

# 22,000 Yellow freight workers poised to strike after company fails to pay benefit contributions

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*The UPS Workers Rank-and-File Committee is holding a meeting this Sunday at 6pm eastern to support the fight by 22,000 Yellow freight workers. Register for the event by clicking here.*

*Work at Yellow? Tell us what you think about the potential strike next week. All submissions will be kept anonymous.*

The International Brotherhood of Teamsters has officially threatened strike action against less-than-truckload (LTL) company Yellow after the company failed to make required contributions to the Teamsters Central States Pension Fund and to the Health and Welfare Fund. Yellow workers could go on strike as soon as next Monday, July 24.

A strike would involve most of the company's 22,000 Teamster members, the second-largest strike in the United States after the SAG-AFTRA actors' strike. While this testifies to the biggest growth of working class struggles in the United States in generations, as well as around the world, it also poses the need for workers to organize themselves independently of the corrupt union bureaucracy to unite their struggles into a broader movement capable of challenging the complete subordination of society to profit.

In a letter issued by the Central States Fund to union members, the Teamsters said that Yellow had informed the fund that it would be "withholding payment of health and pension contributions, totaling more than \$50 million, for June (due July 15) and July (due August 15) to avoid running out of cash."

Yellow had previously requested that the Teamsters allow them to defer benefit contributions for two months in a desperate bid to reserve cash on hand to pay investors. Yellow is \$1.6 billion in debt, \$1.2 billion of which was due this summer, including \$700 million to the

federal government. If Yellow fails to pay off its lenders it will go bankrupt, which appears increasingly likely in the coming weeks.

Last week, Yellow's Wall Street owners threw it a lifeline by agreeing to a covenant waiver. Under the waiver, Yellow is under strict oversight by its investors. Yellow will have to maintain a liquidity of \$35 million and the consortium of lenders who brokered the deal will gain direct oversight over Yellow's budgeting and financial operations. In the waiver filing, Yellow reported that it has \$100 million in cash on hand.

The waiver is Yellow's last gasp, a final attempt by Wall Street to extract as much wealth from workers as possible before it goes under. Yellow is attempting to implement its One Yellow plan, a complete overhaul of the company's operations and a massive consolidation of corporate assets, which threatens jobs and working conditions. The union has opposed Yellow's attempts to implement the policy without renegotiating the contract, but has not raised any challenge to the plan itself.

In response to Yellow's refusal to pay its contractually obligated benefit contributions, the Teamsters stated that Yellow's participation in the pension and health funds would be terminated effective Sunday, July 23. Once terminated, the pension fund will cease accruals and health coverage benefits will be suspended. If Yellow eventually makes the required payments, health and pension benefits will be retroactively restored.

The Teamsters union and Yellow management have put workers between a rock and a hard place. Yellow is trying to squeeze every last cent that it can from workers to satisfy its lenders. Workers are determined to fight against this after years of concessions that even Teamsters General President Sean O'Brien admitted have amounted to billions of dollars. If Yellow goes bankrupt, tens of

thousands of workers could lose their jobs as the company is picked apart by rival LTL companies.

O'Brien has shown total disregard for this fact, declaring that the Teamsters would no longer "bail out" Yellow (which has faced bankruptcy multiple times in the past decade) and has implied that he would allow simply Yellow to go under.

This suits the Teamsters bureaucracy well enough. They have struck a militant tone with Yellow, leveraging the contract talks to present the O'Brien administration as more pro-worker than the infamous James Hoffa Jr., despite O'Brien being one of Hoffa's top former lieutenants.

The Teamsters have given billions of dollars of workers' money away to Yellow and they are happy to have that swept under the rug by the company's bankruptcy in order to better position them to deal with the militancy of 340,000 UPS workers who are demanding a strike next month.

However, the dire situation of Yellow goes far beyond a single trade union struggle. A strike would almost certainly kill Yellow off, and even if the union were committed to clawing back concessions lost in previous contracts, they would have to deal with Yellow's Wall Street backers.

The fight of Yellow workers exposes the fact that the growing movement of the international working class is a struggle against the financial oligarchy and the entire capitalist system.

Yellow is an independent company in name alone, the recent waiver places Wall Street in near direct control of the business and therefore in control of the assault on Yellow workers. Half of a billion dollars of Yellow's debt is owned by Apollo Global Management, a major international investment firm with over a half trillion dollars in assets under its management, which is leading the consortium overseeing Yellow.

If Yellow survives, the financial parasites of Wall Street will cry for cuts to jobs, wages, and benefits, all in service to generating profits for themselves.

If it dies, rival LTL companies will scramble to claim as much of Yellow as they can. Some may keep their jobs, but more likely the sale of Yellow's empire will entail just as brutal attacks on workers if not worse.

Meanwhile, while successive administrations have funneled trillions of dollars sight unseen to Wall Street, and tens of billions of dollars are sent at the drop of the hat for bombs and tanks to Ukraine, there is not even a hint of any measures by the Biden administration to

intervene to save tens of thousands of jobs. This is because the collapse of Yellow serves Washington's intention to beat back rising wage demands by workers with rising unemployment, enforced mainly by increases in interest rates through the Federal Reserve.

The way forward for Yellow workers is the mass mobilization of the working class in a counter offensive against the capitalist class. Tens of thousands of writers, actors, and Canadian dock workers are already on strike, with 340,000 UPS workers ready to strike as well, and 150,000 autoworkers in September. The momentum for a mass movement of the working class is building.

But the trade union bureaucracies, including in the Teamsters, are doing their best to contain this movement. While O'Brien challenges Yellow with a strike threat, it is working to isolate the struggle at Yellow. Meanwhile, the Teamsters have just reopened negotiations at UPS for the first time in two weeks, in an attempt to obtain a last-minute tentative agreement which they can use to avert a strike.

Just as with the railroad workers they sold out last winter, the Teamsters are desperate to avoid any major strikes and to keep a lid on worker outrage. They are afraid that the growing struggles of the working class will grow out of their control and threaten their privileged position. The Teamsters employ hundreds of high-level officials who make over \$150,000 a year from members' dues.

But workers are ready and willing to fight, whether or not the union bureaucracy is. A strike at this point is almost inevitable. Yellow has breached the contract and attacked workers' most critical benefits. The Teamsters' call for potential strike action is a reflection of workers' outrage with Yellow's gross mismanagement and attempts to force workers to pay for its failures.

Across the country and around the world workers are building rank-and-file committees to organize, independent of the union bureaucrats, and fight for their demands. The jobs of 22,000 workers are on the line. Yellow workers should build rank-and-file committees to expand the growing movement of the working class and launch a counter-offensive against the corporate and financial war on jobs and working conditions.



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