

UPS AIRCRAFT MECHANICS VOTE TO STRIKE

As UPS Beats Q3 Expectations, Critical Supply Chain Workers Authorize a Strike to Protect Healthcare Benefits

LOUISVILLE, KY – Airline maintenance technicians and related classifications who maintain UPS’s (NYSE: UPS) fleet of jet engine aircraft announced Monday that they have authorized a strike at the shipping giant.

The airline maintenance workers voted overwhelmingly to authorize a strike after three years of negotiations during which UPS has continued to demand huge healthcare concessions. In total, 80 percent – 950 – of the company’s 1,200 maintenance employees participated in the strike vote, and 98 percent of those workers voted in favor of a strike. The workers voted in October and November by mail-in ballot.

The strike vote comes after UPS announced earlier this month that it beat third quarter earnings expectations with revenue of more than \$14.9 billion. UPS will ship some 700 million packages during the holiday shopping season, the peak period for UPS, and an increase of more than 16 percent over last year. The company also announced plans to purchase 14 jumbo aircraft from Boeing Co. (NYSE:BA) between 2017 and 2020—the first such order by UPS since 2008. The 14 Boeing 747-8s cost a total of \$5.3 billion before discounts that may have been negotiated.

“We’re glad that UPS can afford to invest in beefing up its international fleet,” said Jim Kelley, a 29-year aircraft mechanic at UPS’s Louisville, KY gateway. “But if UPS can afford major capital investments and huge raises for top brass, then UPS can also choose to invest in the maintenance workers who do strenuous and dangerous work every day to make its success possible. No one wants to go on strike, but I voted to strike because UPS mechanics and our families deserve better from UPS.”

UPS posted \$4.84 billion in profits last year and is the world's largest delivery company. The company's stock was upgraded by many analysts following the strong third quarter and seven consecutive quarters of double-digit international profits. In September, UPS announced additional stock incentives and 10 percent raises for its top executives: Chairman and CEO David P. Abney, Senior Vice President and CFO Richard N. Peretz, CCO Alan Gershenhorn and President of U.S. Operations Myron A. Gray.

Despite record profits, UPS is calling for massive reductions in health benefits for 1,200 maintenance workers who are critical to the company's supply chain. UPS aircraft mechanics and other maintenance workers do physically demanding and often dangerous work around jet engine aircrafts and equipment and toxic chemicals and exhaust. UPS is also calling for a devastating reduction in benefits for retirees who spent their lives servicing the company's planes. Under UPS's proposal, health coverage for a retiree and his or her spouse would skyrocket to more than \$19,000 per year in the first year with further increases each year thereafter.

"We work hard to make sure UPS planes are operational, on time, and above all safe. It's a responsibility we take seriously and don't expect much in return," said Juan Flores, a 15-year aircraft mechanic at UPS's Dallas, Texas gateway, who voted to authorize a strike. "All we're asking is to keep the health care we count on so we can stay healthy and keep UPS's planes running for millions of customers around the globe. Voting to strike isn't an easy decision, but I had to stand up for good, middle class jobs and the health of my family."

A UPS aircraft mechanics strike would halt UPS's global shipping operation. Last month, dozens of UPS mechanics picketed outside a major Amazon distribution center in Jeffersonville, Indiana to show executives at UPS and Amazon—a major UPS customer—that workers were united and committed to protecting their health and jobs. Protests and informational pickets will continue throughout the holiday season at locations across the country.

UPS pilots have expressed their support for the mechanics and other maintenance workers in their effort to settle a fair contract. In a recent letter to the mechanics, Independent Pilot Association President Robert Travis wrote, “Please be assured that you have the full support of the 2,600 professional airline pilots who fly worldwide for UPS.”

“Dedicated aircraft maintenance workers are simply asking to keep the benefits they already have so they can keep UPS planes running effectively,” said Tim Boyle, president of Teamsters Local 2727, the workers’ union. “No one wants to strike, but members voted overwhelming to authorize a strike because UPS is refusing to work with us. We’ll do whatever it takes to protect good, middle class jobs, our health and our families.”

Many UPS gateways operate with just one aircraft mechanic per shift, meaning he or she works alone around massive aircraft parts and equipment, sometimes for up to 39 hours straight. Lifting injuries and accidents are common. Repetitive stress injuries, hearing loss, inhaling toxic exhaust, and jet engine blasts are among other health risks UPS aircraft maintenance workers face.

In 2008, OSHA cited UPS for violations that led to, among other injuries, a worker breaking his neck when a truck he was parked in was blown over by the jet blast of a Boeing 747 aircraft. Recent OSHA complaints assert these and other dangerous conditions persist.

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