

“The bottom line is everyone is tired of corporate America getting all of the money”: Michigan Yellow freight workers speak out on pension cuts

Our reporters
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Work at Yellow? Tell us what you think about the pension crisis and the last-minute deal with the Teamsters to block a strike. All submissions will be kept anonymous.

Workers at freight trucking company Yellow are furious over the ongoing refusal of the company to pay its pension obligations in the Midwest and South. On July 15, claiming they were on the verge of bankruptcy, Yellow officials refused to pay a contractually obligated \$50 million into the Teamsters’ Central States Pension Funds. Yellow retirees are already paid at a three-quarters reduced rate.

The Teamsters bureaucracy declared it would call a strike by Monday, but on Sunday afternoon it reversed itself, announcing a “deal” giving the company another 30 days to pay what it owes. But given the fact that the company already unilaterally decided not to pay on July 15, there is no reason to assume it will do so under the new deadline. While the company claims it has no money to pay its pension obligations, all of its remaining cash is being diverted to paying its major creditors. This includes the notorious corporate raiding firm Apollo Global Management, which has half a trillion dollars in assets. The US government is also a major debt holder after issuing Yellow a \$700 million pandemic aid loan.

While the deal does nothing to resolve the crisis for workers, it buys the Teamsters bureaucracy crucial time. This week the total focus of the apparatus, under General President Sean O’Brien, is getting a tentative agreement at UPS to prevent a strike by 340,000 workers. The union, adapting its rhetoric to rank-and-file anger, has pledged to strike by August 1 if it does not reach a deal. But its last-minute deal with Yellow is a warning to UPS workers that the bureaucracy is prepared to do the exact same thing at UPS. Moreover, the last thing the bureaucracy wanted in the final days before the deadline at UPS was a strike at Yellow, which would only embolden workers at UPS and around the

country.

“Yellow management is terrible,” one worker from Ohio told the WSW. “They are always fighting with union workers. In 2019, there were over 50,000 Teamsters at Yellow. Now? Only 22,000. But management is still the same. After the \$700 million bailout from the taxpayers, Yellow management gave themselves a bonus. Can anyone answer why they deserved that? Yellow has destroyed every company they bought up in recent years: Preston, Roadway, Holland, New Penn, etc.”

A worker from Alabama, writing before the Sunday agreement, said he believed the Teamsters were prepared to sanction massive job cuts. “It is hard to think that both the company and the union are willing to let 22,000 people be put out of work. That’s 22,000 families that will be affected by this. The union is saying that they want Yellow to just disappear. That is people who will be out of work, while the fat cat union bosses still get their paychecks. Unbelievable.”

A Yellow warehouse worker from Texas described inhuman living conditions. “I make only \$16 an hour and work only 16 to 25 hours a week, with no benefits. I’m homeless with five kids.”

Workers’ anger was also expressed in the wide turnout for a meeting on Yellow this past Sunday, which was sponsored by the UPS Workers Rank-and-File Committee. More than 300 workers registered for the call from Yellow, UPS and other companies. The meeting laid out a strategy to unite logistics workers with workers in other industries, on the basis of a rebellion against the corrupt union apparatus. “The ability of workers to defeat the [betrayals] depends on their unity,” the Committee’s advertisement for the meeting said. “Workers’ real allies are their brothers and sisters in the working class around the world, not strikebreaking Democrats and Republicans.”

Reporters from the WSW spoke with Yellow freight

drivers in the Detroit area on Monday afternoon. **Tim**, a veteran driver, said, “I want my damned pension back. I’ve been working here and before that at Roadway [which merged with Yellow in 2009 to form YRC] for more than three decades. They need to get rid of the entire upper management. I don’t believe they’re really out of money. You don’t stay in business this long to suddenly just run out of money.

“This agreement doesn’t do anything but give them 30 more days. There’s no guarantee they’ll pay anything by then. They better resolve this quick. I’ve been hearing in the talks with the Teamsters, they’re talking about \$11 an hour or so, total. But for what? We don’t know how much of that goes to wages, to pensions.

“The fact that they’d been paying into my pension at a one-quarter rate affects me a god-damn lot. When I was at Roadway, I was going to retire with a decent pension. Not anymore. But Yellow just buys up other companies just to survive. That’s how they operate.”

He continued, “Everyone is tired of corporate America getting all of the money. Did [Yellow CEO] Darren Hawkins get his pay or benefits cut? No, he didn’t, they say because he’s on a contract. But I have a contract too. This company has been around for 100 years. But it’s worthless if you don’t have competent people in charge.”

When asked his thoughts on the development of strikes around the country and the world, he replied, “The bottom line is, everyone is fed up with corporate greed. You look at what’s happening in the auto industry.” WSWs reporters pointed out that more than a dozen top former UAW officials have been convicted of bribery and corruption charges. “And you don’t think that happens here?” he asked. “And who ends up getting screwed? The workers.”

Dennis said the pensions “aren’t fair to the guys who built this company. Without us truckers delivering the ‘pollen’ to the ‘hive,’ you’ve got nothing.”

Asked what he thought about the last-minute deal reached by the Teamsters, he said, “I’m torn about it. On the one hand, a strike would be very difficult for a lot of people here who are living paycheck to paycheck, and they may even end up losing their jobs. But on the other hand, a strike would go a long way to set things straight. The company has tons of money. They got a government bailout. Where did that money go? Why didn’t Yellow go to the bank earlier instead of playing the ‘no money’ game now, last minute?”

When a WSWs reporter said that the agreement with the Teamsters did not resolve anything, he replied, “No, it doesn’t. They have this plan to streamline the company, called One Yellow, into this freight giant. They want to reopen the contract a year earlier to cut even more, when we’re already the lowest-paid LTL (less-than-truckload)

trucking company.”

Dennis used to work as a truck driver at General Motors in Flint before switching to Yellow. “Years ago, General Motors decided to get rid of their in-house trucking, so those people lost their jobs and instead they outsourced it to third-party companies, which is what I was doing.” He spoke with contempt about the United Auto Workers, which has spent years enforcing one sellout after another. The WSWs reporters explained how the UAW bureaucracy, like the Teamsters, has elevated a so-called “reformer”—Shawn Fain to refurbish the image of the bureaucracy and try to contain workers’ opposition. Like O’Brien, Fain has a long record of imposing sellout contracts.

The reporters spoke to Dennis about the experience of the UPS Workers Rank-and-File Committee and how committees were being organized by workers around the world to transfer power from the union apparatus to workers on the shop floor. He expressed interest in learning more and took additional flyers to hand to his co-workers.

Christian said, “They are laying off a lot of people. At this location, they’ve laid off five or six truckers. The people driving the straight trucks have been laid off. So have the casual drivers, who drive the smallest box trucks, and don’t have a CDL (Commercial Driver’s License).” When asked how the layoffs have affected workers inside the facility, he said, “I was just wondering that, pulling into the lot and looking at all of the empty spaces. Who is even left among the dockworkers? I may end up having to help load my own truck today.”

When WSWs reporters told Christian about the meeting held on Yellow by the UPS Workers Rank-and-File Committee, he said, “That’s a good idea. We should unite with UPS workers. In some ways it’s better there, it’s a more lucrative company. But I know the workers there are also hurting. They don’t have air conditioning in their trucks. Here, they have AC in our trucks and they more or less keep them up.”

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