

The Road to the Middle Class: Teamster Contract with Toll Group Fuels Port Driver Hope

Capping a lengthy struggle played out in both the U.S. and Australia, drivers at Toll Group's Los Angeles facility achieved a milestone with their employer and across the port trucking industry by reaching a standard-setting first union contract. Viewed as a huge win for any union and a game-changer for U.S. port drivers, the workers achieved new protections, workplace improvements, and a powerful voice on the job, including substantial hourly pay increases, employer paid health care, and a pension plan.

[Drivers from coast to coast in the virtually non-union and deregulated sector are eyeing the pact as a huge leap forward for the profession with the potential to trigger sweeping changes in the industry.](#) The three-year contract, effective January 1 2013, includes:

Fair Wages & Overtime Pay – Toll drivers won substantial increases in hourly pay rates. The day shift hourly rate will rise from \$12.72 to \$19, and the night shift hourly rate will rise from \$13.22 to \$19.75. In addition to the over \$6 increase in hourly pay rates, drivers won \$0.50/hour per year raises over the life of the contract. Moreover, Toll drivers will receive overtime pay of time and a half for all hours worked over 40 in a single week.

Secure Retirement – Before this contract, less than a dozen drivers were active in Toll's 401(k) plan. Now all Toll port drivers will be part of the Teamsters Western Conference Pension Trust. The company will make a pension contribution of \$1/hour per driver in 2013 and 2014, and a \$1.50/hour per driver contribution in 2015.

Affordable Health Care – The vast majority of port trucking companies do not offer any form of health coverage to their workers. The very few that do have plans that are financially out of reach. At Toll, most drivers and their families could not afford company health insurance before the union contract because of the high costs. Drivers were charged about \$125/month for individual health insurance and over \$400/month for a family plan. By coming together in a union, Toll drivers were able to win affordable, quality health insurance, including dental and vision care. Now drivers will only pay about \$30/month for individual coverage and \$150/month for family coverage.

Incentives for Industry-Wide Organizing – The Teamsters Union and Toll have negotiated a landmark agreement that establishes a high-road business model for the port trucking industry. It also recognizes that competitors have not yet embraced livable wages and working conditions. To encourage a more level playing field and wide-scale unionization, the contract provides drivers the ability to re-negotiate for higher wages when a simple majority of the Southern California market is organized.

Paid Time Off – Across the country, most port drivers get no paid vacation, holidays, or sick leave. But Toll drivers made substantial gains in all these areas. They will receive seven paid holidays, three paid personal days, and six paid sick days annually. Toll drivers will also accrue one week of vacation after one year of service, two weeks of vacation after two years, three weeks after seven years, and four weeks after fifteen years.

Minimum Guaranteed Work – A top complaint among U.S. port drivers is that they do not get enough work each day to make ends meet. Insufficient work creates significant stress and instability for drivers and their families. Under the Toll contract, port drivers are now guaranteed eight hours of pay every day they are scheduled to work, even if they only get one load. The contract also guarantees four hours of pay when a driver that is scheduled to work shows up but there is no work available.

Protections Against Subcontracting & Sale – Trucking companies frequently subcontract work to low-road carriers to increase their profits and divide workers. To ensure that Toll does not subcontract their work, drivers negotiated and won strong safeguards. The contract requires the company to keep all work currently done by Toll port drivers with Toll port drivers. In addition, the contract protects drivers if Toll sells its business by requiring the purchaser to follow the terms of the agreement.

Protection from Unjust Discipline and Termination – Previously Toll could discipline or fire drivers at any time for any reason. With this contract, drivers won protection from arbitrary or unfair discipline and termination. Now the company must prove it has “just cause” for taking disciplinary action against a driver. And when it does, Toll must now follow progressive discipline principles.

Fair Dispute Resolution – Toll port drivers also negotiated a grievance and arbitration process so that problems with the company can be worked out fairly. Drivers are empowered to file a grievance if Toll violates the contract. When a grievance or disciplinary issue cannot be worked out, the dispute will be decided by an independent arbitrator (like a judge) who will make a decision that Toll must follow.

Collective Voice on the Job – Toll drivers now have a say in how the company functions. Under the union contract, Toll must notify drivers of any proposed rule changes and give drivers ten days to decide if they would like to call a meeting to discuss the changes.