

Teamsters Approve Contract With Hostess Brands

The Associated Press

IRVING, Texas (AP) — Workers belonging to Hostess Brands' biggest union on Friday narrowly approved new contract terms, raising the possibility that the maker of Twinkies and Wonder Bread will stay in business.

But another group of employees rejected the contract terms that Hostess says are needed for it to survive.

The privately held company based in Irving, Texas, is working to exit bankruptcy protection, which it sought in January. Its business has been hammered by consumers' increased preference for healthier snacks, and stiff competition from other sweets makers.

Hostess said it will go to bankruptcy court seeking to force terms of the deal reached with Teamsters on workers represented by the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union and other smaller bargaining units.

More than 4,400 Teamster-represented workers voted, with 2,357 approving a tentative contract and 2,043 against it.

"This was a difficult decision," said Teamsters General Secretary-Treasurer Ken Hall. "At the end of the day, our members recognized that they can't replace their pay and benefits in the non-union sector."

The company, founded in 1930, has about 18,500 employees.

Since filing for bankruptcy protection, Hostess has been battling with unions over its efforts to slash pension and health benefits. The company has said it needs the concessions in order to compete.

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