing that. And, in order to get them to the wage parity, because they had wages that were all over the map when UPS purchased them, many of our CSI members not only got the wage increases in

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the contract, but to catch up their pay to parity, many of them got more than \$8 for an hour raise during the term of this contract.

(Applause)

You know, one of the other things that we started doing about a year and a half ago was having steward calls. These calls are national in scope, and the attendance has been incredible. We usually have more than a thousand stewards on each call. That gives us an opportunity to exchange information and also to keep everyone informed of what the latest developments are at UPS.

The technology, it's just incredible. People have the opportunity to ask questions on the call — obviously we can't answer all those questions, but they can leave their comments and questions, and those comments and questions are transferred to computers and me and my staff in the Package Division review each and every one of those. It's that information that we receive from our stewards that provides us with the direction we're going in enforcing our contract.

Now, not everything is great. In fact, we have got some issues with harassment at UPS. You know what? Our national UPS contract is like other contracts; it's a work in progress. Every time we go to negotiations we're looking for ways to improve it. It's not perfect, and neither is the enforcement of that contract perfect.

I don't have to tell any of you who have been around for very long that we're dealing with a company in UPS that the day after negotiations they start trying to find ways to steal back from us that what they agreed to in negotiations. So, it takes diligence from everyone — from our members, from our stewards, from our business agents, from our officers — to make sure that we enforce that contract.

And, unfortunately, right now, UPS is trying to get around the language regarding a fair day's work for a fair day's pay. But our locals and our

members are fighting back. In April we had a nationwide action day, and members wore stickers to protest the unfair production standards. UPS went crazy. They don't like seeing their name in any other way than just UPS, so when we added unfair production standards, they were calling me for four days once the word got out. They threatened, "We're going to fire somebody if we see those stickers." My answer was, "Have at it. The first person that gets fired, we're going on the street. So you make your decision what you want to do."

(Applause)

And I got to tell you, I didn't see anyone getting fired.

We also have conducted parking lot meetings, and we're going to continue to step up those activities.

Believe me, I get it. Wearing a sticker is not going to fix the problem. That is the first shot over the bow; and if they don't correct their actions, we're going to take action that surely gets their attention and everyone else's in this country. Enough is enough of their bullshit overproduction.

(Applause)

I had meeting with upper management about a month ago and said, "I've had enough. I've been traveling around the country and I see some of the things that's going on with your crazy operations people. And, by the way, your operations people don't seem to want to listen to what anybody in labor says, including corporate labor in Atlanta. So if you can't get their attention, we'll get their attention. The choice is yours."

(Applause)

And the answer I got was, "You were yelling at us in December about over 9.5, so we was trying to make sure we didn't have over 9.5ers and maybe our people got a little overzealous."

Well, that's a hell of an understatement.

(Laughter)

So, you know what? If they have the technology and the know-how to ship a package from one side of the world to another overnight, then they've got the technology, and somebody in that company is going to have to have the intestinal fortitude to tell the big guns in operations, "You better knock it off."

Now, I want to also talk about — you know, as we look into the future, we know that we're dealing with a company that's very innovative and that they're also confronted with increased competition, and it's mostly from non-union competition, and particularly from FedEx.

And so, UPS's competitors have come up with new products, new services in order to not only retain the customers, but to go out and try to attract or steal the customers from UPS.

Now, you say to me, "So, why are you defending UPS? Why do you care if there's competition?" This is not rocket science, folks. If packages come into UPS, that means more Teamster jobs, and if they leave, that means less. So, for sure, I'm concerned about what happens to those packages.

So we either have — we have two choices to deal with this issue. One, we can simply go to arbitration and say to UPS, "No, you're not going to have any of these new services," and the business goes elsewhere. Or we can sit down with them and make sure that they comply with the contract and protect the wages and benefits and job security of our members.

We've discussed this at the National Negotiating Committee. Interestingly enough, no one — no one — disagreed at the National Negotiating Committee.

Everyone decided that what we need to do is monitor it, make sure that they're complying with the contract and try to make sure that we're not losing packages as a result of all the business moving out because of their Surepost service.

But make no mistake about one thing. I have

made it clear — and I want to make it clear here — and we need to get the message out everywhere. Regardless of all that, I have told the company, "If we have one package driver in any center in this country that loses a job as a result of Surepost, we are going to take you on." So if that happens, I need to know about it.

(Applause)

So let's face the facts. At the end of the day, we want them to increase their business. Every new package results in a new Teamster job. And we want them to make money because we've seen what it's like to bargain with people that's in bankruptcy. So we want to make sure we're protecting our contract, and also make sure that we're getting as much business channeled to our union companies as we possibly can do.

So next I want to talk about our upcoming negotiations. You know, it's not that far off that this contract expires in 2013. When I'm around the country meeting with our members, when I'm at grievance panels, when I'm at different meetings around the country, I always get asked at some point, "What about the next round of negotiations?"

People are concerned because of the war on workers that we see that's going on all over this country. They're concerned. So some of the questions they've been asking me is: "Do you think we're going to take a big cut in our health benefits? Do you think we're going to lose our pensions?"

Well, let me make this clear here today. We're not dealing with Scott Walker or some other Tea Party politician who can try to blame state finances — we're dealing with a company that has a contract to comply with. We're dealing with a company that's making huge profits. They're making those huge profits because of the hard work of Teamsters. Make no mistake about that. This company don't get rich in Atlanta, it's Teamster members that make them rich.

(Standing ovation)

So let me be clear. We got our issues in the last contract, and we know there's a new IBT UPS pension plan that, contrary to some of the stories I've heard, is as of today 100-percent funded. But people are concerned about, is the company going to make a run on their pension funds? What you have to do is look in the back of that contract and see that in the last round of negotiations in 2007, we negotiated very, very clear, easy-to-read, easy-to-understand language that said the company not only can't take us out, they're not allowed to even approach one of our pension funds for a period of ten years, which, by the way, would still be in effect at our next round of negotiations. So that's not a concern we have.

(Applause)

And let me be clear again. What we need to be doing is sending a message and making sure that our members understand that we're not going to be talking about concessions, we're going to be talking about improvements.

UPS made \$5.8 billion last year. I'm not complaining about that. I hope they make \$10 billion this year. Because you know what I say, the more they make, the more we take when it comes to negotiations.

(Standing ovation)

Thank you. Thank you.

GENERAL PRESIDENT HOFFA: Thank you, Ken, for all that hard work at UPS.

Now we're going to hear from International Vice President Bob Bouvier about what's going on in Canada with both regard to UPS and FedEx. Bob?

(Cheers and applause)

VICE PRESIDENT BOUVIER: Good afternoon, everybody. Thank you.

It's very encouraging when you listen to Ken talking about UPS. We have UPS in Canada; it's not the largest of the courier companies but it's our second largest contract.

So last year in 2010, we were up for negotiation. We have decided that we're going to change the style of negotiations. We're tired and sick and tired of spending six months with them trying to ratify a contract.

So as you've seen in this convention, we're pretty tight in Canada. So we did advise the employer — I first talked to Ken Hall and I told him, "Listen, you tell UPS that we'll be starting negotiations and they've got five days. They get serious, otherwise we're shutting down negotiations, going for mediation. We'll go for mediation for two hours and, according to our law, we'll send them a 72-hour notice and we'll shut them down. Either they do it or not."

(Applause)

I'm proud to report that my Bargaining Committee that was running the negotiations, it took them exactly 14 days and we got a contract with UPS. I'm happy to report that was ratified by 87 percent of the membership. It had increases, great increases, in pension and what we call progression rates and all the other things that we needed in our contract. And health and welfare is a little different in Canada. But it got ratified by 87 percent.

The lesson in this is that the war on workers from companies that's got tons of money, I don't think we should take it. Why don't we go after those guys? Money coming out of the yin-yang, do you think they can afford to take us on? Maybe we should put pressure on them. We've had that and we've tried that and we were successful.

This year we will have our next contract with a company called Purolator, which is owned by the Canadian government, by Canada Post, a little bit like DHL which owns Deutsche Post. Well, I did send them the same notice: You've got five days, straight negotiations. Be serious. If not, they're done, back to mediation. We'll give them a couple hours and then we'll shut them down. I think they'll come across because