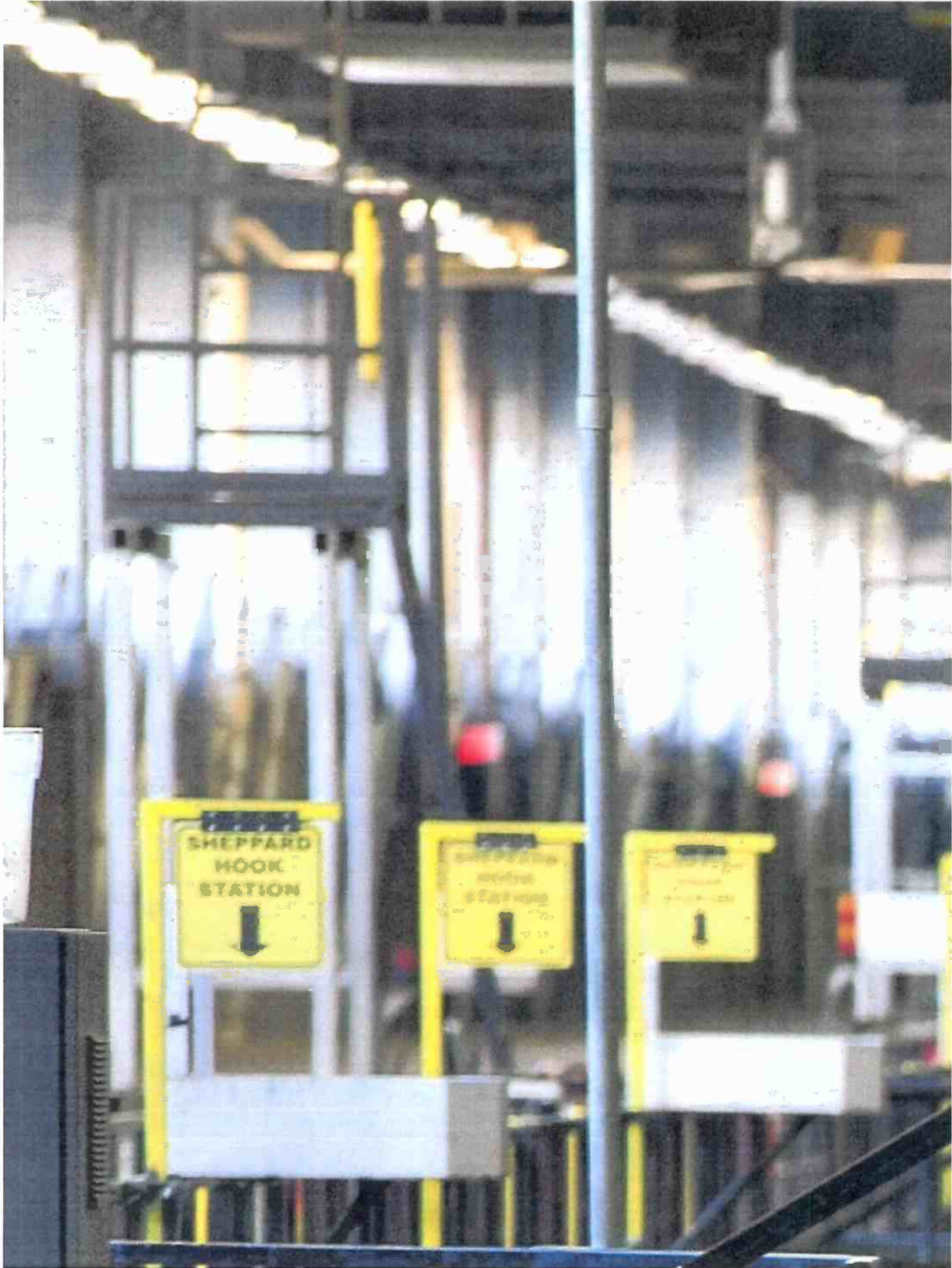


Teamsters Tell UPS: No Drones or Driverless Trucks

In opening salvo in contract talks, union lays out some of its initial demands



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United Parcel Service Inc. signage hangs above employees sorting packages at the company's Chicago Area Consolidation Hub in Hodgkins, Illinois. PHOTO: DANIEL ACKER/BLOOMBERG NEWS

By
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The Teamsters union wants to prohibit [United Parcel Service Inc.](#) [UPS -0.29%](#) from using drones and driverless vehicles to deliver packages.

That was one of the labor union's initial demands as it kicked off high-stakes contract talks with UPS this week. The Teamsters also want the parcel giant to eliminate late-night deliveries and add another 10,000 workers to the ranks, among other things.

The two sides are taking up what is one of the largest collective bargaining agreements in the U.S., covering around 260,000 UPS employees. The International Brotherhood of Teamsters' National Negotiating Committee this week submitted to UPS an 83-page document updating the current contract, which expires in July.

Both sides declined to comment on the specifics of the proposal.

UPS spokesman Steve Gaut said the company is focused on negotiating a contract that provides it the flexibility required "to remain a highly competitive provider of reliable service," especially as smaller and new delivery businesses encroach on its turf.

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The talks will take place amid an industry landscape that has changed since the two sides last hammered out an agreement in 2013. Over the past five years, online sales have surged, adding business for parcel-delivery companies like UPS, [FedEx Corp.](#) and the U.S. Postal Service as they deliver billions of packages to homes.

The surge has also been expensive for the companies, as they have spent billions of dollars to add warehouses, "sortation centers" and technology to handle the increasing volume. At the same time, the labor market for warehouse and delivery workers has tightened, forcing wages higher in many cases.

The Teamsters document addresses a number of work rules and conditions. For instance, it calls for a ban on deliveries after 9 p.m., including during the peak delivery months of November and December when drivers can find themselves delivering packages late into the night. It seeks to prohibit UPS from using drones, driverless vehicles and other new technology to transport, deliver or pick up packages, innovations that would curb demand for labor.

UPS, like [Amazon.com Inc.](#) and others, has been testing drone deliveries and has said there are opportunities for new technologies to help reduce costs. In February 2017, [the Atlanta-based company conducted a test in rural Florida](#) with a drone that plucked a package from the roof of a truck, and then delivered it while the driver proceeded to the next delivery.

The Teamsters document also pushes for safeguards that allow UPS employees to refuse to work in unsafe conditions and overloaded trucks. "It is the company's responsibility to hire and maintain a sufficient workforce to service its customers without unreasonably burdening its employees," the document notes. "Management has consistently failed to fulfill its obligation."

From the Archives



Executives from GM, JP Morgan, Qualcomm and Baidu discuss the impacts driverless cars will have on society. They speak at the WSJ D.Live conference in Laguna Beach, Calif. (Originally published Oct. 17, 2017)

The proposals represent the starting point for the Teamsters, cobbled together after months of discussions among local unions. The language will be negotiated over the coming months.

"UPS will negotiate in an environment of mutual respect and looks forward to rewarding employees for their contribution to our success," Mr. Gaut said.

The Teamsters' opening salvo omits the thornier topics of wages and benefits, which are typically negotiated during the latter stages of the discussions. The union, whose president is James P. Hoffa, replaced its lead UPS negotiator last fall. The last time Teamster-represented workers went on strike at UPS was in 1997.

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