

Hostess Workers To Vote On Final Contract Offer

The Associated Press

NEW YORK (AP) — A union representing workers at Hostess Brands Inc. is advising members that rejecting the company's final contract offer could result in the loss of their jobs.

Hostess, which makes Twinkies, Wonder Bread and other brands, has been negotiating with workers about a new contract as it seeks to emerge from Chapter 11 bankruptcy. The company's "Last, Best and Final Offer" was presented over the weekend.

The Teamsters union, which represents nearly 8,000 Hostess workers, plans to review the company's offer next week. Ballots will be mailed to members Aug. 27 and counted Sept. 14.

A Hostess representative wasn't immediately available for comment.

Hostess, based in Irving, Texas, filed for bankruptcy in January, citing rising competition as well as increasing pension and medical costs for its workers. The majority of the company's 19,000 employees are unionized, meaning it has higher pension and medical benefit costs than competitors with non-union workforces.

Hostess has argued that it needs to make changes to worker contracts to attract the financing it needs to fix its business and exit bankruptcy.

In April the privately held company offered a contract that included reduced pension benefits, work rule changes to lower costs and outsourcing some delivery work. The details of the latest offer were not disclosed.

In a note to members Thursday, Teamsters representative Ken Hall said the union couldn't endorse the final contract offer. But he noted that rejecting the contract would likely result in workers losing their jobs. The union says it has been working closely with the Bakery, Confectionary, Tobacco Workers and Grain Millers International Union, which represents more than 6,000 Hostess workers.

Hostess's bankruptcy filing came just three years after its predecessor, Interstate Bakeries, emerged from bankruptcy protection.

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