

## \$1 Billion in Givebacks

# YRC Teamsters to Vote on 10% Cuts

**T**he International Union has released details on its proposal for concessions at YRC. The decision is now in the hands of freight Teamsters.

Under the proposed concessions, the company would initially get an extra \$240 million a year from Teamsters. The total value of the givebacks through the end of the contract would exceed \$1 billion.

The wage concessions for working Teamsters would actually top 10 percent, because the proposal also eliminates any COLA raises in the next four years of the contract.

These concessions will stay in place even if YRC becomes profitable before the end of the contract. Our wages will only snap back before March 2013 if YRC declares Chapter 11 bankruptcy or is sold.

## **Equality of Sacrifice**

The cut is supposed to be across the board, including nonunion employees, but management's cuts can take into account reductions in their retiree health care and retirement. Thus management's salary reductions may be less than 10 percent.

Many Teamsters at YRC have already been hit with benefit cuts that are not counted toward our proposed wage cuts. YRC will continue to pay the full amount of hourly contributions to Teamster benefit funds.

## **Stock Options**

YRC Teamsters will have a very limited opportunity to make up these the givebacks even if they help the company restore profitability.

Stock warrants will be issued to a trust for 15 percent of the company's stock, about 10 million shares. If the stock goes up significantly, the trust can sell it at a profit and distribute the proceeds to YRC Teamsters.

Under this plan, even if the stock doubles, triples or quadruples in price, Teamsters will only recoup a tiny fraction of the \$1 billion in concessions.

## **Up to Teamster Members**

YRCW management and the Hoffa administration have put forward this concession package to help the company survive and grow.

Ballots will be mailed to all YRCW Teamsters on Dec. 9, and counted Dec. 30. YRC and Holland will vote as one unit, by majority rule. New Penn Motor Express will vote as a separate unit.

It's not an easy choice for many Teamsters who want to protect their job and their pension, but also know the history of freight Teamsters being left holding the bag in previous concessionary deals.

TDU urges all freight Teamsters to carefully review the proposed concessions and to talk with other Teamsters about what they mean for our industry and future. Only you can decide what's best for freight Teamsters, our families and our union.

## **Summary of the Proposed Concessions**

- 10% wage cut effective the first payroll period of 2009.
- Negotiated Cost of Living Increase will be eliminated through 2013.
- Concessions in place through March 31, 2013, when the contract expires.
- Concessions remain in place even if company returns to profitability before end of contract. Wages only snap back before 2013 if YRC files for bankruptcy or is sold.
- Management and nonunion employees take an "equal reduction" but that may take into account past cuts in management's retiree healthcare, 401K contributions, and pensions. So management's actual salary cuts will be less.
- YRC agrees not to buy "any new nonunion regular route common carrier freight LTL entity without union approval."
- The company agrees not to use the money gained from the concessions to expand YRC Logistics or invest overseas. However nothing stops the company from using other money to make such investments.
- The International Union has the right to conduct an annual audit of the company.

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