HOSTESS BRANDS WORKERS CONTEMPLATE WALKOUT AS COMPANY MAKES TAKE-IT-OR-LEAVE PROPOSAL

Hostess Brands, facing dire financial times for the second time of late had, on the verge of its second bankruptcy asked the unions to vote on whether they would accept the cuts the management had suggested, which the company said was the only way it could stay afloat and avoid liquidation. However, the Bakery, Confectionary, Tobacco and Grain Millers International Union rejected the management’s contention outright, sending the company scurrying to court to get the court to enforce their dictates on the workers. The future of the company and whether its goodies will still be available to its faithful clientele will all depend on whether the workers decide that, they can take no more and resort to a walkout. If they do that, it could well spell curtains for Hostess. Chief Executive Gregory Rayburn said, "The bakers have the ability to strike and that's their right. I respect their ability to strike, but I just want to make sure the employees understand that the consequences of a strike will be liquidation." Workers understand that today’s economic realities are making things difficult for companies to make ends meet and what they are facing is being faced by workers across the country but this time around they feel that this time around the sacrifices the company is asking them to make is a little too much. Workers says that with wages at risk, job security virtually non existent and the proposed cuts threatening living standards and the company seeking legal recourse the workers may be left with little option but to bulldoze their way through. Hostess has a workforce of 18,500 and facilities across the country. Workers believe that a negotiated compromise, rather than the company’s like-it-or-lump-it approach, would have averted confrontation. If the cuts were to come into place wages would be less by 8 percent for all workers even those at the top. There also would be sharp reductions in pension plan payments. Rayburn said that given the dire times the company’s lawyers, bankers and other bankruptcy advisers will write-off $60 million in fees, a discount of about 18 percent. Moreover, the company said that they would increase wages by 3 percent over the next year. The company’s offer that union members would get a 25 percent equity stake in the company and could receive $100 million of the recovered debts, plus have a say in the company’s policies with slots on the board and board's executive compensation committee, has been met with skepticism and doubt. Workers say that for a company that for the last 5 years has worked under Chapter 11 protection a turnaround is highly unlikely. Rayburn said that they sought the legal option because they did not get the support that they required from both the major unions. Moreover, when they found that the larger union approved it but the nonunion employees supported it, they felt that the workers were interested in retaining their jobs. I didn't see letting another minority of our (workforce) eliminate all 18,500 jobs without a fight, so we decided to go down the path of getting the ruling that we got," he clarified. Unions have called the proposal outrageously unfair and say that the company can be trusted no more, its trust eroded through years of negligence, greed and promises not kept. Rayburn is unyielding. He said there will be no more bargaining. Employees must understand that given the position the company is in there are no options. The message is clear, accept the cuts or find a new place to work.