United States Senate
WASHINGTON, DC 20510

October 19, 2023

The Honorable Janet Yellen
U.S. Secretary of the Treasury
The U.S. Department of the Treasury
1500 Pennsylvania Avenue,
NW Washington, D.C. 20220

Dear Secretary Yellen,

Amid the unfortunate circumstances of Yellow Corp filing for bankruptcy, placing approximately 30,000 American workers out of work and sending a detrimental ripple through our economy, it has been brought to my attention that there are interested parties attempting to make a “going concern” bid for the company. To aid this effort, I write today to request that the Department of Treasury (Treasury) seek the authority to extend the maturity date of Yellow’s loan authorized under the CARES Act to 2026. By extending the maturity date of this loan, the interested parties would have the financing for their bid, and retain thousands of high-quality, jobs.

Through no fault of their own, these 30,000 employees have been left without a job after utter mismanagement of the company. This comes even after Yellow’s union workers provided concessions with *their own money and benefits* to help the company reach financial stability. It would be a disservice to these workers to not allow the opportunity for a going concern bid. Of course, I understand that for one reason or another, not all 30,000 of these jobs would be retained by any party pursuing a going concern, but the alternative of leaving these workers by the wayside is unacceptable in our view.

Moreover, the economic impact that Yellow had across the nation cannot be overstated. With over 30,000 truck drivers, port workers, and support staff, Yellow accounted for $5 billion in revenue last year, and 50,000 deliveries every day[1]. Although competing companies can absorb much of the lost productivity from Yellow’s closure, consumers will likely suffer from the lack of competition. Since Yellow will be out of the less-than-truckload market, rates for competitors will likely increase, causing higher prices for LTL customers.[2] Further, if this loan were to go through bankruptcy, $700 million worth of taxpayer dollars would be essentially wasted. A going concern bid would provide an ample opportunity to have this loan repaid and the taxpayers made whole again.

Although this case has been moved into the Department of Justice’s (DOJ) jurisdiction, under the Federal Claims Collection Act (31 U.S.C. § 3711), Treasury can advise on or request the authority to modify loans from the DOJ. There is precedent for actions like this, such as Treasury’s actions during the 2008 financial crisis when dealing with General Motors’ (GM) bankruptcy proceedings. In that instance, Treasury requested the authority to, and ultimately accepted GM stock as payment instead of cash to pay its debts. I request that treasury request to use that same authority in this case to extend the maturity date of Yellow’s loan to 2026.

With these considerations in mind, I again ask Treasury to seek the authority to change the terms of the loan they provided to Yellow in order for a going concern bid to be made. There is precedent for

[1] https://www.wsj.com/articles/yellow-bankruptcy-us-economy-e2761b0b
[2] https://www.wsj.com/articles/yellows-bankruptcy-sparks-a-battle-to-reset-trucking-competition-d764b347

such action, and it will not only benefit the economy, but also protect thousands of workers across the nation. Thank you for your reviewing this request, and I look forward to any further action that your department takes.

Sincerely,

Roger W. Marshall

Roger Marshall, M.D.
United States Senator