

UPS: Let the Workers Decide

To Ron Carey
President, International Brotherhood
of Teamsters
Washington, D.C.

Dear Mr. Carey:

UPS management may not appreciate my expressing strong views publicly. But as a longtime UPS nonemployee director I feel compelled to write, primarily because you seem determined to hurt the very people you say you represent, and you are not being honest about your motives.

Clearly, you are a masterful politician, obscuring your own interests by wrapping yourself in the flag of "struggling American part-time workers." You are portraying UPS as a symbol of the kind of evil employer that must be defeated, turning around the fortunes of the entire labor movement. But UPS is one of the few double AAA rated companies in America, and thus can afford to fight for its long-term competitiveness. As the strike wears on, the real issues will start to emerge, and these issues are going to be hard to spin away.

Some questions for you to think about:

How long are you going to be able to prevent the 190,000 UPS employees from voting on the offer given to them by their management? You ran for office with a pledge to open up the Teamster organization and make it more democratic. The employees I know don't want to be on strike, and have no say in the fact that they must sit home losing wages. They know they are the best paid in the industry (drivers earn \$50,000 in pay and \$20,000 in fringe benefits), and that management's offer will keep it that way. They know that most part-timers don't want to be full-time employees: 45% are college students, and many others work part-time so they can raise children or fulfill other commitments. They know that part-time workers at UPS get fringe benefits comparable to those given full-time workers—a rarity. They also know that the economics of the business dictate four-hour shifts as the trucks and airplanes come in from all over the country carrying packages that must be quickly sorted for that day's delivery. At our Louisville, Ky., hub, for instance,



Ron Carey

this job takes some 4,000 people. Would you have them stand around with nothing to do after the 150 planes have left with the sorted packages?

UPS employees also know that they are out every day competing for packages with the lower-paid workers of our very aggressive nonunion competitors, Federal Express, RPS and DHL. Our employees know that if the number of packages UPS carries

UPS employees know that they are out every day competing for packages with the lower-paid workers of our very aggressive nonunion competitors.

goes down, so does the number of jobs, full time and part time. This, of course, is yet another shift of union jobs to nonunion jobs. As your counterparts in the railroad and automobile industry learned painfully, the artificial economics of featherbedding costs jobs rather than preserving them.

I can understand your opposition to permitting a vote, since the last contract, in 1993, was approved by the UPS employees despite the disapproval of the out-of-touch Washington Teamster leadership. But over the course of a long strike you are eventually going to have to let the workers decide. Why not do it now before many more packages and jobs are lost permanently? Our customers know that non-union competitors are more reliable, because they don't have strikes.

How long do you think you'll be able to hide the truth about the pension plan from UPS employees and the public? You know that UPS's proposal is not about "grabbing the pension plan from the union." In fact, the company is proposing that the pension plan for UPS employees be managed 50-50 with both company and union trustees. The Teamsters are notorious for bad management of pension funds, which, combined with bankruptcies of many of your other employers, have UPS expending many millions of dollars each year that have nothing to do with UPS employees. I can see why you like the idea of UPS continuing to write the checks to cover up your big problem, but what about the UPS employees? Management has said that the proposed joint management plan will al-

low an increase in UPS employees' pensions of up to 50%. Pensions are complicated to understand—my guess is you are counting on that fact—but my bet is that as the strike drags on, the idea of "UPS dollars for UPS people," combined with a big pension increase, will be more popular than your attempt to cover up past mistakes.

What will happen when UPS employees and the public come to understand the connection between this strike and your Teamster election situation? Those of us who have worked with unions over the years (I was CEO for 18 years of a manufacturing company with half a dozen unions), know that union leaders get a nice popularity boost from a strike. People like strong leaders, and a strike seems to demonstrate to the rank and file that their union dues don't just disappear in local treasuries and in Washington. Whatever contract improvements result from a strike, the union can say they fought for and won them. Management negotiators usually understand the need for face savers that will help end a strike.

Your personal need for this strike was particularly acute. With federal investigators closing in on your campaign funding irregularities, with your recent election uncertified, and with your squeaker 4% victory over James Hoffa, the prospect of a near-term election rerun is a very big problem for you. How better to expand that 4% than to be on national television every day as the fearless leader of one of the biggest strikes in recent history? But as the strike drags on, UPS employees will realize you are campaigning for office on their backs—and they are going to feel used.

UPS is one of the remaining big union success stories: Wages are high; the company is owned by employees (including Teamsters); UPS has not downsized, but rather created 17,500 full-time jobs in the last 10 years; the CEO is a former Teamster who has chosen to take a dramatically lower paycheck than do most CEOs of \$20 billion dollar companies. With the decline in union membership in the private work force from 38% in 1953 to 10% today, wouldn't it make sense for you to nurture your rare success, especially when it is by far the biggest employer of Teamsters?

Think about it, Ron.

Sincerely,

GARY MACDOUGAL

Director, United Parcel Service
Chicago