

# Tentative UPS Freight Agreement Reduces Subcontracting



*“The new language on subcontracting is a well-needed remedy to the issues we all have faced over the past 10 years. The penalty under this agreement will help decrease the percentage of contractors being used even more than the percentages already set in place.”*

– GLEN STONESIFER, LOCAL 355, BALTIMORE

One of the primary objectives of the union’s negotiating committee was the reduction in the amount of subcontracting, particularly of road work. Over the past five years, UPS Freight had used an increasing amount of road contractors and frequently road drivers would be forced to work their weekly guarantees out of their classification while contractors performed driving work. The tentative agreement addresses the issue and makes significant improvements.

- The company will affirmatively and significantly reduce the amount of road contracting it currently does. In the first year alone, the union estimates that this will likely amount to the insourcing of over three million (3,000,000) miles back to our road drivers.
- A formula was devised to reduce the percentage of total miles that the company uses on subcontracting. Over the life of the contract, it is anticipated that the amount of subcontracting currently done will be reduced by 18-20 percent because of the required reductions.
- The company agreed to hire a minimum of 100 new road drivers over the first three years of the agreement.
- Any terminal that averages one subcontracting load into or out of that terminal per day over the course of the contract year will be a “red-circled” terminal by number for road drivers. The red-circled bargaining unit road drivers in that terminal will be guaranteed eight hours a day and 40 hours a week in their classification as road drivers.
- If, for some reason, a red-circled road driver is forced to work out of his/her classification (i.e. on the dock), he/she will be paid \$37.61 per hour. That is a \$300.85 daily guarantee and \$1,504.25 weekly guarantee. This is a tremendous incentive for the company to work its road drivers in their classification. It is not likely that the company will be willing to pay \$37.61 per hour for road drivers to either sit at home or work out of classification.
- If the company fails to meet the targeted reduction in contracting in any year, the new language requires it to add additional red-circled road jobs above the 100 new road jobs.
- The language in Article 44(c) now will also affirmatively and expressly provide that the protection of bargaining unit work is a central purpose of the agreement.

**To view the entire proposed national UPS Freight agreement, go to: <http://ibt.io/UPSFreightTA>  
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