

From: Ron Kieswether
Sent: Friday, October 10, 2008 1:12 PM
To: Terminal Managers
Cc: Leadership Team
Subject: Negotiation Update 10-9-08
Attachments: 100908 note to Teamsters pdf

Importance: High

Below is the Negotiation update from Bob Braun regarding the meeting yesterday (10/9/08). Please share with your people along with a copy of the attached note. You can post this if you would like.

You have asked that I give you an update regarding our negotiations with the Teamsters.

The Company labor attorney was contacted by the Federal Mediation and Conciliation Service (a part of the Federal Government – FMCS) and we were asked to attend a meeting with the Teamsters. We were able to match up available dates for a meeting from 9:30 AM to Noon Thursday October 9 and accommodate the Union's schedule.

We attended the meeting with a Mediator in attendance and discussed several points. The Teamsters have agreed that until some other agreement is achieved "crossover" employees eligible for medical can be covered by the Company plan. "Crossover" employees who would have been covered by Teamster Pension and Retirees Health & Welfare will have Company contributions placed into an escrow account setup by the Company. "Crossover" employees are bargaining unit employees who have been working for Oak Harbor before the strike began and have crossed the picket line.

The Teamsters presented us with a reply to the Company proposal (Document 8). The Union proposed that a substantial number of items be revised as the union would like them. After a short review by the Company we presented the union with a hand written memo (see attached) discussing a change in duration and advised the union the Company will review the Union's offer. At that point it was close to Noon and the meeting ended with no new meetings scheduled at this time.

I am attaching a copy of the memo we gave to Mr. Hobart as information.

Thank you
Bob Braun
Braun Consulting Group

To Al Hobart
@ 11:45 A.

10/9/08

Al Hobart:

You mentioned Duration as it relates
to pension and other items.

Please be advised that, for the
time being, Oak Harbor Freight Lines
is withdrawing the Duration clause
(Article 24) of its Last Best & Final Offer (#8).

This includes withdrawing the "Note"
following the Duration Article and the
reference to "5 yrs" in the Wage Addendum.

The Employer is in the process of
evaluating whether a 5-year contract
is still an appropriate Duration.

Is it possible that a shorter agreement makes more sense for everyone, given the economy, the union's comments about duration and our current circumstances.

We will review the Union's offer

Sincerely
JPH