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**CONTACT:** Frank Hurt, (301) 933-8600

### **BCTGM Members Initiate National Strike at Hostess Brands**

In an inspiring display of courage and conviction, members of the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) have gone on strike against Hostess Brands beginning Friday, November 9. Workers at other Hostess plant locations are honoring picket lines established by striking local unions. More plants may strike or honor the strike in other Hostess locations within the coming days.

These workers, many of whom have worked at Hostess and its predecessor companies for decades, struck in response to the company's unilateral imposition of a horrendous contract that was rejected by 92 percent of the union's Hostess members in September.

"Hostess Brands is making a mockery of the labor relations system that has been in place for nearly 100 years. Our members are not just striking for themselves, but for all unionized workers across North America who are covered by collective bargaining agreements," states BCTGM International President Frank Hurt.

The contract calls for extreme wage and benefit cuts which amount to 27- 32% overall, with an 8% wage reduction imposed immediately. The company unilaterally ceased making contributions, required by their union contracts, to the workers' pensions in July 2011. Hostess has also imposed draconian cuts in health benefits and eliminated the eight-hour workday.

Hostess Brands is in bankruptcy for the second time in eight years. Since the first bankruptcy in 2004, BCTGM members across the country have taken dramatic wage and benefit concessions and watched as 21 Hostess plants were shut down and thousands of jobs lost. At the time of the first bankruptcy, Hostess workers were assured by management that money saved via concessions or plant closings would help make the company stronger, more vibrant, and more competitive.

Instead, helpless Hostess employees watched as money that was supposed to go towards capital investment, product development, plant improvement and new equipment went to executive bonuses and payouts to the hedge funds that own Hostess Brands. They watched as the company

illegally withdrew from all Taft-Hartley pension plans, saving more than \$50 million in the first five months. 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%.

Since the company ceased making contractually obligated payments to the Hostess workers' pensions in July 2011, it has pocketed approximately \$160 million – money earned by and owed to its dedicated workforce.

Striking members know that the Wall Street investors currently in control of the company have no intention of building a world class wholesale bread and cake company. They will simply take the money from the workers' severe concessions and the sale of assets, pay themselves and then liquidate the company.

The company's business plan, when reviewed by a highly-respected financial analyst retained by the company, was determined to have little or no chance of succeeding in saving Hostess.

The current CEO, Greg Rayburn, was originally brought on as a consultant because of his expertise in corporate liquidations. He has absolutely no experience running a baking company and the Wall Street investors that own the company have absolutely no interest of rebuilding the baking business.

“Our members have fought hard for decades through the collective bargaining process to build a decent standard of living for themselves and their families. The deplorable actions taken by Hostess would take our members back to the workplace standards of the 1950's.

“Our members have now said NO to Hostess and the Wall Street investors in the only means available to them, the strike. The BCTGM International Union stands in full and uncompromising support of our striking members,” concludes Hurt.

The BCTGM represents more than 80,000 workers in the baking, food processing, grain milling and tobacco industries in the United States and Canada.

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