

Laid-off Yellow workers struggling to find work as Wall Street prepares billion dollar sale of bankrupt freight company

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Two months after Yellow declared bankruptcy and laid off its more than 30,000 workers, the freight trucking company's former workers are still struggling to find work. Yellow declared bankruptcy in August after more than a decade of poor management and extensive debt, totaling almost \$1.6 billion.

Chris Dowdey, a Yellow truck driver who eventually found work as a driver for the grocery store chain Kroger, was told by two separate companies, "If you had not worked for Yellow, I would hire you tomorrow," according to the website Marketplace. He had spent a month out of work and more than that without a paycheck.

"That's the thing that has been boggling my mind," said Dowdey. "Because back in the day when I came in, like when dinosaurs roamed the Earth, you were fired on Friday, you were hired on Monday."

Allen Buyers, who drove trucks for 23 years at Yellow-owned Holland Freight, told *Queen City News* in September that he and his coworkers were having difficulty finding work six weeks after Yellow's closure.

"I had to come out and take my stuff out," he said. "It was sad, knowing I would never get back in that truck and drive again."

Adding to the difficulty of finding a new job, many Yellow workers never received pay for unused sick and personal leave. Buyers noted that he was still owed \$2,200 by Yellow for unused vacation and sick time.

"I have a friend," Buyers added. "He is owed 33 days, which is almost \$7,000. And he is not working."

The losses of Yellow workers are made even more bitter by the considerable sacrifices they made to keep the company in operation when it struggled to stay afloat after the 2008 recession.

"We gave over 10 years of 15 percent of our pay every week to this company. We gave up part of our pension for 10 years, and at the end, they got a \$700 million bailout during COVID from the United States government, and they

still put us out of business," said Buyers.

"Out of all of the guys I know, maybe seven or eight got jobs doing what we did. Most of them have to go doing other odd jobs or changing their craft because they can't get in the door anywhere."

One older worker who spoke with the WSWs said, "I am having a terrible time finding a job. However, it is my age that comes up more than anything. Insurance won't cover a driver past 64 is what I have been told three times now."

Another Yellow driver from Memphis, Tennessee, who was just nine months away from retirement, said "The worst thing is our insurance wasn't paid and was cut off immediately and any accrued vacation time wasn't paid. But job seekers are having tough times finding suitable or comparable work."

"Our contract was in force until April 2024," she added. "This company failing is on management. I believe somehow that this was their plan when they realized they were too low on money. Just eliminate one more union group out of the picture. Some locals in the Northeast have really worked to get their people placed in good jobs. In Memphis, we hear nothing from the union local. Nothing at all."

A former Yellow worker from Memphis said: "You don't go from that kind of salary to barely nothing and not hurt. I had some put back, and planned on working another year to add to it. But the way it went down and how long it took to get needed paperwork from the company saying we were terminated and to prove dates of insurance coverage was like pulling teeth. I'm sure most everyone had to get into their reserves pretty good with no notice of the impending closure. It was a nightmare. And now with Medicare and a supplement, I will probably not be able to have the quality of medical care or prescriptions that I was accustomed to."

The struggle of former Yellow workers to find work, and the theft of their unused paid leave fall in the shadow of Yellow's dismemberment by Wall Street. Yellow's assets

are worth billions of dollars, more than enough to pay off its debts and generate a comfortable profit for its creditors.

A bidding war between Estes Express and Dominion, two of the largest freight companies in the country, has resulted in a leading stalking-horse bid by Estes for Yellow's facilities of \$1.525 billion. A stalking-horse bid sets the floor for all new bids and Yellow will likely have to pay a fee to accept a new, higher offer. This sale alone would pay for nearly all of Yellow's outstanding debt, including \$700 million owed to the federal government.

Should Estes win the auction of Yellow's terminals, it would add 170 new facilities to its existing 215. These terminals are expensive to build and because of Yellow's age and prominence in the market it has many terminals in prime locations for expansion by rival companies.

It is not clear if Old Dominion or another company will offer a new bid but the auction of Yellow's assets is scheduled for November 28, leaving plenty of time for competitors to prepare additional offers.

Also on the auction block is Yellow's fleet of 12,000 trucks and 35,000 trailers. Bids for Yellow's fleet will be accepted through October 18 and it will seek court approval for the sales by October 27. Yellow is taking longer to sell its real estate in order to attract larger bids for its most valued assets. Yellow's bankruptcy is co-managed by Boston-based hedge fund MFN and private equity firm Citadel, which have loaned Yellow \$212 million to keep it in operation during the bankruptcy proceedings.

By taking control over Yellow's Chapter 11 bankruptcy, MFN and Citadel have first choice in creditor payments and control over how the remaining funds are distributed. This allows MFN to give preference to itself and its majority share of Yellow's stock, which it bought at a bargain price just before Yellow's bankruptcy. Citadel also purchased roughly \$500 million of Yellow's debt from fellow private equity firm Apollo, which had been Yellow's leading lender prior to bankruptcy.

Altogether, the sale of Yellow's assets will be a massive boon for Wall Street, which will make billions of dollars while workers struggle to survive in a tough labor market for Yellow workers.

Reflecting the massive fortune Yellow's sale will make, Yellow's executives received \$4.6 million in retention bonuses this July, just a month before declaring bankruptcy. Retention bonuses are typically paid after a bankruptcy filing to encourage high-level management personnel to stay with the company during the liquidation process. The fact that Yellow's executives were paid in advance demonstrates that the company and its creditors were preparing for bankruptcy behind the backs of workers.

This timing also corresponds with the refusal of Yellow to

pay \$50 million in benefit contributions to the Teamsters Central States Pension Fund. The Teamsters threatened a strike but called it off days before Yellow declared bankruptcy, citing a deal where the pension fund would cover the cost until Yellow could make the payment, which it will never make now that it is bankrupt. The Teamsters' abandonment of the strike also gave Yellow time to prepare for bankruptcy, with Yellow workers reporting that they were directed by the company to return trucks and trailers to their lots empty, a clear sign of preparation for an asset sale.

Now, with Yellow workers uncompensated and struggling to find work, the Teamsters bureaucracy has limited any action to legal appeals. The Teamsters have filed a claim in court on the behalf of Yellow workers for their unpaid time. This places the future of Yellow workers in the hands of a bankruptcy court whose primary purpose is to ensure the profitability of Yellow's sale for Wall Street.

This has no guarantee that Yellow workers will see the money they are owed, and even if workers are awarded compensation there is no certainty that they will be paid everything they deserve. Wall Street will come first and the payment of workers' stolen time will be entirely dependent on the availability of cash after all other creditors have been satisfied.

This loss of unused time is ultimately the responsibility of the Teamsters, which refused to mount any struggle against the plans of Wall Street to liquidate Yellow. By the Teamsters' own admission, they gave Yellow \$5 billion worth of concessions leading up to the bankruptcy. And when Yellow's collapse was imminent, the Teamsters bureaucracy called off strike action, allowing the company time to prepare its assets for auction.



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