JIMMY HOFFA’S VISION:
THE RISE AND FALL OF THE TEAMSTERS
NATIONAL MASTER FREIGHT AGREEMENT

A Firsthand Account of the History
of the National Master Freight Agreement as
Told by Hal F. Franke Through His
50+ Years of Service to the Trucking Industry

By: Stephen S. Holmes and Robert J. Hollingsworth*
The first National Master Freight Agreement ("NMFA"), the primary labor agreement between the Teamsters Union and the motor carrier industry, was executed on January 15, 1964. It was the embodiment of James R. “Jimmy” Hoffa’s vision for the industry, a national labor agreement covering all Teamster trucking employees, what many call Hoffa’s greatest achievement as a labor leader. Over 800 carriers bargained collectively in connection with that first agreement. The current NMFA, signed in 2008, will expire in 2013 and now covers only a handful of carriers. As we approach the 50th anniversary of the NMFA, we felt it timely to take a retrospective look at the NMFA, before it fades from view. Rather than review the topic as a research paper, this article is a firsthand account of the history of the NMFA as told to us by Hal F. Franke, a legendary figure in trucking labor management relations, who was there at the beginning, across the table from Hoffa, and who has been a prominent participant in the negotiation and in the implementation of every NMFA from its inception.

Hal, who turned 84 years old while we were working on this article, started in the industry in 1952 as a bill clerk with The OK Trucking Co., in Cincinnati, Ohio (“OK”). At that time, Hal was attending the University of Cincinnati law school and looking for night work. A buddy of his worked at OK and knew that Hal was a fast typist, a handy skill in those days. OK, like many other carriers in that era, was a small, feisty regional carrier with an Ohio and West Virginia focus, intent upon growing. OK’s President, John H. Holmes, a West Virginian who got his start with one truck hauling for CCC camps and later for the Army during World War II, along with his business partner, Dr. Arthur C. Litton, also of West Virginia, took an immediate liking to Hal. As Hal was nearing the end of law school, Holmes offered him a job with OK. Hal was at that time thinking he might “hang out his own shingle” or pursue private practice. Holmes offered him a compromise, a “trial period” in private practice, with the opportunity to join OK at the end. Hal took that offer and started a 14-month “trial period” with attorney Frank Litton’s office in Charleston, West Virginia, who was Holmes’ nephew. At the conclusion of the trial period in 1954, and after a bit of negotiating, Holmes and Hal struck a deal and Hal accepted Holmes’ offer of employment and immediately jumped into labor relations with OK. From there, the rest is history as Hal, a prodigious note taker with an almost photographic memory, quickly gained respect among the carrier and union representatives and ultimately participated in the negotiation and administration of every NMFA until his retirement in 2007. During this same time, he also served on the National Grievance Committee and the powerful Change of Operations Committee. This is Hal’s story about the history of the NMFA, as told to us through a series of interviews with Hal and by reviewing many thousands of pages of documents and contracts collected by Hal from employer and union sources, as well as detailed notes taken by Hal, throughout his 50+ years of service to the trucking industry.

What Exactly is the NMFA

In general, the NMFA is the collective bargaining agreement between the International Brotherhood of Teamsters ("IBT") and the Teamster-organized motor carrier employers. More specifically, the “national” part of the agreement consists of the first 39 Articles, originally 37 Articles. These articles cover the topics and issues common to all operations, local cartage or over-the-road, across the country and, perhaps most importantly, the facilitation of a national wage structure. A comparison of the NMFA article headings from the original 1964-1967 agreement to the article headings in the current 2008-2013 agreement, shows that the subjects of
the national articles have not really changed much from what was originally negotiated in 1964, although there has been expansion of the content of the articles over time.

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When Hal entered the scene in 1954, labor-management relations in the trucking industry were still somewhat of a patchwork, consisting primarily of various state and local agreements. For the most part, each carrier independently worked to secure the agreements needed to facilitate its operations, local by local, city by city and state by state. As Hal recalls, as of 1952, Hoffa, then a Vice President of the IBT and head of the Central States Conference, had been able to negotiate an initial regional contract, the Central States over-the-road contract. This was, largely, a benefit to the employers. As Hal describes it, “they (the carriers) didn’t like everything in it, but they wanted the framework, the flexibility to run beyond state lines.”

By 1955 Hoffa came forward with a Central States local cartage agreement. “When he got the over-the-road contract, he had in his mind, to use it as leverage, a sledge hammer, to hammer each of the states involved into a cartage contract.” This led to Hal’s first real direct encounter with Hoffa. Hal was in West Virginia working on the West Virginia contract which was scheduled to expire in 1956. At this time, Hoffa was using his success in the Central States to pull other areas into conformity with the Central States as a way to unite the country one area at a time. Hal described the process as follows:

“Now, in West Virginia, their contract ran out in ’56. Remember the Central States [contract] was 1955. Then Hoffa, after his winning in Central States, he began to go to various parts of the country to start to invite, involve everybody else and try to get them to accept the Central States.”

As a part of this process, Hoffa was attempting to pull West Virginia into the Central States. Hal and Bob Todd, President of Commercial of Ohio who was himself a powerful force in the Ohio and West Virginia labor scene, were trying to craft a proposal that would, over time, bring West Virginia’s wage structure in line with Central States, all in anticipation of where Hoffa was ultimately going to take things. They got into a stalemate with the West Virginia Teamsters over their counter offer which did not include a pension contribution clause. Hal and Todd were in heated negotiations with Hal Dillon, President of the Huntington, West Virginia Local, Joe McCann, the Eastern Conference Teamsters Freight Director, and Frank Rebhan, head of the Charleston, West Virginia Local. At one point in the negotiations, the union group telephoned Hoffa which led to Hal’s first real encounter with Hoffa, and where Hoffa gave Hal the handle of “The Kid from West Virginia.” Hal describes his encounter with Hoffa as follows:

“So we had adopted a proposal and [Bob] Todd and I between us figured out what would be a good deal for us anticipating what Jimmy was going to do in ’57. [The 1955 Central States Contract
[provided for a re-opener on wages in 1957] So we had a 5 year contract that would expire in ’61 in tune with Hoffa’s contract, right, however we didn’t put a pension clause in there. And he had already got a pension clause. $1.00 a week for a start and that’s his baby. It was like Obamacare. He was going to have a pension you know, for everybody, and so forth. Now where I first met him on a negotiating basis, I mean a screaming basis, Joe McCann represented the Eastern Conference [of Teamsters] at the table because Charleston’s in the eastern conference. And [Hal] Dillon was satisfied with Joe because he worked with him before, before he went to split. So Joe McCann was there and Joe was kind of agreeing with our package, you know, saying it was a good package, and he had to keep calling Hoffa see. Hoffa was over him, so I guess Frank Rebhan then called him [Hoffa] and said he didn’t like the contract anyway…what happened was Joe McCann said to Todd and I, “I need you to come out to the telephone, Jimmy’s on the phone”. And he said “Jimmy wants to talk to you,” to Todd, so he [Hoffa] says to Todd “I’m told that you won’t agree to a pension clause in that contract and if you don’t agree to the pension clause they’re going to strike and I’m going to support them by paying full wages to every member in this contract on strike. There’s only 400 of them and I can afford it.” so he said to Bob. And Bob said to him, “look, we might talk about the pension clause, but if these people were anything reasonable about the proposal we have on the table which reaches your, you know brings us even with you in 1961…I need something from you today.” Hoffa said “what the hell are you talking about.” So Bob said, “here, talk to my associate, he’s got all the facts and figures on our proposal.” And he asked me questions about it. Every time he asked me a question, I said “how can you disagree with this? It follows the pattern you set in ’55. And that’s what I know you’re doing with other people, I’ve talked to them.” And he said “well you God damn…who are you.” And I said, I tried to tell him I’m from Ohio, and he said “what are you doing in West Virginia.” And he always called me the kid from West Virginia even though I represented Ohio, you know. At the national committee and everywhere else. So that was my first duel with him.

* * *

Well he [Hoffa] got back on the phone with McCann and he said to McCann “what the hell’s wrong with what that kid’s talking about” and Joe said “West Virginia won’t go for it” and Jimmy said “well you talk to them and if you can’t talk to them, I’m going to talk to them [Hal Dillon and Frank Rebhan],” and I don’t know what took place on their side of the fence, but finally that proposal with the
insertion of a $1.00 contribution to the pension fund, just as I’d written, was what became the West Virginia contract…

By 1958 Hoffa had been elected President of the IBT and the wheels were in motion for him to move forward with his national contract agenda. In 1961, the Union came back to the employers and placed into the various area agreements language that set the stage for the NMFA. The 1961 Central States Over-The-Road agreement and the 1961 Central States Local Cartage agreement (which contained essentially the same enabling language as the other area agreements) both contemplated future national agreements, in the next contract, with the following articles:

Central States Area Local Cartage Agreement:

ARTICLE 42. National Agreement

The parties to this Agreement accept the principle of a National City Cartage Agreement. Accordingly, the Employers and the Unions which are parties to this Agreement shall on written notice from the Union, at least ninety (90) days before the termination date of this Agreement, enter into negotiations for the purpose of negotiating such National Agreement. However, nothing herein contained shall be construed as requiring any party hereto to be committed to a policy of complete uniformity in all matters which are covered by such National Agreement.

Central States Area Over-The-Road Agreement:

ARTICLE 49. National Agreement

The parties to this Agreement accept the principle of a National Over-the-Road Agreement. Accordingly, the Employers and the Unions which are parties to this Agreement shall, on written notice from the Union at least ninety (90) days before the termination date of this Agreement, enter into negotiations for the purpose of negotiating such National Agreement. However, nothing herein contained shall be construed as requiring any party hereto to be committed to a policy of complete uniformity in all matters which are covered by such National Agreement.

Consistent with this language, Hoffa served notice to the industry that he would be back in 1964 to negotiate a national agreement.

The Employers Get Moving

With the handwriting somewhat on the wall, the Employers realized the need to get organized on a national level in order to confront the Union’s efforts. On April 25, 1963, representatives of approximately 200 various labor groups and associations from across the
country met in Chicago to discuss the formation of Trucking Employers, Inc. (“TEI”), which would later come to be known as Trucking Management, Inc. (“TMI”), the primary bargaining group for the trucking employers. Hal was present at this meeting, during which the group passed the following resolution to bring together the employers for the purpose of establishing a national organization:

“RESOLVED: THAT THIS GROUP AGREE IN PRINCIPLE WITH THE NECESSITY OF A NATIONAL ORGANIZATION TO PRESENT A UNITED FRONT IN CONNECTION WITH THE FORTHCOMING LABOR MANAGEMENT NEGOTIATIONS; AND FURTHERMORE, THAT IT IS THE CONSENSUS OF THOSE HERE PRESENT TO RETURN TO THEIR RESPECTIVE STATES AND CITIES, TO AUTHORIZE DELEGATES OF THE CALIBRE CONTEMPLATED BY THESE RULES AND IN THE NUMBER SPECIFIED BY THE FORMULA FOR THIS NATIONAL PROGRAM AS PRESENTED HERE TODAY, TO PRESENT THEMSELVES AT A MEETING TO BE HELD IN CHICAGO IN THE EARLY PART OF JUNE, 1963, AT WHICH TIME ORGANIZATIONAL RULES AND PROCEDURES SHALL BE ADOPTED TO GOVERN THIS NATIONAL ORGANIZATION ALONG THE LINES SET FORTH HERE TODAY.”  

At the subsequent June 4, 1963 meeting held at the Palmer House in Chicago, the delegates elected officers and adopted regulations and procedures and TEI was born. The original officers of TEI elected at the June meeting, were as follows:

Chairman – W. G. White, President-Consolidated Freightways

Vice-Chairman – J. R. Wilson, Executive Vice President-Roadway Express

Treasurer – G. E. Powell, Sr., President-Yellow Transit

Raymond F. Beagle, Jr. was appointed General Counsel

Benjamin R. Miller was appointed Secretary

By December 8, 1963, TEI, was authorized to represent 819 carriers. Hal was able to obtain a copy of the TEI “Master List of Authorizing Carriers” which reads like a who’s who list of all the historical carriers that built the industry, few of which exist today. By 1970 TEI had over 1,500 member carriers, its high watermark for membership, with 1,087 of those carriers authorizing TEI to bargain on their behalf.

TEI, later reorganized as TMI, has continued as the major employer negotiating arm of the industry throughout the history of the NMFA. Hal, on behalf of OK, through its membership in TEI and later TMI, and as a member of the Ohio Motor Carriers Labor Relations Association, and later as a representative of MCEC, the Central States Area employer organization, ultimately
participated in the negotiation of every NMFA and Central States Supplement until he retired in 2007. As is discussed later, ultimately the schism that naturally existed between large carriers and small carriers widened, particularly with the advent of deregulation. This led to the formation of the employer organization known as Regional Carriers, Inc. (“RCI”), which OK joined in 1985 and through which Hal participated in the NMFA negotiations beginning in 1985 (and again in 1988 and 1991), and used as the vehicle to negotiate, along with the efforts of Tom Jones, the President of RCI and his follow RCI negotiators, the landmark wage reduction or profit sharing plan of 1988. This wage reduction plan allowed carriers to reduce the wages of their employees by as much as 15% if approved by 75% of their employees, allowing for the first time a two-tier wage structure. More on this later.

The 1964 Contract Negotiations, Birth of a National Contract…Almost

With the carrier employers now fully organized as a multi-employer group, and Hoffa firmly in control, the parties set out, in late 1963, to negotiate the first NMFA. Hal was there on behalf of OK, as a member of TEI, and essentially as Secretary of their negotiating committee. The agreement ultimately negotiated was clearly national in scope with the preamble specifically stating that it covers “operations in, between and over all the states, territories and possessions of the United States, and operations into and out of all contiguous territory.”13 As Hal acknowledges, “that concept never existed until 1964.”14

But as Hal quickly told us in our first meeting with him, although Hoffa’s vision may have been a true national agreement covering all of the terms and conditions of employment for his Teamster members, “he never made it.”15 Indeed, although the union submitted proposals for a National Over-the-Road Motor Freight Agreement and for a National Local Cartage Agreement, just as the 1961 contract envisioned, (originals of which Hal has in his archives) the Union never fully obtained that goal in 1964 or at anytime thereafter. Instead, there is an NMFA today, just as there was in 1964, which covers many aspects of the employment issues common to all operations, and then there are separate supplements relating to over-the-road and local cartage operations for each Teamster Conference area, the Central States, the East, the West and the South.16

As Hal relayed to us, what stopped Hoffa from unifying the country under one true National Freight Agreement following the 1964 agreement, was in Hal’s opinion a little matter down in Chattanooga, Tennessee…a jury tampering conviction handed down on Wednesday, March 4, 1964, that sent Hoffa to prison in 1967, which ultimately led to his removal from office as the President of the Teamsters as a part of his pardon by Richard Nixon, which finally led, to well, his…disappearance in 1975. Hal was in the “Marble Palace,” the Teamsters’ headquarters in Washington, attending National Grievance Committee meetings on the day Hoffa left for prison. Amazingly, as he recalls it, Hoffa conducted Union business right up until the time he left, hearing grievances cases the night before he left for prison. As Hal understands it, Hoffa also had a meeting of the IBT Executive Board that night in preparation for his departure. Hal describes Hoffa as having “iron guts,” as he carried on Union business knowing that he was headed to prison the next day.17

In among the many thousands of pages of notes and records kept by Hal over the years is a newspaper clipping file he maintained relating to the 1964 Hoffa jury tampering trial. Among
them is a copy of the Thursday, March 5, 1964 edition of the Chattanooga Daily Times detailing the events relating to the trial and the conviction. One small article from that edition, below the fold on the front page, specifically mentions the importance of the agreement that Hoffa had just recently finished negotiating in January, 1964 when he received word of his conviction.

“Hoffa’s Fortunes Take Quick Turn”

By Jack Wilson

A confident, smiling James R. Hoffa flew into Chattanooga on Jan. 19 with his family and lawyers to face charges of tampering with a Nashville jury.

Less than two weeks before, he had signed a contract in Chicago making him the most powerful labor leader in the country. The transportation pact not only brought his union members some $300 million in additional wages each year, but was the first labor contract to cover the entire nation. A strike called by Hoffa could provoke a national crisis. No labor leader had reached so high.

Two months later the stocky Teamster leader stood convicted by the Chattanooga jury for the first time, after many attempts, the government had a conviction against James R. Hoffa.¹⁸

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And so even though Hoffa may not have achieved a true national agreement in 1964, the public and, as Hal explains later, the federal government, believed that he had. When asked why the Teamsters were not able to build on the 1964 contract and achieve Hoffa’s dream of a true national freight agreement, Hal speculates that, Frank Fitzsimmons, Hoffa’s handpicked successor, and those that came initially thereafter, did not have the strength and leadership skills capable of uniting the various conferences. Given the chance, Hal feels that Hoffa would have, in subsequent contracts, cleaned up the many riders, side deals and conference supplements, ultimately obtaining a true uniform national agreement. And what about the claim by the Chattanooga reporter “that a strike called by Hoffa could provoke a national crisis”? We asked Hal how he recalls Hoffa responding to that allegation, and to the language in the 1964 contract that states that it applies “over all of the states, territories and possessions of the United States.” Hal responded as follows:

So he’s stating there that he controls the United States…

And that’s why Congress and the Kennedys and all that, said he could stop the country. Said he could stop the country because everything moves on a truck, right. So he could stop the country and that should never be. His [Hoffa’s] answer was that there will never be such a strike. There’ll always be coverage. That’s his
argument with the government. And to implement that situation, he got certain carriers, large carriers, covering the country with carriers, that agreed to run if there were a strike. Right? They agreed to continue running…

And in answer to the question of how Hoffa persuaded those carriers to break ranks and agree to run, Hal advised that:

Well, yeah, you see what he did…They got a financial loan from the Central States’ pension and they were beholden to him. You know, and see others got the same kind of thing or got something other than that. You know, like he settled a strike for them or something. He said you owe me one. And the one was a big one.

The Key Provisions of the NMFA

a.) Article 6 – Maintenance of Standards

When we asked Hal which of the 39 articles was, in his mind, the most important, aside from the national wage structure, he did not hesitate in saying that it was the Maintenance of Standards provision as set forth in Article 6. He advised that this was really Hoffa’s key provision, both to satisfy his own union members and to bring the employers in line. In its original form from the 1964 agreement, Article 6 provided as follows:

“ARTICLE 6.

Maintenance of Standards

The Employer agrees that all conditions of employment in his individual operation relating to wages, hours of work, over-time differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement. It is agreed that the provisions of this section shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from the date of error. No other Employer shall be bound by the voluntary acts of another Employer when he may exceed the terms of this Agreement. Any disagreement between the Local Union and the Employer with respect to this matter shall be subject to the grievance procedure. This provision does not give the Employer the right to impose or continue wages, hours and working conditions less than those contained in this Agreement.
Section 2. Extra Contract Agreements

The Employer agrees not to enter into any agreement or contract with his employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.\textsuperscript{22}

These original words from the 1964 agreement remain today essentially unaltered in the current 2008-2013 agreement with some additional language grouped in and around these original provisions.\textsuperscript{23}

As Hal describes it, Article 6 is not exactly what it appears to be. On the one hand, the clause requires that the employer pay the national standard, but more importantly if the employer was paying something higher than the national standard, they had to continue to pay it. It was this second aspect of the clause that Hoffa used to get other union areas around the country to agree to join together and sign a national contract.\textsuperscript{24} What the provision illustrates is that not all union locals or areas were in favor of the NMFA. At the time Hoffa was gaining power, the Teamsters had a hierarchy in place which created geographic pockets of great strength. Union leaders from these strong territories did not necessarily want to cede that power to Hoffa. The tool that Hoffa used to pull the group together was wages. He went area by area, and through tough negotiations and his iron will, raised wages, particularly in the South and in rural areas. And in those areas where the wage structure was already higher, he had to protect that also, and this led to the double-edged aspect of the maintenance of standards clause. It wasn’t until deregulation hit in 1980 and carriers began to stumble and fail that additional language appeared in Article 6 allowing for deviations from the national wage, such as the wage reduction plan of 1988 described later in this article.

b.) Article 33 – Wages, Casual Rates, Premiums and Cost of Living

Although the Maintenance of Standards section was clearly an important provision, a generous national wage structure was truly the unifying force behind the NMFA. Prior to Hoffa’s efforts to nationalize wages, there was a great deal of disparity of wages among different areas of the country. This was particularly true in road operations where there were both mileage rates and hourly rates in place, with fixed amounts for particular runs, the most notorious of these being known as multiple leg runs.\textsuperscript{25} Hoffa’s action, and that of the Teamsters leaders following after him, was to nationalize the wage rate through a national hourly rate and a national mileage rate. And although this allowed Hoffa to pull the union together, there was at the time some debate about whether bringing all of the Teamsters under one wage structure was really a good thing.

Among Hal’s thousands of pages of papers and documents is a 26-page booklet published by the Institute of Industrial Relations entitled “Hoffa’s Impact on Teamster Wages” by Ralph and Estelle James, 1964. Hal recalls the authors being present at the negotiations and various other events, causing him to wonder whether they were there more at Hoffa’s request, rather than to produce a scholarly work. Indeed, in putting together the article the authors specifically thanked Hoffa for the access he provided them as well as that provided by some other interesting organizations.
“The authors wish to express their appreciation to Farrell Dobbs, head of the Socialist Workers Party and founder of the Central States Drivers Council, and Benjamin R. Miller, Director, Industrial Relations Department of the American Trucking Association, for frank, lengthy, and very helpful interviews, and most of all to James R. Hoffa for extensive cooperation which afforded us unique and fascinating access to union meetings, caucuses, negotiations, files and personal discussions, upon which this paper and forthcoming book are based.”

The authors studied Hoffa’s actions back into the 50’s through the 1964 agreement. The observations and conclusions reached by the authors are interesting. In particular, they argue that there may not really have been economic justification for wage uniformity. For instance, they note that in the area of road driver pay, Hoffa pushed for a system that replaced trip rates or hourly guarantee rates with a uniform system of mileage rates with a guaranteed base. However, uniformity of rate does not yield uniformity of pay when you consider the existence of better roads, better weather and less congestion in some areas versus others, which led to higher pay in say western states versus some eastern states. Uniform wages do not mean uniform purchasing power either, due to variations in cost of living throughout the country. And of course, uniform wages do not reflect relative differences in labor markets and economic conditions among various geographic areas. Instead, the authors suggest that rather than any true economic justification, the actual motivation for Hoffa’s actions was power, power to unite the country.

Underlying Hoffa’s collective bargaining policy has been a vision of power aggrandizement for himself and the union, the building of an industry-wide contractual structure under a single unified command – his own. When necessary, Hoffa has sacrificed both wage gains and employment, at least temporarily, to further his goal. For example, his cooperation on productivity improvement measures, costing some members their jobs, has been partially designed to win the employers’ good will for his expansionist schemes.

The authors also pointed out how Hoffa used his plan of wage uniformity as a way to suppress the members of his union who resisted his objective of a National Master Freight Agreement.

Hoffa’s championship of wage uniformity provided a righteous rallying cry for overcoming union opposition, as he moved, step by step, into new areas. The South’s inferiority to the Midwest, the rural inferiority to the large cities, both enabled him to extend his power in the fifties. Then, he promised Los Angeles in 1961: I raised Little Rock’s wages higher than yours; if you let me bargain for you I’ll bring yours up too. To New York in 1962: I can raise your wages to equal or exceed those in Los Angeles and the CSDC. And to Philadelphia in 1963: I’ve pulled wages in New York and New Jersey above yours; now let me conduct your
negotiations and I’ll get you even more. As different groups successively got left behind, Hoffa could, with much bravado, correct the resultant “inequity,” add to his widespread reputation as a negotiator, and expand his sphere of control.

Hoffa is a master manipulator of wage differentials, and conveniently, the expedient course of action has usually resulted in more rather than less uniformity.\textsuperscript{28}

Although perhaps not justified by economic theory, Hoffa had without question a profound positive impact upon the wages of trucking employees and in doing so, demonstrated that he was a master of placating competing forces to create the National Master Freight Agreement.

**Article 8 – National Grievance Procedure**

One final key area that the NMFA brought to the table was the creation of the national grievance procedure and later in 1967, the development of the powerful Change of Operations committee. These provisions are contained in Article 8 of the various NMFA agreements. Prior to 1964, grievances were resolved on a local, state and in some instances, an area basis. As Hal advised, “prior to setting up the national committee, you just had a supreme court, that’s all, which Jimmy was in charge of, right.”\textsuperscript{29} Some of the procedures provided for final and binding arbitration and some did not. The creation of a national grievance procedure placed another step in the process. The National Grievance Panel, which continues to exist today, consists of an equal number of employer and union representatives, initially five (5) for each side. Hal was an employer representative to the National Grievance Panel from 1964 until his retirement in 2007. With an even number of representatives, the panel was obviously subject to deadlock. In its original form in 1964, there was no provision for arbitration and thus a deadlock could lead to a strike.\textsuperscript{30} It wasn’t until the 1994 contract that the employers were able to gain a form of arbitration, utilizing a third party neutral arbitrator. And the employers took a strike to get it, among other things.\textsuperscript{31} Hal advises that after the union “lost all the cases,” the neutral arbitrator clause was watered down for the 1998-2003 contract. By the 2003-2008 agreement, arbitration was gone from the agreement, given up in exchange for a 40 and out work week.\textsuperscript{32} Interestingly, along with the 1994 provisions for arbitration, the contract provided that “[N]o lawyers will be permitted to present cases at any step of the grievance procedure.”\textsuperscript{33} The “no lawyer” provision has continued in every NMFA contract since then. Interesting language when you consider that Hal was a lawyer.

The other important aspect with the creation of Article 8 and the national grievance procedure was the creation of the Change of Operations Committee. This provision first appeared in the 1967 agreement. Hal served on this powerful committee from its inception until his retirement in 2007. As described earlier, the Change of Operations Committee is the joint labor management body that rules upon issues arising from when carriers change operations, combine operations through acquisitions, close terminals, and generally engage in activities necessitating the movement of work and employees between locations.
Because these changes of operation occurred with great frequency over the years, the Change of Operations Committee was a powerful influence in shaping the structure of the trucking industry. The initial enabling language and mandate for the authority of the Change of Operations Committee from the 1967 agreement was as follows:

**Changes of Operations**

(e) Present terminals, breaking points, or domiciles shall not be transferred or changed without the Employer first having asked for and received approval from an appropriate committee on change of operations, the members of which shall be appointed by the Joint Area Committee. This committee shall also have jurisdiction over the closing of terminals in regard to seniority. This shall not apply within a 25-mile radius.

In considering any change of operations, this committee shall have the power to extend the three (3) year layoff period contained in Article 5, Section 1, or in applicable Supplemental Agreements, in the event it appears toward the end of such period that the circumstances warrant.  

As Hal did in the past, he first worked his way onto this committee as secretary, utilizing his copious note-taking skills, and then later became its de facto chairman, through his negotiation and people skills as well as his legal training. And as a result, he helped shape almost all of the major motor carrier acquisition/combination cases over the last 50 years.

Prior to the creation of the Committee in 1967, it existed informally. As Hal recalls, when the issue arose “Jimmy [Hoffa] appointed the Committee,” and mandated that it sit in Chicago, which in the end became the principal location for most all of the major Change of Operations Committee hearings. As the Committee formed and took shape, it began to establish guidelines and rules, some of which seem to be common sense today, but in the 60’s they had to overcome the entrenched and sometimes territorial practices of the industry. Chief among these was the concept of “dovetailing” seniority lists when drivers were moved or terminals combined, the evolution of which Hal crafted and participated in. The common practice today is to dovetail seniority lists, where the employees being moved are interwoven into the seniority list of the receiving terminal based on the seniority they earned at the terminal from which they came. In the ‘50’s and ‘60’s however, endtailing was the common practice, where the employees being moved are simply placed at the end of the seniority list, behind the employees of the receiving terminal. Hal’s comments about how this evolution occurred are fascinating and illustrate the difficulty the union had in balancing the politics of its various locals. In the end the Committee reached a compromise that said “you’ll get what you give” on this issue. In other words, if you require endtailing when you receive drivers, then when your local members are moved, they will be endtailed. Hal recalls the evolution of the issue as follows:

Generally when the change started, at Central States, and remember they all come to Chicago, and we would...we would
allow the local union receiving the people, okay, to designate the seniority of those people as opposed to their people, the people who were already there…okay. So that any time there was a board where you transferred people, except for a few responsible people, they would go to the bottom of the list. Now this is interesting. I used to protest, I’d say you bunch of no good bastards, you’re all brothers. I had an argument with Jimmy [Hoffa] over that. I said you know, you should be protecting these people’s seniority. They should be dovetailed in accordance with their seniority. They’re all the same, they’re all union members. And he said I agree but I can’t do that, he said we just won’t agree to it. I said Jimmy, they will agree to anything you are adamant about, and you know that. Now, when we, when this went on, and what happened was in 1967, that’s after the new contract, I had all the swing on the committee because Roy Lane was the Union chairman of…union chairman and the employer chairman was like Rex Sprinkle and Ted Bauer…Okay, now, in ’67, me and Lane agreed that what was going on was bull shit.…So we ran the rule from here on in that they’ll [transferring employees] be dovetailed, okay…the men will be dovetailed. Now that’s not in the contract…Okay, now, Lane and I kept saying to, that this was a miscarriage of justice, this failure to dovetail right. And then Lane used to look across…Red Fularcyk was a member of the committee also…he’d look across at these guys and say okay son of a bitch, if they move people from your place to someplace else, you, you’ll get what you gave, okay. In other words they’re saying, Robby if your men move from here to Detroit, your ass is going to the bottom of the list. Your people…and how are you going to explain that…so we had a lot of controversy. People would holler and were nasty with each other and all that shit see…so I catch this problem. During the 4 years, or 3 years from ’64 to ’67, almost exclusively, the men went to the bottom of the list, okay. Now in ’67, Lane and I went to Jimmy and told him this is bullshit, you know. And this is where we got into the argument and all, and I said to him you don’t have to, you know he said I can’t get the local unions to accept them, I said you got a way out…we’ll do it. He [Hoffa] looked at Lane and he said you gonna take that kind of heat…Lane said well hell yes, I think it’s the right thing to do and we defend it, don’t we Hal, like that…and Jimmy said, okay, do what you have to do.37

In 1976 dovetailing became contractual.38 Over the years, the Change of Operations Committee evolved into a seat of power. Its decisions affected millions of dollars of employer resources and the lives of thousands of teamsters, as the carriers combined and adjusted their operations over the years. And as the power of the committee grew, Hal was sought out by employers to help them construct their changes and operations. In the end, there was never a deadlocked case in the Change of Operations Committee in the years that Hal sat on the Change
of Operations Committee. He credits this to the IBT co-chairs he served with over the years, Roy Lane, “Red” Fularcyk, and Joe Orie “who were knowledgeable, reasonable and willing to take on their own people and worked together to make decisions that were in the best interests of both sides, and the Change of Operations Committee.”

The Most Important Negotiations

Although all of the NMFA and related Supplement negotiations were critical due to their economic and operational impact on the industry, we asked Hal if there were any that stood out as more critical or important in some way. Without hesitation, he pointed to the 1985 and 1988 negotiations. The 1985 negotiation was critical, as it saw a break in the ranks between the large carriers and the small carriers and laid the groundwork for the 1988 wage reduction plan. The 1988 negotiation was critical because it delivered a wage reduction plan, whereby employers could reduce the wages of their employees by up to 15% if they could get 75% or more of their Teamster employees to agree. Both negotiations pitted Hal and the industry against then Teamster President, Jackie Presser. What follows is a summary of these key negotiations.

By the mid-1980’s, the effects of the Motor Carrier Act of 1980, deregulation, were strongly in play. Many of the union carriers had failed by this time. And with the pressure of new non-union carriers entering the scene and the ability of existing carriers to expand their operations and enter the traditional turf of others, the natural schism between the smaller regional carriers and the larger carriers began to fester and widen. The schism manifested itself in the summer of 1984 in what Hal calls “one of the worst days of my life.”

In particular, at that time, the hierarchy of TMI, the successor to TEI, the bargaining organization for the employers founded in 1963 and discussed above, enacted a change to its Bylaws, what TMI President Arthur H. Bunte, Jr., called a “restructuring process.” The restructuring process entailed, among other things, the enactment of a weighted voting process relating to contract negotiations. It gave large carrier members the ability to out vote smaller carrier members on contract ratification and to, in effect, force a contract or a strike upon them. The provision, Article VII Section 3 of the TMI By-Laws, provides as follows:

Sec. 3 Contract Ratification. Upon the recommendation of the Board of Directors, the Membership Committee shall have the authority to ratify a collective bargaining agreement. The Membership Committee in voting to ratify a collective bargaining agreement shall be entitled to vote on the following basis: one (1) vote as a TMI member and, in addition, one (1) vote for each five hundred (500), or portion thereof, of the member company’s employees covered by the NMFA as reported to TMI for purposes of dues and assessments pursuant to Article XII. A member company’s entitlement to voting rights is contingent upon the company being current on its dues and assessments obligations to TMI.

As a part of this restructuring process, Hal lost “his place at the table” (temporarily) as he was replaced as Secretary of TMI’s national negotiating group and would thus no longer be a
part of the TMI negotiating group. A move he feels was a backlash to his vehement opposition to the restructuring process and adoption of the weighted voting procedures. But you can’t keep a good man down, and Hal was soon sought out by others to join their organization.

Prior to the schism and the restructuring of TMI, the two (2) primary employer negotiating groups were TMI and the Motor Carriers Labor Advisory Council (“MCLAC”) run by Frank and Gloria Bridge and later by their son, Steve Bridge. But the schism brought a new player to the scene, Regional Carriers, Inc. (“RCI”), a group of small short haul union carriers assembled by Tom Jones, an attorney out of Kansas City. Jones contacted Hal and asked Hal and OK to join in with RCI. Hal and OK eventually agreed to do so, which led to Hal ultimately being selected as the lead negotiator for RCI, a position he had been unable to obtain in the heavily structured TMI organization.

Hal knew, however, that in order for the efforts of RCI to be successful, they had to be at the table with TMI, because going second after TMI had already negotiated its contract, would relegate the group to a “me too” position. Hal contacted Jackie Presser, then President of the Teamsters, who Hal knew well from Presser’s days as the leader of the Cleveland, Ohio local, and asked if he could meet with him. They did so on October 29, 1984, while attending a joint conference. Hal’s negotiation notes from that day reflect the following exchanges:

Jackie made an appearance before the start of the afternoon panel and said he would like to see me, [Bob] Todd and T. [Tom] Jones that evening if possible and have breakfast on Wednesday morning before he left…T. Jones sent a telegram saying he couldn’t make the meeting. Todd and I went to [Dick] Collinson’s room with Jackie and he excused Dick. We began with the usual small talk and then J.P. [Jackie Presser] asked us how RCI was coming along. I told him we had only begun a short time ago but we were happy with the progress, having over 40 paid members with many others making commitments. He said he had heard many good things about our forming organization and he cautioned me about saying nasty things about TMI and/or A. Bunte. I told him that I had not done this and that he was not hearing truthful or accurate rumor. He said he was hearing that we were the good guys and the others were bad and we should be careful not to tarnish our emerging image of credibility or integrity.

He asked me how many employees were represented by RCI and I told him I didn’t know. He said that he would like a letter advising him of the number of carriers and their employee numbers as well as a copy of our authorization to represent. I told him that I thought it was a little early for that and he then got a little nasty stating that the authorization that had been given to him was no good (he indicated that TMI-MCLAC reps had provided same) and that unless we got proper authorization to represent or power of attorney, he couldn’t meet with us as a group. I told him that it
was all we could get at this time and he said, well, you might as well tell your people it’s not good enough.44

Hal also recalls Presser asking at the meeting “how many do you have,” a reference to the number of carriers RCI represented. Hal answered “how many do we have to have?,” meaning carrier members.45 Tom Jones followed up the meeting with a letter to Presser dated November 20, 1984, advising him that at that point, RCI represented 46 carriers with approximately 25,000 employees.46 Status at the table was ultimately granted by Presser.

Hal’s posture for the 1985 negotiation was that in order for the organized carriers to survive, particularly the short haul carriers, they needed a series of work rule concessions, such as combination barns (where employees can work on the dock and drive also) and utility men, along with a wage reduction plan. TMI, which came to the table with only 45 carriers, down from the nearly 820 it represented in the first NMFA negotiations in 1964, was opposed to what it believed was a two-tier wage provision designed to benefit the small carriers.47 Little did they realize, as Hal had warned them, that in later years they too would need such a provision in order to survive.

In order to gain further strength at the bargaining table, RCI, at the invitation of Frank Bridge, Chairman of MCLAC, joined with MCLAC, which had some 49 carriers. They agreed to negotiate/bargain jointly and also agreed that any decision regarding contract approval remained with each organization. A Memorandum of Understanding between the two groups was prepared setting forth this understanding, but it was never signed.48 Instead, before accepting the invitation, Hal made Frank Bridge promise “that before you take a dive…” (referring to the point in the negotiations when MCLAC was ready to accept the contract), you must promise me that you will tell me before doing so. Bridge gave that promise, and kept it.49

Ultimately Hal, Tom Jones and the rest of the RCI negotiators were unsuccessful at the 1985 negotiation in obtaining the wage reduction plan they sought. The opposition by TMI and the unwillingness of union leaders to face down their own members with what they knew was necessary for the small and medium carriers to survive, was too much of a hurdle to overcome. Hal’s notes from the negotiation recount the following exchange with Presser on March 22, 1985, nine (9) days from contract expiration, as TMI and MCLAC were closing in on a contract. The exchange shows the pressure the Union was putting on RCI to cave in and agree to a contract and Presser’s fear of upsetting his members if he agreed to any type of wage reduction plan:

3/22/85 – 9:00 A.M. – National RCI/MCLAC Meeting

JP [Jackie Presser, Teamster’s President]: I have been told there are no lawyers in the room so we can proceed without identifying ourselves – where are we?

HF [Hal F. Franke]: Well, we had several sub-committee meetings and we believe we are in a position to get close on clause language, other than legal – did you look at our overall supp. proposal?
JY [Jack Yeager, Teamsters National Freight Director]: Well, we looked at it, we gave you appropriate grievance co. language.

JP: You're just stalling and if that's all you are going to do, step aside because we're going to negotiate one (1) Master Agreement with National Standards.

HF: We're not stalling, we've made good progress, we're trying to clean up the Master. Now our proposal on Art. VI. [referring to RCI's proposal for a wage reduction plan], can we move that to our discussions on monetary – take it out of Master and if we agree, put it in Supp.!!

JP: Put anything in there, I'm not agreeing but we can talk about it there.

HF: OK.

BB: Can we have a recess?

BB & TJ [Tom Jones] and I talked to JP and JY outside while we were in caucus – goes like this…

JP: You are screwing us around and we don’t like it – We gave you your damn Supp.

HF to JP: is deferral a way to approach monetary – like the Ohio Rider concept – I'll talk economics with you but I won’t agree to anything different. What about employees vote on wage reduction?

JP: I’ll talk about anything but I won’t agree etc. Look, Hal, I got a contract and I know I can make MCLAC agree, where does that leave you?

HF: Still a separate multi-employer unit that won’t ratify your deal.

JP: Then I’ll see you in the street.

HF: I guess that’s where we will have to meet then.

JP: I know and understand, but I like you, you’re holding up everyone in this hotel, you are – you’re the only person whose going to come out of this with a black eye and I don’t want to see it. Your people will fade on you – they tell us that so you’ll just end up getting screwed – does that make sense?
HF: I signed up months ago to get screwed, I guess, but you made some promising statements and now –

JP: I can’t do anything, my guys told me it’s political suicide.

HF: Well, I’ll see you wherever, I don’t believe MCLAC can sign under these circumstances, my people are hurting so bad that they can’t sign and I will not recommend ratification so it looks like we’re heading for the street.

JP: Why do this to yourself – at this point you are a bull with no horns – face it – and I can’t let you hold us up.

HF: I don’t intend to – but as I told you – our Board will not make it easy on me or you, so let’s have it out…

NOTE: We agreed to recess until Sunday morning after returning for this exchange.

Return – JP – We had better get on with this – I am going to give you this time table. I want to get on with this and conclude this contract with TMI. I have my Executive Board coming in here Wednesday to explain the contract. Thursday we intend to settle the unresolved issues in the Supps. and then get ready to ratify, vote, etc.

HF: We don’t intend to bring our unresolved issues before any TMI panel.

JP: Well, I’m tired of hearing that crap – I told you that you have your own damn unit and we’re not going to mix you in – now quit it.

HF: That’s clear, I just quit.

JP: Let’s get moving on all this, Supps. and all, and JY will meet with you and the lawyers today in 520.

HF: Alright, we understand.

JP: By the way, how do you feel about retro-activity?

Pause – JP: Did your mike go dead?

HF: No, do you want a personal expression?

JP: Of course not, an association expression.
HF: We’ll meet with our board and tell you.

HF: Have the answer by Wednesday.

HF: We’ll Try.

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The RCI group met to review JP’s statements and National Meeting events – Consensus – Stand tough at Board meeting – get authority to deal retroactive if we deem it advisable – keep our eye on MCLAC, the heat is coming.  

***

TMI and McLAC continued to close in on a contract. But Hal and RCI continued to stand their ground. Hal’s notes from March 27, 1985 illustrate the heat he and Tom Jones and the other RCI representatives continued to take for holding out, but also show Hal’s willingness to stand up to the Teamster’s and Presser, an opportunity he relished, and one he had not had before when he and OK negotiated as a part of TMI, where he was always at the mercy of the TMI CEO’s with whom he did not always see eye to eye.

“At noon JP [Jackie Presser] left his meeting and met me in the lobby where I was talking to TJ (Tom Jones, President of RCI). [Bob] Todd had just left for lunch. JP said, I know you need to meet with me but Yeager [Jack Yeager] not available and I will let you know as soon as I can get with you.

HF [Hal F. Franke]: I’m not pushing – just let me know.

A few minutes later, JP grabbed TJ and me and said let’s go. He selected D. West (1st time) and JY to go with him – all others were barred from the room and it went like this –

JP: Did you have your board meeting?

HF: We did and we are prepared to answer your last inquiry.

JP: I received a report from your board meeting – you know –

HF: I didn’t know but I’m not surprised – I trust it was accurate and you were told our Board has not changed its mind.

JP: They will, several of your carriers have already called in and let us know they would not take a strike so TJ’s membership will dwindle – Well, what about retroactivity?
HF: We received the authority to give it if we deemed it advisable.

JP: Is that a commitment?

HF: If you say so –

JP: All right, but one (1) day after the contract is ratified, I will personally appear at the O.K. Trucking in Cincinnati to deliver the message.

HF: I have to tell you that if the gentlemen inside changes his mind – then you might as well come in and have coffee.

JY: You realize you are making a commitment now.

HF: If you want it in writing, TJ will write it up.

JP: Your word is good enough for us.

JY: You realize that retroactivity is day by day.

HF: Whatever, what I am doing is trying to operate in accordance with the program you set forth in Florida – the other day in caucus, you asked us to move aside so that you could complete negotiations of your National Standards with TMI if we couldn’t agree. I hear all over this hotel that I – we are holding everything up and stalling.

JP: I never said that and…

HF: I didn’t say that you did, but many people did…that’s why I spoke with JY last night.

JY: We didn’t talk about anything else – right.

HF: That’s right, we agreed to discuss nothing else until we met with Jackie.

JP: All right, but I just don’t understand you two (2) – Hal, at your age, you can’t afford such damage to your reputation and TJ, you’re a young man and don’t need this kind of a problem you aren’t going to get anything different.

HF: I accepted authority with the understanding I would give my best to represent membership which I believe in and I intend to give it that best.
JP: You’re the only one (1) who is going to get hammered and we all hate to see it.

HF: I signed up to get hammered and I will stay for the test, unless my Board changes its mind – which I don’t believe it will do.

JP: draws the following diagram

Now first I get TMI – I have them – tie the bar to MCLAC – I will definitely have them – you don’t believe that –

HF: You don’t have them now and I don’t want to say or do anything here that will interfere with FB’s (Frank Bridge, Chairman of MCLAC) coming meeting.

JP: Do you think they will hold tight?

HF: I believe you have usually done what you said you would but I don’t want to encumber FB– in any way – but on that subject – if they follow TMI contract we will not be with them any longer.

JY: Well, we have a meeting set with you and MCLAC to settle the unresolved issues on Friday at 9:30 A.M.

HF: Well, if we’re not with them, they won’t be in the room with us.
JP: Have you left them already?

No, and I don’t want to jeopardize FB’s meeting. Now I gave you my answer, what’s the money.


HF: Well, I am sure my people can’t absorb that so there’s no way I can recommend or they will ratify – should we talk about mediation?

JP: I don’t want it unless you do.

HF: Not necessarily, if we are going to talk extension.

JP: I just hate to see you guys do this; there will be a day of decision now or later – you can’t win. I can’t give you anything different – I spent two (2) days in court and talking to a Presidential Crime Commission about sweetheart and different contracts. I took the 5th but I also gave a complete statement deposition, I’m not taking any raps for those guys in Michigan etc. No special deals for no one – if I could do it for anyone, I’d do it for you but I just can’t…

51

TMI and MCLAC, true to form, agreed to a contract by the March 31, 1985 expiration date, averting a strike. With TMI and MCLAC having signed, RCI terminated as a multi-employer group on or about March 31, 1985 and each of its members was then free to negotiate its own deal. On the same day, Presser continued to tell Hal that the RCI group would not get anything different. In the same conversation, however, he congratulated Hal and the RCI group and told him “that you guys really made a difference.” But Hal and the RCI carriers stood their ground and continued to hold out for better terms than TMI had agreed to well into June, when the Union began to pick them off with strike notices. Ultimately, Hal, Tom Jones and the RCI negotiators were able to gain a few small concessions for their group. OK Trucking, like many of the RCI carriers, held out until the beginning of June, 1985. OK and the Union eventually signed a Memorandum of Agreement on July 16, 1985, allowing OK to have a separate agreement incorporating NMFA and Central States Supplement terms but also getting a few small, but nonetheless important, extra provisions such as the right to re-open on the one year anniversary by mutual agreement. In addition, through some pressure applied by Presser, changes in work rules were gained, such as the right to have a combination barn (terminal) in St. Louis if approved by the employees working there. Most of all, the RCI group obtained stature as a viable negotiating group that added much to the process.

The failure of the 1985 negotiations for the RCI group turned to success in 1988. Hal and OK Trucking again joined forces with Tom Jones and RCI. This time, however, TMI agreed that
the RCI group could negotiate with them, i.e., be at the table with them. RCI’s primary goal in the negotiations was again to obtain a wage reduction plan under Article 6. Except this time, Arthur Bunte, President of TMI, agreed that although TMI may not support such a plan, it would not oppose the proposal and would let RCI negotiate its Article 6 wage reduction plan and that RCI and TMI would negotiate side by side and at the same time.54 The TMI leaders had seen that the RCI group was an effective negotiating team and many of their own members were reeling from the effects of deregulation. Hal pushed a consistent message, meeting for lunch with Jackie Presser early on in the negotiations in Arizona, asking for his support for the wage reduction plan. Presser, who at the time was in treatment for brain cancer and was also under federal indictment for his alleged role in a ghost employee scheme at the Cleveland local, agreed to give that support. Co-Author, Steve Holmes, was present at the lunch. Ultimately, Hal, Tom Jones and the rest of the RCI group were successful in obtaining the wage reduction plan they sought. The provision ultimately placed into the 1988 NMFA was as follows:

Article 6
Section 2. Extra Contract Agreements

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Consistent with past interpretations made by the National Grievance Committee, profit sharing and employee stock ownership programs (ESOPs) which comply with guidelines established by the Teamsters National Freight Industry Negotiating Committee are not violative of this Section.

Wage deduction under any plan hereinafter adopted shall not exceed fifteen percent (15%) of the applicable wage rates, and such plan shall be adopted only if approved by seventy-five percent (75%) of the employees voting by secret ballot (in which case all unit employees shall be covered by such plan). 55

Simply quoting the language from the article does not do justice to the behind the scenes work performed by Hal, Tom Jones and the rest of the RCI negotiating team, to get the Teamsters to consent to this clause. Your co-author, Steve Holmes, was present with Hal at the 1988 and 1991 negotiations and witnessed the process first hand. Hal and Tom Jones used behind the scenes meetings, and exhausted their many contacts to talk up at every opportunity the importance of this provision to not only the carriers but also to the Teamsters, who were losing members in the transportation sector at a precipitous rate.

The wage reduction plan struck at the very heart of Jimmy Hoffa’s vision of the NMFA. It lives inside of Article 6, the key Maintenance of Standards section discussed earlier. As Hal says it, “I’m going right against the biggest Article that (expletive deleted) had”. 56 Soon after its enactment, regional carriers from all over the country began to petition the Teamsters for the 15% wage relief and the right to vote their men. Under Hal’s leadership, OK Trucking became the first carrier in the nation to obtain a 15% reduction under the new provision, achieving the same throughout its system and even in Chicago. 57

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And what about the large carrier “nay sayers” who said this was simply a veiled two-tier wage system designed to give the small carriers a better wage. In 2009, Yellow/Roadway implemented a wage reduction utilizing the Article 6, Section 2 wage reduction platform, that Hal and RCI originally proposed in 1985 and which was ultimately ratified in the 1988 contract.58

The Demise of the NMFA

The current 2008-2013 NMFA covers but a few carriers and of the five remaining TMI members in 2008, only 3 authorized TMI to bargain on their behalf.59 And as Hal describes it, what killed the NMFA…deregulation of course. As non-union carriers began to flourish and the fragmentation of the industry between LTL and truck load carriers became more defined, the organized sector of the industry disappeared. As a product of the 50’s and traditional LTL legacy carriers, Hal would say deregulation was not a good thing. And when asked if Hoffa had survived could he have somehow changed the outcome, he thought perhaps so. In Hal’s viewpoint, the large carriers did not do enough to fight deregulation. As he explains it, they felt that they could compete with anyone and did not fully appreciate what could happen. The more visionary Hoffa certainly might have better appreciated the risk. And one also wonders if Hoffa might have been able to better protect the industry by controlling the Teamster organization and its negotiating posture through the 80’s and 90’s, negotiating contracts that would have limited wages and benefits and provided needed operational flexibility to allow the carriers to be more competitive. In reality the responsibility is properly shared. When asked about the employers as a whole, Hal advised that their biggest weakness was their lack of unity and their practical inability to withstand a strike of any significant length.60

Observations on Hoffa and Other Key Union Figures

Overall, Hal acknowledged a great respect for Hoffa. At our very first interview, Hal explained to us that although Hoffa was an advocate for his members, he respected the need for the carriers to succeed. He also said of Hoffa that “he had a vision,” and he was “shrewd,” and he knew how to use the “leverage” he had and how to acquire even more leverage.61 He summarized his impressions of Hoffa in this way:

…he was a smart cookie. Now he wasn’t, you know, genius type smart or, you know, academically smart, but he knew how to use the leverage he had and he was tough. But the other thing is, he was smart enough to know that the Teamsters wages came from profit. And he intended to raise the wages and the profits of the companies.62

Indeed, even the authors of the 1964 article “Hoffa’s Impact on Teamster Wages” commented on Hoffa’s support of initiatives relating to the modernization of equipment and roads and improvements in the methods of operations.63 Whether his support was truly visionary or was simply to gain power is debatable. But as Hal told us early on, Hoffa consistently told his union members that “profit is not a dirty word.”64
Of course, Hoffa is not the only interesting character that Hal ran across in his 50+ years of service. Indeed, listening to him over several hours brings forth a veritable who’s who of persons not only in the Teamsters organization but the employers as well. And these are not people who Hal read about or dealt with from a distance. Rather, his knowledge of these folks is from first hand encounters. Frankly, the stories and anecdotes about the activities of both the union representatives and the employer representatives could be its own book. Because what is truly interesting is that they spent large volumes of time together, in meetings away from home, late nights, working through grievances, yelling at each other by day and having dinner and playing cards and becoming friends after work, and staying in contact with each other, both union and employer friends, long after they had retired.

Conclusions

At the end of 1991, OK Trucking succumbed to the pressure of deregulation and sold out with the surviving entity ultimately closing its doors a few years later. With the sale of OK, Hal lost his direct carrier connection. But the carrier industry soon realized how important he was and brought him on as the Chairman of MCEC, the Central States Area employer organization. Through this affiliation, he continued on his participation in the national negotiations, and on the Change of Operations Committee and the National Grievance Committee.

In 2007, Hal retired, or as he said it, the employer group really did not feel they could support him anymore and at age 78 he was laid off from MEC C and he stepped back...but not down...as he continued to actively follow the industry and maintain contact with many of his union and employer friends developed through the years. What happened in March of 2007 at the time of his retirement – layoff, really speaks volumes about Hal’s reputation and the industry legacy he forged. As his last official act, he attended the joint area labor management meeting in Florida in March of 2007, at which employer and union representatives were in attendance. While he was there, the union representatives in attendance sponsored a surprise party for him, paid for out of their own pockets. The employer representatives said they gave at the office...through his severance package. The union reps emceed the meeting and it was a tribute/roast of Hal. And so why would the union representatives chip in for the party? Not because they were glad to see him go...but because of his reputation for fairness, integrity and honesty.  Hal had a reputation for taking on both employer and union officials when they were wrong. As a result, he was both loved and hated in the industry. Indeed, his cynical view of CEO’s, who he often felt were not truly aware of the facts and were unwilling to stand strong, is legendary. But he was also known as one that would stand up to union at the 11th hour, and the one revered by those employer labor representatives who were in the trenches with him.

Sadly, during the final editing of this article, Hal suddenly and unexpectedly passed away. He died on September 29, 2012, his 84th birthday. He will be remembered as a truly colorful character, a legend in the industry, and really a champion of the industry. A compassionate person willing to help his fellow man and at the same time a tough as nails negotiator. His ability to recall the events over the last 50+ years was extraordinary as he maintained an almost photographic memory. He was also a prolific note taker and record keeper, compiling a body of work consisting of thousands of pages of typed notes, articles, letters, contracts and proposals. And through it all, despite the tough times, he emphasized how much fun he had, and the lasting friendships he made. He will be sorely missed.
God Bless You Hal and thank you for all of the wonderful memories and your lasting legacy.

*The authors are members of the law firm of Cors & Bassett, LLC, where Hal F. Franke served as Of Counsel for many years. Steve Holmes worked with Hal at The OK Trucking Co. for five (5) years from 1987 to 1992, and had the pleasure of joining Hal as a representative for The OK Trucking Co., and as a member of the National Negotiating Committee for Regional Carriers, Inc., at both the 1988 and 1991 NMFA contract negotiations. Both Steve and Bob were recruited to Cors & Bassett by Paul R. Moran, who served as a mentor to both of them and was a leading labor lawyer representing motor carriers and who was also a former TLA member. Paul died on February 16, 2009. Hal and Paul were long time friends, who worked together on many of the major Ohio trucking labor cases. This historical report is dedicated to the memory of Hal and Paul for their years of service to the trucking industry and for their incredible positive impact upon the lives of so many people.


12 Mike McMillan, President of TMI, telephone interview with author Stephen S. Holmes on October 22, 2012.

Essentially, all local unions with members working for motor carriers participate in the NMFA with the exception of Chicago Locals 705 and 710, which historically did not sign the NMFA, and have had their own contract and their own wage structure until more recently when Local 710 became covered by the NMFA. Hal F. Franke interview, April 16, 2012 and Mike McMillan interview, October 22, 2012. In the interview with Mike McMillan he advised that Local 70 in San Francisco also historically did not sign the NMFA.

Letter from Arthur H. Bunte, Jr., President of TMI to the TMI Membership, dated July 30, 1984. From the private papers of Hal F. Franke.

“TMI Bylaws” Article VII, Section 3, as Adopted July 20, 1984. From the private papers of Hal F. Franke.


Hal F. Franke interview, April 30, 2012.

Letter from Thomas J. Jones, Jr., to Jackie Presser, President of the IBT, dated November 20, 1984. From the private papers of Hal F. Franke.


Hal F. Franke’s 1985 Contract Negotiations Notes, p. 71, and Memorandum of Understanding between RCI and MCLAC dated on or about February 11, 1985 [unsigned], contained therein.

Hal F. Franke interview, September 13, 2012.


Hal F. Franke’s 1985 Contract Negotiations Notes, pp. 167-170


Hal F. Franke interviews, July 16, 1012, and September 13, 2012.

National Master Freight Agreement and Central States Area Over-the-Road Motor Freight Supplemental Agreement For the Period of April 1, 1988 through March 31, 1991, Article 6, Section 2, p. 27.


Hal F. Franke interview, September 13, 2012.

Mike McMillan, President of TMI, telephone interview with author Stephen S. Holmes, October 22, 2012.

Hal F. Franke interview, April 23, 2012.

Hal F. Franke interview, April 16, 2012.


“Hoffa’s Impact on Teamster Wages”, p. 72.

Hal F. Franke interview, April 16, 2012.

APPENDIX

1. Photo - John H. Holmes, President of The OK Trucking Co. (ca. 1947)

2. Photo - Hal F. Franke, Armed Forces baseball team (ca. 1946 Italy). Hal is on the far right, with the watch on his arm. Photo courtesy of the Hal F. Franke Family


HOFFA FOUND GUILTY ON 2 COUNTS; 3 OTHERS CONVICTED, 2 ACQUITTAL; TOP TEAMSTER SAYS TRIAL A FARCE
Ohio-Indiana obituaries

FRANKE

Hal F., devoted husband of the late Mary "Bink" Franke, loving father of Hal (Jean) Franke, Kevin (Diane) Franke, Gary (Sue) Franke, Paul (Julie) Franke, Mary Lee (Mike) Schiff, cherished grandfather of 15 and 1 great-grandchild, dear brother of James (Elaine) Franke, Myra (Jack) Hendy, Trudy (the late Tom) Vagel and the late Loisy Franke. Son of the late Leo and Gertrude Holtsman Franke. Hal was a member of the Elder High School Class of 1946, he received his undergraduate degree from Xavier University, received his Juris Doctor from The University of Cincinnati College of Law, Class of 1963, a member of the Cincinnati Bar Association. He was employed for 39 years with The O.K. Trucking Co., where he rose from bill clerk to Vice President of Industrial Relations and upon retiring from O.K., Hal continued to work in the trucking industry until 2008 as well as holding an "Of Counsel" position with Cos and Bassett, LLC. He was a 1983 inductee into The Price Hill Baseball Old Timers Hall of Fame. Hal was a devout Catholic, a beloved coach, an esteemed mentor, a devoted friend and a relentless educator (in his own way). He was always endowed with the utmost humility despite his not infrequent reference to himself as "the World's Greatest Individual". Hal's humility allowed him to never lose sight of his genuine concern for his family, his trucking industry colleagues and innumerable acquaintances and cherished friends. All these things Hal accomplished, he did so fortified by his faith, his ever present coffee, his welcoming cigars, an occasional wager here or there and the words "God Bless You". He surely will be missed, but not likely forgotten. Died suddenly September 29, 2012 at the age of 84, Visitation Wednesday from 5 to 8 PM at Meyer & Geiser Funeral Home, 4880 Glenway Ave, 45236 (opposite the Covell Caskets). The Mass of Christian Burial will be celebrated Thursday 11:30 AM at St. Antoninus Church, 1500 Lineman Road, 45239. In lieu of flowers, memorandums may be made to Elder High School (Class of 1946 Scholarship) Fund, 3600 Vinzell Ave. 45236.meyergarster.com
LIVES REMEMBERED

Hal Franke, key in labor talks
Attorney always for the underdog

By Michael D. Clark
mdclark@quirer.com

PRICE HILL — Nationally recognized labor negotiator Hal P. Franke, who bargained with famed union leader Jimmy Hoffa, could see across the table and into the other person’s point of view.

Mr. Franke, 84, of Price Hill died Sept. 29.

Mr. Franke was an Elder High School graduate, as well as holder of an undergraduate degree from Xavier University and a law degree from the University of Cincinnati. He also had a long-time habit of providing shelter for those in rough times.

“Growing up we always had people staying over at our house,” said his son Hal C. Franke, himself an attorney and former Delhi Township trustee. “He was a religious man, and he took that pretty seriously that you were supposed to help others.”

His wife, Mary “Rink” Franke, preceded him in death in 2000.

“He had an open heart for lost souls,” his son said. “Even at 84 he was still going out to local establishment, and he would get friends who were also widowers to come out and be social.”

That empathy played a key role in Franke’s 39 years of success at the former O.K. Trucking Co., where he started out as a bill clerk and rose to vice president of industrial relations. Despite retiring in 2008, Franke continued to hold an “off counsel” position with the Cincinnati law firm of Coers and Bassett, specializing in labor and employment transportation law.

Mr. Franke served as a member of the trucking industry’s national negotiating team for every national freight agreement negotiated between the motor carriers and the International Brotherhood of Teamsters. Starting in the early 1960s, those contract talks often found him sitting across from Hoffa.

Fellow trucking industry executive Jack Ferrone, who worked with Mr. Franke for decades, said “Hal was always for the underdog.”

His family, in a statement, said: “All these things Hal accomplished, he did so fortified by his faith, his ever present coffee, his welcoming cigar, an occasional wager here or there and the words “God Bless You.”

In addition to his son, survivors include three other sons, Kevin Franke of Evanston, Ill., Gary Franke of Symmes Township and Paul Franke of Fairfield; a daughter, Mary Lee Schiff of Evansville, Ind.; a brother, James Franke of Indianapolis; two sisters, Myra Hendy of Green Township and Trudy Yasgel of Anderson Township; and 18 grandchildren.

He was also preceded in death by a brother, Lony Franke.

A Mass of Christian Burial will be celebrated 10:30 a.m. Thursday at St. Antoninus Church, 1500 Linneman Road, Cincinnati.

Memorials: Elder High School, Class of 1946 Scholarship Fund, 3900 Vincent Ave., Cincinnati, OH 45205.