HOSTESS STRIKE! FACT SHEET

I AM AN AMERICAN WORKER striking or honoring the picket line set up at my facility by other American workers striking Hostess Brands. More than 5,000 BCTGM members are employed at 34 Hostess Brands production plants, in addition to drivers, loaders and thrift employees and others across the United States. This is a fight for all American workers.

Significant Concessions: Round One

- **Hostess first entered bankruptcy in 2004 after a failed restructuring attempt.** During the first bankruptcy, which lasted 4.5 years, BCTGM local unions and members at Hostess (then IBC) agreed to significant wage and benefit concessions that brought Hostess wage rates below national competitors.

- **Beginning in 2003, Hostess began closing production plants, thrift stores and consolidating driver sales units, resulting in a major loss of employment for its unionized workforce.** Before the first Hostess bankruptcy, the BCTGM represented more than 10,000 Hostess workers. That number is now approximately 5,000 due to plant closings.

- Reports suggest Hostess saved $110 million because of the concessions its unionized workforce took. **The money was NOT reinvested in the business (see below).**

Significant Concessions: Round Two

- **In 2009, Hostess Brands emerged from bankruptcy as a private company controlled by a private equity firm (Ripplewood Holdings) and two hedge funds (Silver Point Capital, and Monarch Alternative Capital).** The new ownership promised to focus on brand building, modernize its plants and trucks, and invest in new technology that other baking companies were employing. Instead, aging trucks and plant machinery were not replaced. New technology was ignored. The company's debt continued to grow, and its sales continued to decrease.

- **In 2011, the company was floundering** and again demanded major concessions from its unionized members.

- **Workers refused additional givebacks.** Hostess filed for bankruptcy for the second time in January 2012.

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- **In bankruptcy court, Hostess retained one of the top law firms in the nation (Jones Day) at ludicrously high hourly rates and attacked its union contracts. Hostess has demanded:**
  - An immediate 8% wage reduction;
  - The shift of at least 20% more health care costs onto its employees,
  - Elimination of the employees' W-1 (retiree medigap insurance) and P-Plan (a pension supplement used to pay health and funeral costs);
  - Closure of additional plants (10-12), refusing to tell the union which plants are profitable, which plants will be closed, why, etc.
  - Elimination of the eight-hour work day.

- **Outside of court, Hostess unilaterally stopped paying its pension obligations (that is its hourly contributions to the workers' pension funds), in violation of federal labor law.** The BCTGM has filed multiple complaints with the National Labor Relations Board against the company for doing this, among other reasons. Those charges are currently in litigation. In the meantime, workers have not earned additional pension time this year.

Shuttering Plants, Shedding Workers

- **Since 2004, the company has closed 21 plants, costing thousands of workers their jobs.** The following plants were closed during since that first bankruptcy: Grand Rapids, Mich.; Milwaukee, Wisc.; San Pedro, Calif.; Monroe, La.; Buffalo, N.Y.; Miami; Charlotte, N.C.; New Bedford, Mass.; San Francisco (2); Davenport, Iowa; Lakewood, Wash.; Los Angeles; Pomona, Calif.; Glendale, Calif.; San Diego; Decatur, Ill.; Jamaica, N.Y.; Akron, Ohio; Columbus, Ohio; Rock Island, Ill.

- **Hostess is not and will not be viable:** If Hostess emerges from bankruptcy under its present plan, it will still have too much debt, too high costs and not enough access to cash to stay in business for the long term. It will not be able to invest in its plants, in new products and in new technology.

Revolving CEOs, managers looting the company and the workers

- **Since 2002, Hostess has had six CEOs.** None of which has been successful in turning the company around.

- **Instead of planning to share in the sacrifices, the BCTGM learned that the then Hostess CEO was to be awarded a 300% raise and at least nine other top executives were to receive raises ranging between 35% and 80%.**

Striking Hostess Plants and Honoring Picket Lines

- **What is the difference between striking and honoring a strike?**
  Some Hostess workers are free to strike because either the bankruptcy court so ruled, the local union terminated the existing collective bargaining agreement and is therefore free to strike under the National Labor Relations Act, or Hostess has implemented its final offer, freeing the workers to reject it via strike action. Those workers from locals that are striking may establish picket lines at other Hostess plants and, under BCTGM contract language that remains in effect, workers at those plants honor the strike picket lines and can stay off the job.