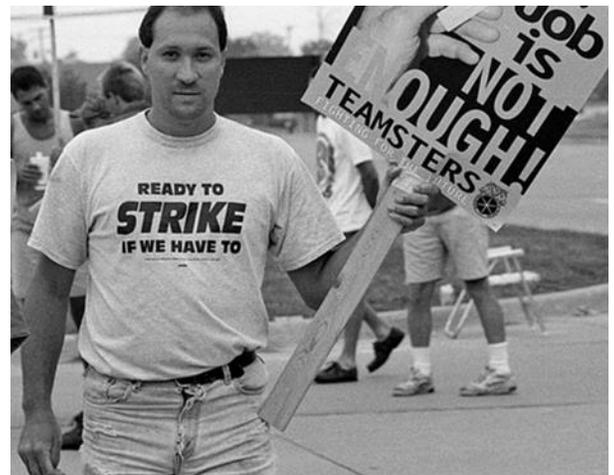




## DO YOU REMEMBER AUGUST 4, 1997?

August 4, 1997 was the date of one of the 10 largest strikes (in terms of striking workers) in US history. It involved members of the Teamsters Union and UPS. It was quite disruptive with nearly 100 percent of the UPS workers, who were members of the Teamsters Union, walking off the job. It was reported that UPS losses exceeded \$600 million.

During the strike, the Teamsters Union had paid out around \$10 million to workers manning the picket lines. It took 15 days for the Teamster Union and UPS to settle the strike, resulting in a new five year agreement. The experience was not a pleasant one. As a result of the strike over 7 million packages remained in backlog at a loss of \$780 million. At the



time UPS said that it might have lost 5% of its business for good. Many shippers who relied solely on UPS, which was not unusual, had little in the way of alternatives. There is no doubt UPS lost package volume to FedEx due to the fear of any future strikes.

The current contract with UPS is set to expire on July 31, 2018.

The Package Division represents more than 250,000 union members throughout the United States who work at UPS and UPS Freight. UPS is the single largest employer in the Teamsters Union. The UPS contract is the largest collective bargaining agreement in North America. The Package Division represents UPS package car drivers, air drivers, feeder drivers, part-time

loaders, unloaders, sorters and clerks. It also represents more than 12,000 UPS Freight drivers and dockworkers, and 1,300 workers at UPS Cartage Services Inc.

Round one of the contract negotiations has already taken place. Denis Taylor, Director of the Teamsters' Package Division and Co-Chairman of the National UPS Negotiating Committee has reported that headway was made on a number of "non-economic issues". This includes Surepost, work-day length and technological change. The union previously requested a ban on drones and autonomous vehicles. The next round of negotiations will take place Feb. 19-22.

Shippers should begin to monitor the contract negotiations as they progress. This is not the first time that negotiations started months before contract expiration and does not ensure that a settlement will be reached. You should begin to think about the potential implications that a strike could have on your business.

*Remember Data2Logistics is here to provide advice and support you in controlling your transportation costs. Please contact Harold B. Friedman at 609 577 3756 or [harold.friedman@data2Logistics.com](mailto:harold.friedman@data2Logistics.com) to learn more about our Professional Services.*