



MEMORANDUM

TO: Freight Division Locals
FROM: Ernie Soehl, National Freight Director
DATE: May 29, 2020
RE: **Update**

Here are some facts. This is not fake news. These are cold hard facts that we have to grapple with every day.

- FACT: The COVID-19 virus has already killed more than 100,000 Americans over the last 100 days. Those are staggering numbers and they will continue to rise.

- FACT: The unemployment rate in this country is now over 15 percent and rising. We have not seen unemployment rates this high since FDR was president at the height of the Great Depression in the 1930s.

- FACT: Six months ago in the freight industry we had more jobs than CDL drivers. Now, drivers are laid off at every freight company—union and non-union across the board.

These are truly serious times. What compounds the problem is that in the U.S., the bulk of health care coverage is provided through employment. As more people lose their jobs, more people will lose their regular health care coverage.

Even in industries that are not closed, workers are rightfully concerned. These include grocery store workers, trash haulers, food plant workers, warehouse workers, package delivery workers and, of course, our Freight Division members. These workers are faced with the harsh reality of going to work and possibly being exposed to the virus. The freight industry, like so many others, is an industry that is very much needed and essential during the pandemic. Goods and products still need to be transported. The members in the freight division are doing that. They are the lifeline of America. But again, they are exposed to risk every day. They are heroes and we all should continue to remember that fact.

Times like this are when being Union, and more importantly being a Teamster, really matters. Together, the Teamsters Union is helping make the workplaces safer. We are working with and, if necessary, confronting our contracted companies. And, we must continue to remain vigilant. This is especially true since many states are now starting to reopen businesses.

I want to acknowledge and thank all of the business agents, shop stewards, and members out there who are keeping our members safe each and every day. Every little thing we can do to protect our members makes a huge difference. Even small actions count. Providing masks, hand sanitizer, educating workers and making the companies adhere to CDC recommendations is absolutely critical and really does save lives. It is every bit as important today as it was three months ago.

As for the specific companies in the Freight Division, I continue to be in contact with the highest levels of management. We request and receive all sorts of data on volumes and revenues as well as safety and COVID-19 updates.

Regarding ABF:

Volumes at ABF are still down overall and we have members on layoff. The past few weeks, however, have seen volumes start to improve and many members have been recalled from layoff. ABF executives and non-bargaining unit employees at ABF have had their hours and salaries reduced to help the Company weather the storm. ABF has also been able to achieve a level of PPE supplies to now keep its operations regularly supplied. PPE supplies had been difficult to acquire previously but are now becoming more available.

We have asked that the Company work with our Locals to emphasize “meet and turns” versus laydown runs, and the Company has done so. This reduced the number of road driver stays in motels by over 5,500 in April alone and has thereby reduced the exposure of our road drivers to COVID-19.

Regarding YRCW:

YRCW includes YRC Freight, Holland, New Penn and Reddaway. As I previously reported YRCW also suffered diminished volumes and revenues in light of the closure of many of its customers’ operations and the general economic downturn due to the COVID-19 pandemic. Because of the financial impact of the pandemic, YRCW approached every Health and Welfare and Pension Fund to which it contributes and asked for a deferral. It was not asking for a gift or a concession. It has asked for an extension of time to make its required payments. The Company has asked the funds to basically keep providing health care to our members, while it gets its cash flow sorted out in the short term. Most of the Health and Welfare Funds, which are separate legal entities, have been working with

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YRCW to keep members covered while deferring payments and giving YRCW some time to recover. The Teamsters National Freight Industry Negotiating Committee (TNFINC) has encouraged YRCW to stay in constant contact with each and every fringe benefit fund out there and find a way to maintain benefits for the near future as it works through what is hopefully a temporary situation. We have made it clear that we simply cannot have our members working without health care coverage.

Meanwhile, YRCW is actively seeking to shore up its financial situation by applying for assistance from the U.S. Treasury Department under the recently enacted CARES Act, like many other companies. In fact, Senator Jerry Moran of Kansas specifically asked Treasury Secretary Steve Mnuchin about what the Treasury Department is doing to assist YRCW, and companies like it, in a Senate banking hearing last week. Treasury Secretary Mnuchin committed to following up with the senator in a timely manner and stated that he wanted to prevent companies from "falling through the cracks." As stated above, our members in the freight division, including the nearly 30,000 hardworking members employed at YRCW, provide critical components to the transportation infrastructure of this country.

Finally, I would like to end the YRCW portion of this report with at least a small bit of good news. First, hopefully YRCW's plan to right the ship will be realized quickly and this rough patch will soon be in the rearview mirror. Second, YRCW's volumes have increased for the last few weeks and more than 200 people have been recalled from layoff.

Again, thank you to all of our freight division members. Please continue to be safe and always look out for each other.