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Hearing Date: TBD

Objection Deadline: Monday, June 15, 2009

and

FRANTZ WARD LLP

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*Counsel to YRC Inc., formerly known as
Roadway Express, Inc.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
In re	:	Chapter 11
	:	
GENERAL MOTORS CORP., <i>et al.</i> ,	:	Case No. 09-50026 (REG)
	:	
Debtors.	:	(Jointly Administered)
-----X		

**OBJECTION OF YRC INC. TO NOTICE
OF (I) DEBTORS' INTENT TO ASSUME AND ASSIGN CERTAIN
EXECUTORY CONTRACTS AND (II) CURE COSTS RELATED THERETO**

YRC Inc., formerly known as Roadway Express, Inc. ("Roadway"), by its undersigned counsel, hereby objects on a limited basis (the "Objection") to the Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property, and

Unexpired Leases of Nonresidential Real Property and (II) Cure Costs Related Thereto (the “Notice of Intent”) served upon Roadway by the above-captioned debtors and debtors-in-possession (collectively, “GM”) pursuant to this Court’s Sale Procedures Order (ECF #274). In support of its Objection, Roadway respectfully states as follows:

BACKGROUND

1. On June 1, 2009 (the “Commencement Date”), GM commenced these voluntary cases under chapter 11 of the Bankruptcy Code.

2. On June 1, 2009, this Court entered an order (the “Shippers and Warehousemen Order”) authorizing GM to pay the pre-petition claims of certain of GM’s carriers, warehousemen and other logistics suppliers.

3. Pursuant to the Shippers and Warehousemen Order, on or about June 1, 2009, GM sent a notice to Roadway stating that GM intends to pay the pre-petition claims of Roadway in exchange for Roadway’s written verification that it would (a) continue to provide services to GM during the pendency of GM’s bankruptcy case on the most favorable terms that existed between Roadway and GM prior to the commencement of GM’s bankruptcy case and (b) not cancel any contract or agreement pursuant to which Roadway provides services to GM on less than 90 days’ prior written notice. Roadway sent GM written verification of its agreement to these terms on June 5, 2009. (*See, Exhibit A.*)

4. On June 2, 2009, this Court entered an order (the “Sale Procedures Order”) approving GM’s sale procedures, which includes procedures regarding GM’s assumption and assignment of executory contracts.

5. Pursuant to the Sale Procedures Order, on or before June 5, 2009, GM was required to send the Notice of Intent to Roadway, indicating that GM intends to assume and

assign certain of GM's agreements with Roadway (the "Assumed Contract"). Roadway has not yet received the actual Notice of Intent.

6. The Sale Procedures Order provides that information regarding the Assumed Contract, including Roadway's cure amount (the "Proposed Cure Amount"), could be obtained from the Contract Website (as defined in the Sale Procedures Order). On June 11, 2009, Roadway received login and password information from counsel to GM for the Contract Website. The Contract Website indicates that GM is assuming a contract with Roadway and that the Proposed Cure Amount is \$23,786.09.

7. On June 9, 2009, GM sent Roadway a letter stating that GM had sent Roadway a Notice of Intent. (*See, Exhibit B.*) The letter also stated that, because Roadway is paid on a tier 2 basis via one or several Lead Logistics Providers (LLP), the Proposed Cure Amount would be paid as part of the cure payment to the LLPs, however this was not provided for in any way in the Court approved Sale Procedures Order. The letter instructed Roadway to contact its LLP to determine the Proposed Cure Amount.

8. Moreover, the Sale Procedures Order and the form Notice of Intent attached thereto limit the Proposed Cure Amount to such amounts that were in default as of the Commencement Date, not the date the contracts will actually be assumed by GM and assigned to the Purchaser.

OBJECTION

9. Roadway does not object to the sale of GM's assets as contemplated in the Sale Procedures Order and does not object to the assumption and assignment of its executory contracts with GM. Roadway only objects to the Proposed Cure Amount contained in the Notice of Intent. Roadway objects to the Proposed Cure Amount for two reasons.

10. First, the Sale Procedures Order and the form Notice of Intent attached thereto limit the Proposed Cure Amount to such amounts that were in default as of the Commencement Date, not the date the contracts will actually be assumed by GM and assigned to the Purchaser, as required under the provisions of 11 U.S.C. § 365. Under 11 U.S.C. § 365(b)(1), a debtor can assume an executory contract only if the debtor, at the time of such assumption, cures or provides adequate assurance that the debtor will promptly cure outstanding defaults. *In re U.S. Wireless Data, Inc.*, 547 F.3d 484, 489 (2d Cir. 2008); *see also, In re Stoltz*, 315 F.3d 80, 86 (2nd Cir. 2002). Accordingly, the Notice of Intent should make it clear that GM and/or the Purchaser are liable for all defaults as well as all other accrued liabilities that exist as of the moment the applicable executory contracts are actually assumed and assigned to the Purchaser.

11. Second, Roadway objects to the Proposed Cure Amount of \$23,786.09 set forth at the Contract Website, because this figure appears to be incorrect. As suggested by GM's June 9, 2009 letter, Roadway has contacted its LLP, Schneider Logistics, regarding the Proposed Cure Amount, even though this procedure was not provided for in any way in the Court approved Sale Procedures Order. According to Schneider, as of June 9, 2009 GM owes Roadway \$1,509,586.78. This amount also appears to be incorrect. Roadway's books and records show that, as of June 10, 2009, the amount owed by GM to Roadway is **\$2,456,101.00**. In an abundance of caution, this amount includes receivables that may be covered by the U.S. Treasury's automobile supplier program.

12. Further, Roadway has not received the Notice of Intent and therefore is not certain which contract GM intends to assume and assign, although a listing is contained on the Contract Website.

13. Roadway expects that any differences regarding the appropriate cure amount can be reconciled, but files this objection out of an abundance of caution due to the deadlines for filing objections and to preserve all rights related to the proposed assumption of the Assumed Contract.

14. Roadway reserves all rights to amend and/or supplement this Objection.

WHEREFORE, YRC Inc., formerly known as Roadway Express, Inc., respectfully requests that, to the extent the parties cannot reconcile the correct cure amounts among themselves, this Court set the correct cure amount, compel GM to pay the correct cure amount and grant such other and further relief as is just and appropriate.

EPSTEIN BECKER GREEN P.C.

s/ Paul Traub

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Counsel to YRC Inc., formerly known as Roadway Express, Inc.

Cleveland, OH 44114.

3. On June 12, 2009, I caused to be served a true and correct copy of the *Objection of YRC Inc. to Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts and (II) Cure Costs Related Thereto* on all ECF participants via the Court's ECF system and via overnight courier upon the following:

Miller, Johnson, Snell & Cummiskey, PLC
250 Monroe Avenue, N.W., Suite 800
Grand Rapids, Michigan 49503
(Attn: Robert D. Wolford, Esq.)

Attorneys for the Creditors Committee

General Motors Corporation
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Warren, Michigan 48090- 9025
(Attn: Warren Command Center, Mailcode
480-206-114)

Debtors

United States Treasury
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Room 2312
Washington, D.C. 20220
(Attn: Matthew Feldman, Esq.)

United States Treasury

Vedder Price, P.C.
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New York, New York 10019
(Attn: Michael J. Edelman, Esq. and Michael
L. Schein, Esq.)

*Attorneys for Export Development
Canada*

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(Attn: John J. Rapisardi, Esq.)

Attorneys for the Purchaser

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(Attn: Harvey R. Miller, Esq., Stephen Karotkin,
Esq., and Joseph H. Smolinsky, Esq.)

Attorneys for the Debtors

Office of the United States Trustee for the
Southern District of New York
33 Whitehall Street, 21st Floor
New York, New York 10004.
(Attn: Diana G. Adams, Esq.)

United States Trustee

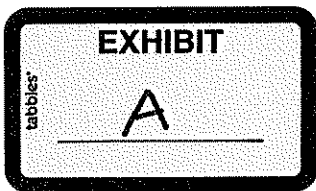
Kramer, Levin, Naftalis & Frankel, LLP
1177 Avenue of the Americas
New York, New York 10036
(Attn: Kenneth Eckstein, Esq. and Thomas
Moers Mayer, Esq.)

Chambers Copy

The Honorable Robert E. Gerber
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Room 621
New York, NY 10004-1408

s/ Timothy J. Richards _____

Timothy J. Richards



Global Purchasing and Supply Chain

Cadillac Building
M/C 480-208-138
30009 Van Dyke Ave
Warren MI 48090-9025

June 1, 2009

Dear GM Logistics Supplier:

In an important and positive development in GM's court-supervised proceedings, today the United States Bankruptcy Court for the Southern District of New York issued an Order approving GM's motion seeking the Court's authority to pay the prepetition claims of certain of its carriers, warehousemen and other logistics suppliers, referred to as "Shippers" and "Warehousemen". A copy of the Order approving the Shippers and Warehousemen Motion is attached and can also be obtained at www.GM.com/Restructuring.

Because you are a vital element of GM's reinvention and qualify as either a Shipper or Warehousemen, GM has been granted authority to pay your prepetition claim in exchange for your written verification that you will (a) continue to provide services to GM during the pendency of its chapter 11 case on the most favorable terms that existed between you and GM prior to the commencement of the chapter 11 case and (b) not cancel any contract or agreement pursuant to which you provide services to GM on less than 90 days' prior written notice. It is GM's hope that this process will allow GM's relationship with its carriers, warehousemen and logistics suppliers to continue during GM's court-supervised proceedings on essentially normal terms and conditions.

GM intends to pay the prepetition claims of its Shippers and Warehousemen on the next regularly scheduled contract payment date so long as the Shipper or Warehousemen has verified to GM in writing its agreement to the terms set forth above within 7 business days from the date of this letter. Please acknowledge your consent to the foregoing terms by executing this letter in the space provided below and returning an executed copy of this letter to Jeffrey Dzierbicki either by email to Jeffrey.Dzierbicki@gm.com or by fax to 1-586-575-0272.

If you have any questions regarding the Shippers and Warehousemen Motion or Order, please do not hesitate to contact the Supplier Information Call Center toll free at 1-888-409-2328 or 1-586-947-3000 (international).

GM greatly values its relationship with you and looks forward to an ongoing business relationship. All of our key stakeholders, including our logistics suppliers, play a vital role in our reinvention and we thank you for your continued patience and support.

Sincerely,

Susanna Webber

Acknowledged and Agreed:

YRC Inc.

Print name of Shipper or Warehousemen

Phil J. Gaines

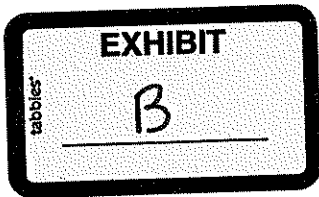
Signature of Authorized Representative of
Shipper or Warehousemen

Phil J. Gaines - SVP + CFO

Print name of Authorized Representative

6/5/09

Date of Execution



Global Purchasing and Supply Chain

Cadillac Building
M/C 480-206-136
30009 Van Dyke Ave
Warren MI 48090-9025

June 9, 2009

Dear GM Logistics Supplier:

Currently General Motors is executing the contract assignment and assumption process as part of our intent to form a New GM through the 363 Sale Process. As a result, your company was sent a letter detailing GM's intent and the process with respect to the assignment of your contracts to the New GM. Part of this process involves resolving or "curing" any amounts owed to your company. This cure amount is listed on the cure website for which you received a sign-on and password in the contract assumption notice sent to you on Friday, June 5, 2009. Because your company is paid on a tier 2 basis via one or several Lead Logistics Providers (LLP), your cure amount will be paid as part of the cure payment to the LLP(s). Please contact your respective LLP(s) to determine your cure amount. If you disagree with the proposed cure amount you must respond to the contract assumption notice based on the cure amount given to you by your LLP. You must respond to the assumption notice within the time noted therein if you disagree with the cure amount provided by your LLP(s).

If you have any questions, please feel free to contact your buyer.

Sincerely,

Lisa Patterson