

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

SEAN M. O'BRIEN

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MEMORANDUM

To: Yellow Local Unions (YRC Freight, Holland, New Penn and Reddaway)

From: John A. Murphy, Director, Teamsters Freight Division

Date: June 12, 2023

Re: **Yellow Update**

Please see the attached factsheet regarding Yellow.

JAM/ae

cc: Danny Avelyn, Assistant Director
Charles A. Jones, Assistant Director
Regional Freight Coordinators



SETTING THE RECORD STRAIGHT ON YELLOW

The Teamsters have learned that Yellow is talking to members about the company's proposed change of operations and trying to blame the union for not allowing it to change its business model.

What Yellow is doing is **wrong**. The company is misleading members with false information.

In fact, what the company is doing is trying to blame the Teamsters for its own executive mismanagement. Yellow wants to force union members to agree to significant mid-term operational contract concessions.

"Our members have spoken loud and clear. As Teamsters, we have certain standards. And our administration is determined to set the standard," said Teamsters General President Sean M. O'Brien. "Yellow has proven time and again it cannot manage itself. Yellow doesn't deserve and cannot be expected to continue under its current structure. That's the direction the Teamsters are going to take."

HERE ARE THE FACTS

- Starting in 2010, Yellow received and is still reaping the benefits of billions of dollars in wage, pension, and work rule concessions.
- Yellow received a \$700 million bailout from the federal government. Despite this, the company claims it must have more contract changes immediately and cannot wait for regular bargaining.
- The current Teamsters contract is in place until March 31, 2024. Bargaining for a new agreement would traditionally start toward the end of this year. The Teamsters National Freight Industry Negotiating Committee (TNFINC) is fully honoring the current contract and will continue to.
- But **Yellow is seeking immediate changes to our agreement**. Once again, Yellow cannot live with what it agreed to and is seeking mid-term concessionary changes to the contract.
- TNFINC was willing to discuss opening negotiations with Yellow early but advised Yellow that we would engage in our normal membership survey and proposal process. Yellow was told the Teamsters could likely start meeting in August. **We do not intend to bargain without membership input**. The Teamsters explained to Yellow that negotiations are a two-way street, and that Yellow would have to provide immediate significant economic increases for the members

if it wanted to reopen the contract early. But the company is **not** willing to wait until August to bargain. Despite its passing lip service, Yellow is **not** willing or is unable to provide the significant increases that members deserve.

- Yellow wants to establish a one-way street that allows it to get everything it wants up front and early. The company wants our members to wait to see what happens down the road, even if it means workers are once again left holding the bag.
- Yellow's reliance on a previously approved change of operations in the Western Region is misleading. Importantly, **Phase I change of operations did not violate the contract**. The Western Region change of operations affected contractually permitted utility employees. All affected road drivers had their earnings protected and were allowed to continue to perform traditional road work.
- The current proposed change of operations (Phase II) is very different. It wants to force hundreds of road drivers to work the dock and change dispatch rules. These changes would violate nearly every contract supplement nationwide.
- Yellow is not willing to protect road drivers under Phase II as it had during the Western Region change of operations.
- On May 30, 2023, the company sent TNFINC a draft proposed letter of agreement (LOA) that demanded the Phase II change of operations be approved. The draft was much broader than the original Phase II change of operations proposal. For example, the LOA demands that: **1)** long established work rules and operational practices be abandoned; **2)** Yellow be permitted to assign employees to any job, anywhere, at any time across operating companies; **3)** 29 percent of all road miles **across all operations** (YRC, Holland, New Penn, and Reddaway) be diverted to nonunion transportation or rail carriers; **4)** the union's current contractual ability to cut off the use of purchased transportation be limited; **5)** an expedited change of operations procedure be implemented to allow Yellow to expedite the hearing of its prior proposed changes of operations and its yet-to-be-disclosed Phase III change of operations; **6)** the "LOA shall supersede any and all agreements, including Supplemental Agreements, local work rules and practices that are inconsistent with or impede the application of" the LOA; and **7)** a reopening of the National Master Freight Agreement (NMFA) to seek additional concessions to help pay for a potential future wage increase, which would have to be financed by Yellow's lenders to take effect.
- In exchange for such sweeping changes, the proposed LOA offers to accelerate by only a few months the \$0.40 per hour contractual wage increase **already due to members on October 1**.
- Yellow suggests it could possibly add a \$0.60 increase but admits it "does not have the means to pay the increases." The company says such increases could only occur **after** the LOA is ratified, **after** Yellow receives new financing, **after** the proposed Phase II changes of operations are approved and implemented, and **after** negotiations commence to fully reopen the NMFA.
- The company has also suggested that contractually required health contributions could be deferred to wages **if the health funds agree**. Yellow's vague promise of small future increases that may or may not happen is insulting.

Yellow has shown that it doesn't deserve and cannot be expected to continue under its current structure. The Teamsters cannot and will not keep bailing out this company with concessions. We are not interested in helping its corporate executives save face. It is not left to the Teamsters to save this company. Our members have given enough.

TEAMSTERS FREIGHT DIVISION

JOHN A. MURPHY, DIRECTOR • TONY JONES, ASSISTANT DIRECTOR • DANNY AVELYN, ASSISTANT DIRECTOR