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Written Testimony of Daniel Gross, Tractor Trailer “Feeder” Driver for United Parcel Service, House Judiciary Committee, Antitrust, Commercial, and Administrative Law Subcommittee “Reviving Competition, Part 4: 21st Century Antitrust Reforms and the American Worker”

Thank you, Chairman Cicilline; Vice Chair Jayapal and Ranking Member Buck.

My name is Dan Gross from Edison, New Jersey. I’m 49 years old, husband, and father of four. I drive a tractor trailer in the feeder network for United Parcel Service. I’m also a proud union member and have been active in Teamsters Local Union 177, since I started with UPS 22 years ago.

I am honored to speak with you today about why reforming our antitrust laws is important to me and my fellow American workers.

My career at UPS started in June 1999. Like most of us at UPS, I started as a part timer, in my case in a classification called air driver, working five days a week, three hours a day picking up overnight packages. I started making \$11.50 an hour in 1999, with fully paid family health insurance and pension contributions. That was over 20 years ago.

I transferred into a fulltime “combination job” in 2000. These combo jobs were the result of our national negotiations with UPS in 1997. That contract was only resolved after a three-week strike by the 190,000 Teamster members that worked for UPS at the time. The theme of the strike was “Parttime America Won’t Work”. The strike ended and the contract was ratified after language was added that created tens of thousands of fulltime jobs by combining multiple parttime jobs.

My combo job rate in 2001 was \$17 an hour, again with full health insurance and pension benefits. In that job I continued pm air package pickup and then worked the other part of my night inside sorting packages. After two years in a combination job, my seniority enabled me to transfer to a package car driver position where I delivered packages to businesses and homes in one of those familiar brown trucks you see in your neighborhoods. I did that work for three and half years. My hourly rate of pay as a package car driver in 2002 was roughly \$23.

In October of 2005, again using my seniority, I was able to transfer to my current job as a feeder driver. As a feeder driver, I drive tractor trailers, transporting trailers full of packages between UPS delivery hubs and to and from other large UPS customers.

I’ve worked hard my entire life. I’m proud that the work my co-workers and I do was proven to be essential during the COVID pandemic— we did not miss a day during the most dangerous and uncertain times, making sure goods and packages were getting to people’s homes and helping keep people safe.

I've seen firsthand what large corporations try to get away with due to corporate greed when workers don't have a collective voice to demand decent pay and working conditions. My union has provided that collective voice at UPS for nearly a hundred years. Unfortunately, our standards and those of the hundreds of thousands of United States Postal Service workers are also under attack by a new type of company, a company that uses its dominant presence in e-commerce to exert power over its contractors and its workers. The threat to the industry I work in is Amazon.

I know that this Committee has passed bills that address the unique competitive issues and monopolistic practices posed by Amazon and the other tech companies. I am not here to speak to those bills. I want to use Amazon as one example of why I am urging you to consider general antitrust reforms that address the power dominant companies have over workers and how that power impacts not only their direct employees; but all workers in that industry or geography.

As a feeder driver, it's common practice for us to be offered access to a customer's facilities while we are waiting for our loads. That used to be the case when picking up Amazon deliveries, but within the past few years, Amazon stopped that practice to limit our interaction with direct Amazon drivers and drivers working for Amazon's subcontractors or independent contractors. It seems clear to us feeder drivers that Amazon did this to exert control over the information their employees or contractors can share with each other.

I know from conversations with drivers in the industry, that the drivers Amazon uses are paid varying rates that are below industry standards, possibly by as much as half, even before benefits are factored in. I have even been told that sometimes Amazon restricts the ability of the so-called independent contractors to carry backhaul loads, forcing them into non-paying empty loads on their return trip.

Amazon's monopolistic demands have even encroached upon the Teamsters Collective Bargaining Agreement with UPS. For example, instead of using feeder drivers within its existing network, UPS has succumbed to Amazon's demand to utilize subcontractors and independent operators who are not subject to the collectively bargained for rules that are designed to keep drivers and the public safe. My Local, Teamsters 177, has won grievance settlements to address this and similar contract violations but it is an ongoing uphill battle. We also have unsettled grievances scheduled for arbitration in which, unbelievably, UPS is allowing Amazon to do our work.

Similarly, also based on my experience as a package car driver and as a shop steward in my UPS hub, I've noticed the growth of Amazon's last mile delivery network. While the drivers are in Amazon-branded vehicles and now wear Amazon colors, they are not Amazon employees but employees of one of the nearly 1,000 Delivery Service Partner contractors. Amazon set up this system to exert total control while shifting all their risk and responsibility onto the smaller businesses and of course workers.

In my facility (which is close to the rate in the national UPS contract), a UPS package car driver makes approximately \$38.35 an hour. When I looked up job postings for Amazon DSP drivers in my area this week they are advertising as low as \$17.50 as a starting wage, which is about what I was making at UPS 20 years ago. The hourly contributions UPS makes for my health insurance and pension are more than that!

Amazon's dominant position as an e-retailer, enables Amazon to exert its dominance in business relationships with its third-party last mile carriers, including larger firms like UPS, USPS, DHL, and its DSPs, on terms such as hours of operation and days of delivery.

Two examples I am aware of are with the USPS and UPS. In 2012, the contract that the USPS negotiated with the postal service unions, created a non-career letter carrier position to do Amazon package delivery on the weekends. In our national agreement in 2018, a new delivery job classification was also created to accommodate the demands of Amazon for weekend delivery. If Amazon has the ability to essentially dictate terms to entities like the United State Postal Service and UPS, imagine the control it has over small businesses like the DSPs.

I feel fortunate to be working in a field where workers have fought for and won industry-leading pay and benefit standards through collective bargaining. However, I am worried that large corporations with dominance in product markets or retail markets are exerting power over workers and threatening wages and standards across many industries like mine. I encourage you to consider antitrust policy reforms that help to rebalance the power that corporations like Amazon have over labor markets. If we don't do something now, workers will be forced into dead-end, unsafe, and high turnover jobs, instead of enriching careers that allow our families to thrive.

Thank you, and I look forward to your questions.