

# ABF Weighs Appeal of Ruling After Judge Tosses YRC Suit

**By Rip Watson**  
Senior Reporter

ABF Freight System said it is considering whether to appeal a U.S. District Court ruling that dismissed its lawsuit against competitor YRC Worldwide Inc. and the Teamsters union over contract issues.

ABF, Fort Smith, Ark., made the announcement after U.S. District Court Judge Susan Wright ruled that YRC and the Teamsters union were allowed to make contract revisions under the National Master Freight Agreement that allowed YRC to reduce its costs by more than 15%.

Seeking \$750 million in damages, ABF sued in November, claiming that the revisions, which gave YRC a cost advantage, were not permitted under the contract. ABF filed the

lawsuit after its Teamsters union members turned down a 15% pay cut to give ABF similar cost relief.

Wright, chief judge of the U.S. District Court for the Arkansas District, issued her ruling on Dec. 16, the same day the parties presented their arguments in court, acting on motions to dismiss that YRC and the union filed separately.

"We are disappointed in this outcome and continue to believe that our Nov. 1 lawsuit is strong," ABF, a unit of Arkansas Best Corp., said in a statement. "We are reviewing the court's ruling and considering next steps, including possibly an appeal of the decision to the United States Court of Appeals for the Eighth Circuit."

While ABF weighs its next move, both YRC and the Teamsters union issued statements hailing the decision.

"We have said all along that ABF took itself out of the National Master Freight Agreement and therefore has no right to bring the suit," Brad Raymond, Teamsters union general counsel, said in a statement. "The bench dismissal should send a strong message to ABF that its attempts to interfere with the contractual arrangement between YRCW and its Teamsters-represented employees must end."

The Teamsters union has 7,000 workers at ABF and 25,000 workers at YRC.

"From the moment the suit was filed, we were extremely confident it had no merit," said Michael Smid, president of YRC Inc. and chief operations officer at YRC Worldwide. "We are gratified that, after a thorough review of the facts,

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the judge came to the same conclusion and dismissed this case."

Union leaders recommended passage of the 15% pay cut that they negotiated with ABF earlier in 2010. The pay cut, along with potential profit-sharing, were the key features of an agreement that was rejected by a 3-2 margin.

Unlike YRC's 15% pay cut, the failed ABF-Teamsters deal would not have provided pension relief.

"ABF needs to realize that it cannot circumvent the negotiating and ratification process through the courts," said Tyson Johnson, who directs the Teamsters union's national freight unit. "ABF should concentrate on freight pickup and delivery operations of its company, rather than trying to put YRCW out of business through litigation and other means."