



25 Louisiana Avenue, N.W.
Washington, D.C. 20001

TEAMSTERS

National Automobile Transporters Industry Negotiating Committee

June 15, 2010

Dear Allied Teamster Employees,

Late last night Allied informed the Teamsters National Automobile Transporters Industry Negotiating Committee (“TNATINC”) that it will pay the full NMATA rate retroactive to May 30th, the expiration of the Term Sheet (retro checks will be issued June 21st, work being performed this week will be paid at the full rate on the next scheduled paycheck). While we expected Allied to meet their obligations and wish they had chosen to pay the full NMATA rate when the Term Sheet expired, doing so now meets Allied’s obligation to pay established wages under the National Agreement.

The Teamsters Union has consistently maintained our position that Allied was required to pay the established wages at the expiration of the Term Sheet. We made it clear to the company that our members were prepared to enforce that obligation by whatever legal means necessary under our contract, including issuing a 72-hour strike notice. On a call last Thursday, Local Union leaders representing Allied workers unanimously agreed to issue a 72-hour strike notice by Monday June 14th if Allied had not yet indicated it would pay the full NMATA rate.

While I am pleased to report that you will be receiving the full NMATA rate for hours worked since May 30th, all Allied Teamsters must understand that we have consistently taken the position that if Allied’s business can’t sustain the full NMATA rates then we must give Teamsters at Allied an opportunity to determine if a mutually-acceptable agreement can be found. Allied has made these claims to TNATINC and directly to you. We have agreed that we will meet with Allied to determine what the business needs to be sustainable and if contractual issues, including wages, can and should be addressed to meet those needs. **To be clear, we are not sure there is a workable solution here but rest assured the full resources of the Teamsters Union will be deployed to find a solution and the ultimate decision will be in your hands – any negotiated solution will be subject to member ratification.**

Our industry has undergone unprecedented upheaval in the past 5 years. Both Allied and PTS were in bankruptcy five years ago. Upon emergence from bankruptcy, PTS shortly went back into bankruptcy and because of actions of its debt holders forced a strike and the company was subsequently liquidated. The bottom fell out of the overall economy and financial sector in late 2008. Both GM and Chrysler were on the verge of failure

when the Federal Government stepped in with billions of dollars and helped both navigate and emerge from bankruptcy. Total car sales plummeted from a height of 17 million vehicles in 2005 down to 10.4 million in 2009. The two largest remaining unionized haulers have both undergone changes – Allied is two-thirds the size it was in 2005 and Jack Cooper was taken over by the smaller Active.

As the industry begins to rebound we are faced with some of our toughest decisions. Do we continue to help Allied so it can better position itself as business and volumes increase? Or, do we maintain industry standards with the implication that doing so could lead to Allied's failure? There aren't any easy answers. We are prepared to engage in that discussion with Allied to determine the facts and, if possible, find an acceptable solution. As I have said there may not be a solution Teamsters at Allied can be satisfied with, but we will do our best to find one. And with today's decision by Allied, we will do so under the terms we negotiated and you ratified.

To stay informed please visit www.teamster.org and stay in touch with your Local Union.

Fraternally,

A handwritten signature in black ink that reads "Fred Zuckerman". The signature is written in a cursive style with a large, prominent "F" and "Z".

Fred Zuckerman, Co-Chairman, TNATINC
National Carhaul Division Director