



ABF CONTRACT

UPDATE

APRIL 19, 2013

Another 30-Day Extension for ABF Contract; Teamsters Committee Disappointed With Company's Proposals

The Teamsters National ABF Negotiating Committee met with ABF this week in Dallas, and the committee is disappointed with the company's initial economic proposals.

The company's economic proposal seeks significant reductions in health and welfare and pension benefits as well as deep wage cuts. For example, the company closed the week seeking an across-the-board 6.5 percent wage reduction as well as reductions in both the scope and level of health and welfare coverage available to employees.

In terms of health care, the company is seeking: 1) the elimination of coverage for employees working fewer than 130 hours in a month; 2) employee co-pays including a \$240 per month employee contribution for family coverage; 3) significant increases in out-of-pocket employee costs; and 4) overall reduced benefits.

Likewise, the company's pension proposal reduces and caps the amount of contributions it would make to most pension funds.

"While we've made progress on major local and over-the-road work rule issues over the last few months, the company's new proposals this week are very disappointing and place our progress at

risk," said Gordon Sweeton, Teamsters ABF National Negotiating Committee Co-Chairman. "We've put millions of dollars worth of operational relief on the table but that apparently is not enough."

Teamsters National Freight Division Director Tyson Johnson echoed Sweeton's concerns.

"The company's new economic proposals are certainly frustrating," Johnson said. "Perhaps most disturbing is the company's meat axe approach to benefits. It certainly raises a question about how the company values its employees."

The union will be distributing additional information to involved local unions over the next few days and will schedule a conference call in the near future.

Despite the company's approach, the union continues to be willing to explore creative ideas that will provide protections to the members, maintain standards and at the same time allow the company to be competitive. Because so many items remain open and the company's recent proposals complicate matters, the union has agreed to extend the current agreement with ABF another 30 days through May 31, 2013.