

TEAMSTERS

National Freight Industry Negotiating Committee



BLAST FAX

TO: All YRCW Local Unions

FROM: James P. Hoffa, General President and Chairman, TNFINC
Tyson Johnson, National Freight Director and Co-Chair, TNFINC

DATE: September 27, 2016

RE: **IMPORTANT UPDATE – Deadlocked MOU Cases**

Please be advised that there has been progress on a number of cases that had been deadlocked under the YRCW MOU dispute resolution process. Attached please find copies of three (3) MOU Subcommittee decisions in this regard. Below is a brief explanation of each decision.

- 1. MOU Case 07-12-IBT.** This was a national grievance filed and pursued by TNFINC. This case involves the allegation that YRC Freight exceeded the hard cap of 26% combined rail/road purchased transportation miles for calendar year 2015 set forth in the 2014 Extension Agreement. The Company disputed the union's calculations, and ultimately claimed that even if it did violate the hard cap, no damages were due because no road drivers were laid off. Additionally, the Company argued that it is actively seeking to hire road drivers, and that the Company already paid in excess of \$200,000.00 in grievance settlements to drivers who arguably lost work opportunity because of the improper use of PT/rail. After further discussion and review of the facts and circumstances of the case, **the MOU subcommittee has issued a decision in this case requiring YRC Freight to pay \$712,244.11 in damages. This amount will be divided among all YRC Freight road drivers who were on the seniority list as of December 31, 2015. ALL LOCAL UNIONS SHOULD CONTACT YRC FREIGHT AND CONFIRM THE NAMES OF THOSE INDIVIDUALS.**

2. MOU Cases 06-15-01; 06-15-S5. These cases involve the allegation that the YRCW Operating Companies improperly and unilaterally removed the “recap” from employee paychecks which showed the effect of the 15% wage reduction reflected in the various restructuring MOUs. The Companies argued that nothing in any of the contracts or agreements required such a “recap” and that to provide such a unique recap imposed an expense on the Companies. The MOU Subcommittee, however, determined that starting with the completion of 2016: 1) in addition to the normal paycheck itemizations, the Company shall provide an annual recap of all wages and benefits paid to employees (including health and welfare and pension contributions as well as vacation pay and other paid leave etc.); and 2) should TNFINC request it by December 1 of each year, the Companies will also reflect each employee’s 15% wage reduction on the annual recap.

3. MOU Cases 06-15-C16; 06-15-W5; 06-15-W9. These cases involve YRC’s office clerical operations and a challenge raised by various Locals to the offshoring of certain billing work to India and the Philippines. According to the Company, Teamster represented employees have historically performed less than 50% of the work in question. Several years ago, the Company closed all of its non-union clerical operations in the U.S. Much of that non-union work was sent overseas. The Company claims that it is not in violation of the MOU because the Union today represents a much higher percentage of the work in question than it ever had previously. Nevertheless, as a result of discussions resulting from the deadlocked case, the Company is now increasing the number of red-circle office positions in Local 63 and the employees will have access to the national queue of work. Additionally, the Company will transfer work from India and the Philippines in order to provide sufficient and appropriate work opportunities. Furthermore, the Company will meet with Locals 20 and 696 about increasing the number of full-time office positions in those Locals. The MOU Subcommittee, has therefore undeadlocked the case and re-assumed jurisdiction for further review and consideration as appropriate.

JPH:TJ/ae
Attachments