



# *Oak Harbor Freight Lines, Inc.*

November 4, 2008

Dear Oak Harbor Employee:

In recent weeks we are seeing materials that are untrue and could be construed as inflammatory. In this letter, we want to set the record straight. Below is information we have sent, or are sending, to various people to help them understand what has happened and what is currently going on. You are receiving this letter so you have the same information.

Oak Harbor Freight Lines is a less-than-truckload trucking company that has been in business since 1916 and is planning on offering premier transportation service to our customers and good paying jobs for our employees beyond our 100<sup>th</sup> anniversary in 2016.

On September 22<sup>nd</sup>, 2008, the day the Teamsters called a strike against Oak Harbor Freight Lines, there were more than 500 employees represented by the Teamsters union and over 700 employees not represented by the Teamsters union. The union represents approximately 40% of or Oak Harbor employees.

Oak Harbor has been negotiating with the Teamsters union since August 2007. In June of 2008 Oak Harbor asked the Federal Mediation Service to get involved in our negotiations. The Federal Mediator has been a part of the negotiations since that time in an effort to achieve an agreement with the Teamsters. The Teamsters union requested that Oak Harbor give them a final offer. Oak Harbor presented to the union, on September 22<sup>nd</sup>, 2008, our 8<sup>th</sup> contract proposal since the negotiations started. That proposal contained a substantial wage increase, very good medical, dental, and vision coverage, the current Teamster Pension Plan, and a provision that would have allowed the current Retiree Health and Welfare Plan to continue. Oak Harbor offered to meet with the Teamsters union on September 24<sup>th</sup>, 2008 to review the offer with the union.

The Teamsters union apparently did not give our employees the opportunity to vote on that "Doc #8" offer; instead they called a strike in the evening of September 22<sup>nd</sup>, 2008 just 7 hours after receiving the document and without asking any more questions about it.

Since the start of the strike, 124 Teamster represented employees have crossed the picket line and returned to work. All represented "cross-over" employees that have returned to work, and have worked the minimum required hours each month, are receiving medical, dental, and vision coverage as well as pension and retirees health & welfare contributions set aside for retirement plans per an interim agreement with the union.

Since the Teamsters called the strike on September 22<sup>nd</sup>, 2008, Oak Harbor has moved approximately 68,000 shipments for over 11,000 customers. 31 out of 33 of our terminals are staffed entirely with Oak Harbor employees. Of the 14 Teamster represented Terminals, 12 are staffed with Oak Harbor employees, most of whom are Teamster represented employees from those

terminals who have crossed the picket line.

In the two remaining terminals we have hired a subcontractor to provide drivers for the work. The subcontractor has kept most of the same drivers on the work over the entire course of the last 6 weeks and those subcontractor drivers have the skills necessary to provide good service to our customers. The subcontractor performed an audit of their employee's files and assures us they are DOT compliant. There have been other ugly accusations made about this company and its owner. Oak Harbor has been assured the statements made about our subcontractor are false.

Our current on time delivery percentage is 98% on time and we have actually reduced the percentage of shipments we deliver with damage notations by 18% over last October.

We have been diligent to continue operations because we have made a commitment to the over 1300 employees, over 800 of which are non-striking employees, to continue providing work and future work opportunity for our employees and their families. We also have a commitment to over 11,000 customers to continue providing the high quality service we have committed to them.

We are investigating allegations that some individuals are intimidating drivers and/or are engaging in harassment. We, again, encourage all of our employees and all employees of our contract company to be safe and law-abiding citizens. We are proud to operate in a country where both the individual's right not to strike and their right to strike is protected. We believe both the person who chooses not to strike and the person who chooses to strike should be able to do so.

We hope you found this informative.

Sincerely,

Ron Kieswether  
Vice President of Operations

# Mythbreakers

## Myth

## TRUTH

1. Strikers can legally block a vehicle on the picket line for 120 seconds.

Picketers can block a vehicle for 0 time. This was recently confirmed by the King County Superior Court. Picketers do not have the legal right to block traffic.

2. Drivers as they cross the picket-line are hitting and/or injuring pickets with their vehicles.

In every claim of a picketer being struck by a vehicle, we have either a video or eye witness account that demonstrates the picketer staged the contact. In at least one case the local officials are deciding if they should file charges against the picketer for making false reports.

3. The company took the Teamsters pension out of the Last best and final.

The Last, best and final offer contained the teamster pension exactly as it was in the previous contract with a contribution rate of \$3.21 per hour for up to 2080 hours/year. If you would like to see a copy of the LBF contract asktheboss and one will be provided to you.

4. Our offer eliminated the health coverage for our retirees and our employees who have now chosen to strike.

Healthcare coverage is based on the previous months compensable hours, those that do not have compensable hours will not qualify for coverage. All crossover employees are provided the company medical plan per our interim agreement with the Teamsters. If a crossover employee is compensated enough hours and otherwise qualify for Healthcare that employee will receive coverage.

The replacement driving employees hired by the company are all DOT Compliant and have had the required DOT background checks.

5. We are hiring criminals as replacement employees.

# Mythbreakers

## Myth

## TRUTH

8. We are damaging the customers' property.

We have seen no more property damage since the strike started than we had prior to the strike.

9. We are damaging more shipments now than before the strike.

We have actually lowered our damage notations as a percentage of total sales. Compared to October 2007 we are at a lower number now than last year.

10. There is a huge list of customer who have stopped using Oak Harbor as a result of the strike.

We are servicing over 11,000 customers with over 68,000 shipments with less damage and at 98% on time.

11. Someone on the picket line was hit by a security car.

We had a person claim to be hit by a security car in Portland. Again there were witnesses that report that the incident was staged and the person who was hit did not stay long enough so that the police could come.

12. One of our replacement workers hit an overpass in Bend.

We did hit an low overpass in Bend since the strike started. The driver was a regular Oak Harbor driver who made a mistake. The accident was deemed as preventable and the driver was disciplined. As with all accidents of this type our first concern is with the driver and other people, thankfully, no one was hurt.

13. The company has been raking in huge profits, look at the expansion.

We expanded into southern California the same as we did Oregon, Idaho and Nevada. We used a partner or agent to serve the area until we could build up enough customer base to support the costs associated with a terminal, equipment and staffing.