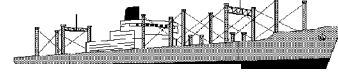




# Rollin' On



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## UPS: And The Winner Is . . .

I wondered aloud in *Rollin' On* last month who would be the winner in the UPS strike. There seems to be a consensus that labor won the battle, and that UPS's competitors also have a good chance of hanging onto some new business. I guess that we are not supposed to consider the thousands of UPS workers who were laid off and who will never again wear a UPS uniform.

Time will tell if labor won both the battle and the war. The UPS pilots are itching to go on strike, and the general freight contract is due to expire in the next few months. How much more uncertainty will shippers be able or willing to bear? There are usually alternatives in life, albeit not always attractive ones, and transportation is no different (the US Postal Service being a possible exception).

So if you have seniority in your union, you can say that you have won. If you are further down the pecking order or are one of the bodies sacrificed in the battle, you may have a different opinion. It's always nice to be a "have" as opposed to a "have not".

The strike is having an impact. The fear on Wall Street is that, due to the strong economy and low employment, labor has a stronger negotiating position at this time, which means upward pressure on wages, which means an increase in inflation, which erodes the dollar, which means . . . (you get the picture). To be sure, other factors are at work which have

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spooked the market (the Dow industrials at least) in the past few sessions, but the labor situation is still unsettling from the view of the ivory towers.

Meanwhile, the federal mediator withheld her announcement that the Teamsters must once again go through the election drill due to improprieties (gasp!) in the union election process. That delay saved Mr.

### Where Art Thou, Romeo?

Pilot to passengers: I have some good news and some bad news. First the good news: We're making good time. The bad news: We're lost.

Carey's bacon, and should help him in *Carey v. Hoffa II*.

It seems to me that the winners were the noncombantants, UPS's competitors. Like the scenario in the movie *War Games*, sometimes you can only win by not playing the game.

### Risberg's: Where's the Beef?

To my knowledge no lawsuits were filed before the statute of limitations ran on the undercharge claims. (I tried, with no luck, to get confirmation from the bankruptcy's attorney that the statute has in fact run.) So much for the "imminent" filings. The auditors were still able to "fleece some sheep", as some Oregon businesses anteed up. Now, if the court would order the money returned. . . .

## Logistics: Not for Everyone, or, How Did That Happen?

Once in a while things just don't work out. When that happens, sometimes the best thing to do is take your lumps, cut your losses and just get out.

As was recently announced, that is what Greenbrier Logistics is doing. As you may recall, Greenbrier jumped into the logistics business in June 1996 when it acquired the business of Superior Transportation Systems, Tolan O'Neal and Interamerican (Canadian). However, the business has not been profitable (a mild understatement) and Greenbrier has announced that it wants to sell its logistics business. The sale will not be without its negative consequences, as Greenbrier has reported that it will take a \$12 million loss. Put into the mix whatever was paid for these companies and you get the feeling that something did not go right.

What's the moral to the story, or is there one? At a minimum, it demonstrates that the big boys (and girls) put on their pants one leg at a time like everyone else. The irony is that STS seemed to operate for years with one foot on a banana peel, yet the locals kept it going one way or another (it actually started in the kitchen of one of my grade school and high school classmates down in the valley). And as Clint Eastwood would say, you have to know your limitations.

That's all for now. To shippers, carriers, agents and other third parties, keep the cargo rollin'!!

### Short Bio

Admitted to the state bars of Oregon, Alaska, Florida and Massachusetts. Practicing law for over 20 years and emphasizing transportation law, business law and related litigation.