UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to _______________________

Commission file number 0-12255

YELLOW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	48-0948788
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10990 Roe Avenue, Overland Park, Kansas	66211
(Address of principal executive offices)	(Zip Code)

(913) 696-6100

(Registrant's telephone number, including area code)

No Changes

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2003
Common Stock, $1 Par Value Per Share	29,550,371 shares

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

Yellow Corporation and Subsidiaries
(Amounts in thousands except per share data)
(Unaudited)

	June 30, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 49,811	$ 28,714
Accounts receivable, net	334,360	327,913
Prepaid expenses and other	31,765	68,726
Total current assets	415,936	425,353
PROPERTY AND EQUIPMENT:		
Cost	1,698,586	1,679,096
Less - Accumulated depreciation	1,127,405	1,114,120
Net property and equipment	571,181	564,976
Goodwill and other assets	53,564	52,656
Total assets	$ 1,040,681	$ 1,042,985
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 71,283	$ 114,989

Wages,
vacations,
and
employees'
benefits
166,369
159,998 Other
current and
accrued
liabilities
113,572
101,111 Asset
backed
securitization
(ABS)
borrowings
50,000 50,000
Current
maturities of
long-term
debt 40,259
24,261 ------
------ ------
------ Total
current
liabilities
441,483
450,359 -----
------- -----
------- OTHER
LIABILITIES:
Long-term
debt, less
current
portion
33,983 50,024
Deferred
income taxes,
net 27,089
25,657 Claims
and other
liabilities
153,260
156,987 -----
------- -----
------- Total
other
liabilities
214,332
232,668 -----
------- -----

SHAREHOLDERS'
EQUITY:
Common stock,
$1 par value
per share
31,910 31,825
Capital
surplus
82,104 80,610
Retained
earnings
349,460
325,474
Accumulated
other
comprehensive
loss (33,575)
(35,596)
Unamortized
restricted
stock awards
(810) (1,053)
Treasury
stock, at
cost (2,359
and 2,244
shares)
(44,223)
(41,302) ----

-------- ----

Total
shareholders'
equity
384,866
359,958 -----
------- -----
------- Total
liabilities
and
shareholders'
equity $
1,040,681 $
1,042,985
============
============

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED OPERATIONS
Yellow Corporation and Subsidiaries
For the Three and Six Months Ended June 30
(Amounts in thousands except per share data)
(Unaudited)

	Three Months		Six Months	
	2003	2002	2003	2002
OPERATING REVENUE	$ 713,453	$ 646,061	$ 1,394,546	$ 1,224,863
OPERATING EXPENSES:				
Salaries, wages and benefits	458,036	429,782	896,784	820,021
Operating expenses and supplies	103,908	92,753	213,851	173,821
Operating taxes and licenses	19,492	18,722	39,259	37,101
Claims and insurance	10,730	16,642	23,454	30,222
Depreciation and amortization	20,818	19,482	41,086	38,411
Purchased transportation	68,106	61,471	135,979	114,717
Losses on property disposals, net	30	438	41	906
Spin-off and reorganization charges	--	561	--	797

------ Total operating expenses 681,120 639,851 1,350,454 1,215,996 --- -------- ---- ------- ----- ------ ------ ----- OPERATING INCOME 32,333 6,210 44,092 8,867 ------- ---- -------- --- --------- -- ---------- - NONOPERATING (INCOME) EXPENSES: Interest expense 2,625 1,437 5,271 3,747 ABS facility charges -- 715 -- 1,469 Other (343) (44) (436) (202) ------- ---- -------- --- --------- -- ---------- - Nonoperating expenses, net 2,282 2,108 4,835 5,014 - ---------- -- --------- --- -------- ---- ------- INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 30,051 4,102 39,257 3,853 INCOME TAX PROVISION 11,691 1,474 15,271 1,372 ----------- - ---------- -- --------- --- -------- INCOME FROM CONTINUING OPERATIONS 18,360 2,628 23,986 2,481 Income (loss) from discontinued operations, net -- 3,592 -- (69,297) - ---------- -- --------- --- -------- ---- ------- NET INCOME (LOSS) $ 18,360 $ 6,220 $ 23,986 $ (66,816) =========== =========== ===========

AVERAGE SHARES OUTSTANDING-BASIC	29,586	28,404	29,585	26,687
AVERAGE SHARES OUTSTANDING-DILUTED	29,834	28,810	29,826	27,053
BASIC EARNINGS (LOSS) PER SHARE:				
Income from continuing operations	$ 0.62	$ 0.09	$ 0.81	$ 0.09
Income (loss) from discontinued operations	--	0.13	--	(2.59)
Net income (loss)	$ 0.62	$ 0.22	$ 0.81	$ (2.50)
DILUTED EARNINGS (LOSS) PER SHARE:				
Income from continuing operations	$ 0.62	$ 0.09	$ 0.80	$ 0.09
Income (loss) from discontinued operations	--	0.13	--	(2.56)
Net income (loss)	$ 0.62	$ 0.22	$ 0.80	$ (2.47)

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Six Months Ended June 30
(Amounts in thousands)
(Unaudited)

	2003	2002
OPERATING ACTIVITIES:		
Net income (loss)	$ 23,986	$ (66,816)
Noncash items included in net income (loss):		
Depreciation and amortization	41,086	38,411
Loss from discontinued operations	--	69,297
Losses on property disposals, net	41	906
Changes in assets and liabilities, net:		
Accounts receivable	(6,447)	(49,858)
Accounts receivable securitizations	--	(22,000)
Accounts payable	(43,706)	(21,641)
Other working capital items	55,861	67,522
Claims and other	(2,653)	20,056
Other	1,603	2,760
Net change in operating activities of discontinued operations	--	19,081
Net cash from operating activities	69,771	57,718
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(48,038)	(39,398)
Proceeds from disposal of property and equipment	1,204	1,528
Net capital expenditures of		

discontinued
operations --
(9,229) -------
----- ---------
--- Net cash
used in
investing
activities
(46,834)
(47,099) ------
------ --------
---- FINANCING
ACTIVITIES:
Decrease in
long-term debt
(43) (113,011)
ABS borrowings,
net -- --
Proceeds from
issuance of
common stock --
93,792 Treasury
stock purchases
(2,921) --
Proceeds from
stock options
1,124 6,189 ---
--------- -----
------- Net
cash used in
financing
activities
(1,840)
(13,030) ------
------ --------
---- NET
INCREASE
(DECREASE) IN
CASH AND CASH
EQUIVALENTS
21,097 (2,411)
CASH AND CASH
EQUIVALENTS,
BEGINNING OF
PERIOD 28,714
19,214 --------
---- ----------
-- CASH AND
CASH
EQUIVALENTS,
END OF PERIOD $
49,811 $ 16,803
============
============
SUPPLEMENTAL
CASH FLOW
INFORMATION:
Income taxes
paid (refunds),
net $ 4,170 $
(5,055)
============
============
Interest paid $
4,491 $ 7,499
============
============

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Yellow Corporation and Subsidiaries
(unaudited)

1. The accompanying consolidated financial statements include the accounts of Yellow Corporation and its wholly owned subsidiaries (also referred to as "Yellow," "we" or "our"). We have prepared the consolidated financial statements, without audit by independent public accountants, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). In management's opinion, all normal recurring adjustments necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods included herein have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from these statements pursuant to SEC rules and regulations. Accordingly, the accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2002.

2. Yellow Corporation is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of asset and non-asset-based transportation services integrated by technology. Yellow Transportation, Inc. (Yellow Transportation) offers a full range of regional, national and international services for the movement of industrial, commercial and retail goods. Meridian IQ, LLC (Meridian IQ) is a non-asset global transportation management company that plans, coordinates and manages the movement of goods worldwide to provide customers a single source for transportation management solutions. Yellow Technologies, Inc. provides innovative technology solutions and services exclusively for Yellow Corporation companies.

On July 8, 2003, Yellow and Roadway Corporation (Roadway) announced a definitive agreement under which we will acquire Roadway for approximately $966 million in cash and Yellow common stock on approximately a 50/50 basis. We will also assume an expected $140 million in net Roadway indebtedness, bringing the enterprise value of the acquisition to approximately $1.1 billion. Upon completion of the transaction, Roadway will be an operating subsidiary under the holding company, which will be renamed Yellow-Roadway Corporation. Please refer to our Current Report on Form 8-K/A dated July 8, 2003 for a more detailed description of the transaction.

On September 30, 2002, Yellow completed the 100 percent distribution (the spin-off) of all of its shares of SCS Transportation, Inc. (SCST) to Yellow shareholders. Shares were distributed on the basis of one share of SCST common stock for every two shares of Yellow common stock. As a result of the spin-off, our financial statements were reclassified to reflect SCST as discontinued operations for the periods prior to the spin-off.

Summarized results of operations relating to SCST (as reported in discontinued operations) for the three and six months ended June 30, 2002 were as follows (amounts in thousands, except per share data):

	Three Months	Six Months
Operating revenue	$ 196,488	$ 380,026
Operating expenses	189,162	367,253
Operating income	7,326	12,773
Nonoperating		

expenses,
net 1,522
3,100 -----
------- ---

Income
before
income
taxes 5,804
9,673
Income tax
provision
2,212 3,795
Income from
continuing
operations
3,592 5,878
Cumulative
effect of
change in
accounting
for
goodwill --
(75,175) --

- Income
(loss) from
discontinued
operations,
net $ 3,592
$ (69,297)

- ---------

Discontinued
operations
basic
earnings
(loss) per
share:
Income from
continuing
operations
$ 0.13 $
0.22
Cumulative
effect of
change in
accounting
for
goodwill --
(2.81) ----
-------- --

Income
(loss) from
discontinued
operations
$ 0.13 $
(2.59)
============
============
Discontinued
operations
diluted
earnings
(loss) per
share:
Income from
continuing
operations
$ 0.13 $
0.22
Cumulative
effect of
change in
accounting
for
goodwill --
(2.78) ----

-------- --

Income
(loss) from
discontinued
operations
$ 0.13 $
(2.56)
============
============

Management fees and other corporate services previously allocated to SCST were not charged to discontinued operations, as we continue to incur the expenses. We allocated interest expense to discontinued operations based on the overall effective borrowing rate of Yellow applied to the debt reduction that we realized from the spin-off. Interest expense included in discontinued operations was $1.4 million and $3.0 million for the three months and six months ended June 30, 2002, respectively.

3. Yellow reports financial and descriptive information about its reportable operating segments on a basis consistent with that used internally for evaluating segment operating performance and allocating resources to segments. We manage the segments separately because each requires different operating strategies. We evaluate performance primarily on operating income and return on capital.

Yellow has two reportable segments, which are strategic business units that offer complementary transportation services to its customers. Yellow Transportation is a unionized carrier that provides comprehensive regional, national and international transportation services. Meridian IQ provides domestic and international freight forwarding, multi-modal brokerage and transportation management services.

The accounting policies of the segments are the same as those described in the Summary of Accounting Policies in our Annual Report on Form 10-K for the year ended December 31, 2002. We charge management fees and other corporate services to segments primarily based on direct benefit received or allocated based on revenue. Corporate operating losses represent operating expenses of the holding company, including salaries, wages and benefits, along with incentive compensation and professional services. In 2003, Corporate operating losses also included $4.0 million for an industry conference Yellow hosted. Corporate identifiable assets primarily include cash and cash equivalents, in addition to pension intangible assets. Intersegment revenue consists of transportation services provided by Yellow Transportation to Meridian IQ and charges to Yellow Transportation for use of various Meridian IQ service names.

The following table summarizes our operations by business segment (in thousands):

	Yellow Transportation	Meridian IQ	Corporate/ Eliminations	Consolidated
As of June 30, 2003				
Identifiable assets	$ 918,602	$ 64,874	$ 57,205	$ 1,040,681
As of December 31, 2002				
Identifiable assets	940,252	64,617	38,116	1,042,985
Three months ended June 30, 2003				
External revenue	690,817	22,636	--	713,453
Intersegment revenue	632	549	(1,181)	-

- Operating
income (loss)
36,361 64
(4,092)
32,333 Three
months ended
June 30, 2002
External
revenue
627,668
18,393 --
646,061
Intersegment
revenue 547
549 (1,096) -
- Operating
income (loss)
10,525 (454)
(3,861) 6,210
Six months
ended June
30, 2003
External
revenue
1,350,376
44,170 --
1,394,546
Intersegment
revenue 1,198
1,098 (2,296)
-- Operating
income (loss)
55,861 (829)
(10,940)
44,092 Six
months ended
June 30, 2002
External
revenue
1,191,617
33,246 --
1,224,863
Intersegment
revenue 1,241
1,098 (2,339)
-- Operating
income (loss)
17,187
(1,969)
(6,351) 8,867

4. Yellow has various stock-based employee compensation plans, which are described more fully in our Annual Report on Form 10-K for the year ended December 31, 2002. Yellow accounts for those plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." We do not reflect compensation cost in net income, as all options granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant.

We estimated the pro forma calculations in the table below using the Black-Scholes option pricing model with the following weighted average assumptions for the three and six months ended June 30:

	Three Months		Six Months	
	2003	2002	2003	2002
Dividend yield	--%	n/a	--%	--%
Expected volatility	46.8%	n/a	46.9%	35.7%
Risk-free interest rate	2.2%	n/a	2.1%	3.8%
Expected option life (years)	3	n/a	3	3
Fair value per option	$ 8.91	n/a	$ 8.90	$ 5.59
Actual options granted	40,700	0	54,700	14,000

The following table illustrates the effect on income from continuing operations, net income and earnings per share if Yellow had applied the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, for the three and six months ended June 30:

	Three Months	Six Months
(In thousands except per share data)		

2003 2002 2003 2002 - ----------- ----------- - --------- --- ------- ----- Net income (loss), as reported $ 18,360 $ 6,220 $ 23,986 $ (66,816) Less: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects 552 345 1,101 705 ------- ----- ----- ------- --- --------- - ----------- Pro forma net income (loss) $ 17,808 $ 5,875 $ 22,885 $ (67,521) ============ ============ ============ ============ Basic earnings (loss) per share: Income from continuing operations - as reported $ 0.62 $ 0.09 $ 0.81 $ 0.09 Income from continuing operations - pro forma 0.60 0.08 0.77 0.06 Net income (loss) - as reported 0.62 0.22 0.81 (2.50) Net income (loss) - pro forma 0.60 0.21 0.77 (2.53) Diluted earnings (loss) per share: Income from continuing operations - as reported $

0.62 $ 0.09 $ 0.80 $ 0.09 Income from continuing operations - pro forma 0.60 0.08 0.76 0.06 Net income (loss) - as reported 0.62 0.22 0.80 (2.47) Net income (loss) - pro forma 0.60 0.21 0.76 (2.50)

5. Our comprehensive income includes net income, changes in the fair value of an interest rate swap and foreign currency translation adjustments. Comprehensive income for the three months ended June 30, 2003 and 2002 was $19.5 million and $6.4 million, respectively, while comprehensive income (loss) for the six months ended June 30, 2003 and 2002 was $26.0 million and $(65.2) million, respectively.

6. As of June 30, 2003, the carrying amount of goodwill was $20.5 million and the gross amount of identifiable intangible assets was $8.3 million. Accumulated amortization of intangibles totaled $1.0 million. Refer to our Annual Report on Form 10-K for the year ended December 31, 2002 for a description of our goodwill and intangibles policies.

7. Yellow incurs rental expenses under noncancelable lease agreements for certain buildings and operating equipment. Rental expense is charged to operating expenses and supplies on the Statements of Consolidated Operations. The following table represents the actual rental expense, as reflected in operating income, incurred for the three and six months ended June 30 (in thousands):

	Three Months		Six Months	
	2003	2002	2003	2002
Rental expense	$ 9,578	$ 8,472	$ 19,173	$ 16,956

8. Under current legislation regarding multi-employer pension plans, a termination, withdrawal or partial withdrawal from any multi-employer plan that is in an under-funded status would render Yellow liable for a proportionate share of such multi-employer plans' unfunded vested liabilities. This potential unfunded pension liability also applies to our unionized competitors who contribute to multi-employer plans. Based on the limited information available from plan administrators, which we cannot independently validate, we believe that our portion of the contingent liability in the case of a full withdrawal or termination would be material to our financial position and results of operations. Yellow Transportation has no current intention of taking any action that would subject Yellow to obligations under the legislation.

Yellow Transportation has collective bargaining agreements with its unions that stipulate the amount of contributions it makes to multi-employer pension plans. The Internal Revenue Code and Internal Revenue Service regulations also establish minimum funding requirements for multi-employer pension plans and provide provisions to address the plans' funding if it fails to meet those requirements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements of Yellow Corporation (also referred to as "Yellow," "we" or "our"). MD&A and certain statements in the Notes to Consolidated Financial Statements include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Securities Exchange Act of 1934, as amended (each a forward-looking statement). Forward-looking statements include those preceded by, followed by or include the words "should," "expects," "believes," "anticipates," "estimates" or similar expressions. Our actual results could differ materially from those projected by these forward-looking statements due to a number of factors, including (without limitation), inflation, labor relations, inclement weather, price and availability of fuel, competitor pricing activity, expense volatility, changes in and customer acceptance of new technology, changes in equity and debt markets and a downturn in general or regional economic activity.

RESULTS OF OPERATIONS

CONSOLIDATED RESULTS

The following table summarizes the Statements of Consolidated Operations for the three and six months ended June 30 (in millions):

	Three Months			Six Months		
	2003	2002	Percent Change	2003	2002	Percent Change
Operating Revenue	$ 713.5	$ 646.1	10.4%	$ 1,394.5	$ 1,224.9	13.9%
Operating Income	32.3	6.2	420.7%	44.1	8.9	397.3%
Nonoperating Expenses, net	2.3	2.1	8.3%	4.8	5.0	(3.6)%
Income from Continuing Operations	18.4	2.6	598.6%	24.0	2.5	866.8%
Income (Loss) from Discontinued Operations	--	3.6				

n/m(1) --
(69.3)
n/m(1) ----
------- ---
-------- --
--------- -

Net Income
(Loss) $
18.4 $ 6.2
195.2% $
24.0 $
(66.8)
135.9%

(1) Not meaningful.

Three Months Ended June 30, 2003 Compared to Three Months Ended June 30, 2002

Our consolidated operating revenue for the second quarter of 2003 increased by $67.4 million over the second quarter of 2002, primarily as a result of increased volumes and improved yield at Yellow Transportation from growth in premium services and increased market share from the September 2002 closure of Consolidated Freightways, Inc. (CF), a major competitor of Yellow Transportation. We also recognized $4.3 million of additional revenue at Meridian IQ, mostly due to increased volumes in international forwarding, the July 2002 acquisition of Clicklogistics, Inc. (Clicklogistics) customer contracts and the August 2002 acquisition of MegaSys, Inc. (MegaSys).

Operating income improved by $26.1 million for the second quarter of 2003 compared to the second quarter of 2002 due to increased revenue and effective cost management. Operating income for the three months ended June 30, 2003 included $3.7 million as part of an insurance recovery. In the first quarter of 2003, we recognized $1.3 million of operating income under the same insurance claim for a year-to-date total of $5.0 million. The insurance recovery related to two former employees falsifying claims over several recent years. We reviewed and made appropriate adjustments to our procedures and internal controls in response to this claim. Corporate expenses were in line with last year and are included under "Corporate" in the Business Segments note. Operating income for the second quarter of 2002 included $1.0 million mostly related to losses on property disposals and charges for the spin-off as discussed below. The second quarter of 2003 included minimal losses on property disposals.

Nonoperating expenses increased by $0.2 million from the second quarter of 2002 due to increased interest expense mostly offset by favorable foreign currency translation. Our interest expense does not fluctuate in relation to variable interest rates as 100 percent of our variable rate debt has been hedged under a swap agreement. The $0.5 million increase in interest expense for the second quarter of 2003 compared to the combined interest expense and asset-backed securitization (ABS) facility charges for the second quarter of 2002 resulted from the method of interest allocation to discontinued operations in the prior year. As discussed in the Notes to Consolidated Financial Statements, interest expense was allocated to discontinued operations based on our overall effective borrowing rate which was higher in 2002 compared to 2003. In the second quarter of 2002, ABS obligations were off-balance sheet with financing costs recorded as "ABS facility charges" on the Statement of Consolidated Operations. Due to the December 31, 2002 amendment to the facility, ABS borrowings were prospectively reflected on the Consolidated Balance Sheets and the related interest was recorded as "interest expense" on the Statement of Consolidated Operations. Interest expense for the second quarter of 2003 included approximately $0.3 million related to the ABS facility compared to $0.7 million of ABS facility charges in the second quarter of 2002.

Our effective tax rate on continuing operations for the second quarter of 2003 was 38.9 percent compared to 35.9 percent in the second quarter of 2002. The higher tax rate was a function of our income allocation among subsidiaries and their relative state tax rates. In 2003, Yellow Transportation, a higher tax rate subsidiary, generated a larger percentage of our profits before tax compared to the same period in 2002.

In September 2002, we successfully completed the 100 percent distribution (the spin-off) of all of the shares of SCS Transportation, Inc. (SCST) to our shareholders. As a result of the spin-off, the historical results of operations for SCST have been reclassified as discontinued operations on our 2002 Statement of Consolidated Operations.

Six Months Ended June 30, 2003 Compared to Six Months Ended June 30, 2002

Our consolidated operating revenue for the six months ended June 30, 2003 surpassed the six months ended June 30, 2002 by $169.6 million or 13.9 percent. As discussed above, Yellow Transportation realized increased volumes and improved yield from growth in premium services and the closure of CF in September 2002. In addition, Meridian IQ generated additional year-to-date revenue of nearly $11.0 million mostly due to increased volumes in international forwarding and its third quarter 2002 acquisitions of MegaSys and Clicklogistics customer contracts.

Operating income for the first six months of 2003 improved by $35.2 million compared to the first six months of 2002 due to increased revenue and effective cost management. We also recognized a $5.0 million reduction in claims and insurance expense in the first six months of 2003 for the insurance claim discussed previously. Corporate expenses increased approximately $4.6 million over the same period last year primarily due to $4.0 million for an industry conference that Yellow hosts every other year. Operating income for the first six months of 2002 included $1.7 million related to losses on property disposals and spin-off and reorganization charges. The first six months of 2003 included minimal losses on property disposals.

Nonoperating expenses decreased by $0.2 million in the first six months of 2003 compared to the same period in 2002 mostly due to favorable foreign currency translation. Year-to-date interest expense in 2003 was consistent with year-to-date 2002 combined interest expense and ABS facility charges mostly as a result of 100 percent of our variable debt being hedged under a swap agreement and the method of interest allocation to discontinued operations in 2002.

Our effective tax rate for the first six months of 2003 was 38.9 percent compared to 35.6 percent for the first six months of 2002. The higher tax rate was a function of our income allocation among subsidiaries and their relative state tax rates. In 2003, Yellow Transportation, a higher tax rate subsidiary, generated a larger percentage of our profits before tax compared to the same period in 2002.

Our net loss of $66.8 million in the first six months of 2002 occurred primarily due to the impairment of goodwill associated with Jevic Transportation, Inc. (Jevic). In the first quarter of 2002, we recorded a non-cash charge of $75.2 million as a cumulative effect of change in accounting for the impairment of Jevic goodwill. As a result of the spin-off, the non-cash charge and the results of operations of SCST have been reclassified as discontinued operations on our 2002 Statement of Consolidated Operations.

YELLOW TRANSPORTATION RESULTS

The table below provides summary information for Yellow Transportation for the three and six months ended June 30 (in millions):

Three
Months
Six
Months -

	2003	2002	Percent Change	2003	2002	Percent Change
Operating Revenue	$ 691.4	$ 628.2	10.1%	$ 1,351.6	$ 1,192.9	13.3%
Operating Income	36.4	10.5	245.5%	55.9	17.2	225.0%
Operating Ratio	94.7%	98.3%	3.6pp	95.9%	98.6%	2.7pp

Three Months Ended June 30, 2003 Compared to Three Months Ended June 30, 2002

As discussed under our consolidated results, Yellow Transportation realized increases in volumes and price in the second quarter of 2003 compared to the second quarter of 2002 as a result of its premium services, pricing discipline, service quality and market share growth from the CF closure. Less-than-truckload (LTL) revenue per day increased 10.2 percent over the second quarter of

2002, primarily reflecting a 5.0 percent increase in LTL tonnage per day and a 4.9 percent improvement in LTL revenue per hundred weight. A primary indicator of pricing, LTL revenue per hundred weight excluding fuel surcharge, was up 3.5 percent in the second quarter of 2003 compared to the second quarter of 2002.

Yellow Transportation realized improved operating income of $25.9 million from the second quarter of 2002 to the second quarter of 2003, despite increased costs for wages and benefits and purchased transportation (mostly consisting of rail) in 2003. Higher volumes combined with contractual wage and benefit increases impacted second quarter 2003 operating expense by over $32 million. Improved productivity and labor mix slightly offset the increased wages. In addition, salaries and wages as a percentage of revenue declined by 2.3 percentage points and total operating expenses as a percentage of revenue decreased by 3.6 percentage points compared to second quarter 2002. Yellow Transportation also recognized a benefit of $3.7 million from the insurance recovery discussed under our Consolidated Results.

Workers' compensation expense in the second quarter of 2003 declined by $4.5 million compared to the second quarter of 2002, primarily as a result of improved safety statistics in 2003, added resources to manage claims and additional expenses recorded in the second quarter of 2002. In the second quarter of 2002, Yellow Transportation recorded additional workers' compensation expenses due to increased costs per claim and the longer duration of prior years' cases.

Bad debt expense in the second quarter of 2003 decreased by $3.4 million compared to the second quarter of 2002, mostly due to improved credit policies, added collection personnel and additional expenses recorded in the second quarter of 2002. Additional bad debt expense in the second quarter of 2002 was partially attributed to increased write-offs from the negative impact of the economy on certain customers and their ability to pay.

Six Months Ended June 30, 2003 Compared to Six Months Ended June 30, 2002

Yellow Transportation generated increased volumes and improved pricing throughout the first six months of 2003 compared to the first six months of 2002. With increased volumes from premium services and market share growth from the CF closure, Yellow Transportation reported increased revenue of $158.7 million in the first six months of 2003 compared to the first six months of 2002. Less-than-truckload (LTL) revenue per day increased 13.4 percent over the first six months of 2002, primarily reflecting a 7.0 percent increase in LTL tonnage per day and a 6.0 percent improvement in LTL revenue per hundred weight. A primary indicator of pricing, LTL revenue per hundred weight excluding fuel surcharge, was up 3.6 percent in the first six months of 2003 compared to the first six months of 2002.

Despite increased costs of nearly $60 million in wages and benefits mostly due to increased volumes and contractual wage and benefit increases, Yellow Transportation recorded improved operating income of $38.7 million for the first six months of 2003 compared to the first six months of 2002. Improved productivity and labor mix slightly offset the increased wages. Fuel costs and purchased transportation (mostly rail) increased operating expenses by $35.7 million in the first six months of 2003 compared to the same period in 2002. Even with these increased costs, operating expenses as a percentage of revenue decreased for the first six months of 2003 by 2.7 percentage points compared to the first six months of 2002, resulting in an operating ratio of 95.9 percent. Yellow Transportation recognized a benefit in operating income of $5.0 million in the first six months of 2003 related to the insurance recovery discussed under our Consolidated Results.

In recent periods, Yellow Transportation recorded increased expenses for workers' compensation due to increased costs per claim and longer duration of cases. As a result of recording these additional expenses, improved safety statistics and additional resources to manage claims, workers' compensation expense on a year-to-date basis was consistent with the prior year and declined as a percentage of revenue by nearly 0.5 percent.

MERIDIAN IQ RESULTS

The table below provides summary information for Meridian IQ for the three and six months ended June 30 (in millions):

Three
Months
Six
Months -

	2003	2002	Percent Change	2003	2002	Percent Change
Operating Revenue	$ 23.2	$ 18.9	22.4%	$ 45.3	$ 34.3	31.8%
Operating Income / (Loss)	0.1	(0.5)	114.1%	(0.8)	(2.0)	57.9%

Three Months Ended June 30, 2003 Compared to Three Months Ended June 30, 2002

As discussed under our consolidated results, Meridian IQ realized additional revenue of $4.3 million in the second quarter of 2003 compared to the second quarter of 2002, mostly due to increased volumes in international forwarding and the third quarter 2002 acquisitions of MegaSys and the customer contracts of Clicklogistics. Meridian IQ also realized additional revenue from premium services. In the second quarter of 2003, Meridian IQ reported operating income of $0.1 million, a $0.6 million improvement over the second quarter of 2002. Improved operating results were attributed to increased revenue and effective cost management.

Six Months Ended June 30, 2003 Compared to Six Months Ended June 30, 2002

Meridian IQ reported increased revenue of $11.0 million in the first six months of 2003 compared to the first six months of 2002, as a result of increased volumes in international forwarding, the third quarter 2002 acquisitions of MegaSys and Clicklogistics customer contracts, and additional revenue from premium services. Operating losses at Meridian IQ declined for the first six months of 2003 by nearly $1.2 million compared to the first six months of 2002. Increased revenue, improved margins and effective cost management contributed to the improved operating results.

FINANCIAL CONDITION

LIQUIDITY

Our liquidity needs arise primarily from capital investment in new equipment, land and structures, and information technology, as well as funding working capital requirements. To provide short-term and longer-term liquidity, we maintain capacity under a bank credit agreement and an ABS agreement involving Yellow Transportation accounts receivable. We believe these facilities provide adequate capacity to fund current working capital and capital expenditure requirements excluding those requirements that will result from the closing of our recently announced agreement to acquire Roadway Corporation. It is not unusual for us to have a deficit working capital position, as we can operate in this position due to rapid turnover of accounts receivable, effective cash management and ready access to funding. A more detailed discussion of our working capital requirements after the closing of our acquisition of Roadway Corporation will be included in a Joint Proxy/Prospectus on a Registration Statement on Form S-4 that we will file in connection with the transaction.

Bank Credit Agreement

We maintain a $300 million bank credit agreement scheduled to expire in April 2004. In addition to funding short-term liquidity needs, we also use the facility to provide letters of credit that reduce available borrowings under the credit agreement. Letters of credit serve as collateral for our self-insurance programs, primarily in the areas of workers' compensation and bodily injury and property damage. The following table summarizes the availability under the bank credit agreement at each period end (in millions):

	June 30, 2003	December 31, 2002
Total capacity	$ 300.0	$ 300.0
Outstanding borrowings	--	--
Letters of credit	(152.1)	(146.2)
Available unused capacity	$ 147.9	$ 153.8

Our outstanding letters of credit at June 30, 2003 included $13.6 million for property damage and workers' compensation claims against SCST. Yellow agreed to maintain the letters of credit outstanding at the spin-off date until SCST obtained replacement letters of credit or third party guarantees. SCST agreed to use its reasonable best efforts to obtain these letters of credit or guarantees, which in many cases would allow Yellow to obtain a release of its letters of credit. SCST also agreed to indemnify Yellow for any claims against the letters of credit provided by Yellow. SCST reimburses Yellow for all fees incurred related to the remaining outstanding letters of credit. We also provide a guarantee regarding certain lease obligations of SCST equaling $6.7 million at June 30, 2003.

Asset Backed Securitization Facility

Our ABS facility provides us with additional liquidity and lower borrowing costs through access to the asset backed commercial paper market. By using the ABS facility, we obtain a variable rate based on the A1 commercial paper rate plus a fixed increment for utilization and administration fees. A1 rated commercial paper comprises more than 90 percent of the commercial paper market, significantly increasing our liquidity. We averaged a rate of 2.2 percent on the ABS facility for the first six months of 2003 compared to a rate of 2.3 percent for the year ended December 31, 2002.

Our ABS facility involves receivables of Yellow Transportation only and has a limit of $200 million. Under the terms of the agreement, Yellow Transportation provides servicing of the receivables and retains the associated collection risks. Although the facility has no stated maturity, there is an underlying letter of credit with the administering financial institution that has a 364-day maturity. Refer to our Annual Report on Form 10-K for the year ended December 31, 2002 for a further understanding of the process related to the ABS facility.

Cash Flow Measurements

We use free cash flow as a measurement to manage working capital and capital expenditures. Free cash flow indicates cash available to fund additional capital expenditures, to reduce outstanding debt (including current maturities), or to invest in our growth strategies. This measurement should not be construed as a better measurement than net cash from operating activities as defined by generally accepted accounting principles. The following table illustrates our calculation for determining free cash flow for the six months ended June 30 (in millions):

	2003	2002
Net cash from operating activities	$ 69.8	$ 57.7
Net change in operating activities of discontinued operations	--	(19.1)
Accounts receivable securitizations, net	--	22.0
Net property and equipment acquisitions	(46.8)	(37.9)
Proceeds from stock options	1.1	6.2
Free cash flow	$ 24.1	$ 28.9

The decline of $4.8 million in free cash flow from the first six months of 2002 compared to the first six months of 2003 resulted primarily from increases in net property and equipment acquisitions of $8.9 million and decreases in stock option proceeds of $5.1 million, mostly offset by improved operating results and favorable accounts receivable collections. Other working capital fluctuations resulted primarily from performance incentive payments and income tax refunds.

Variances included in net cash from operating activities were changes in accounts receivable securitizations related to our ABS facility and net operating activities of discontinued operations. In the first six months of 2002, we reduced ABS obligations by $22.0 million. In 2003, ABS obligations were reflected as a financing activity on the Statements of Consolidated Cash Flows and had no impact on free cash flow or net cash from operating activities. Changes in operating activities of discontinued operations in 2002 related to SCST activity until the spin-off in September 2002.

Nonunion Pension Obligations

As discussed in more detail in our Annual Report on Form 10-K for the year ended December 31, 2002, we provide defined benefit pension plans for most employees not covered by collective bargaining agreements, or approximately 4,000 employees. Increases in our pension benefit obligations combined with market losses in 2002 and 2001 negatively impacted the funded status of our plans, resulting in additional funding and expense over the next several years. Based on a valuation study in the first quarter of 2003 from the independent actuary, our actual 2003 pension expense will be approximately $17 million, significantly less than the $24 million we expected at December 31, 2002. Cash funding requirements did not change since December 31, 2002, and a payment of $35 million was made in July 2003.

CONTRACTUAL OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS

The following tables provide aggregated information regarding our contractual obligations and commercial commitments as of June 30, 2003.

Contractual Cash Obligations

(amounts in millions) Payments Due by Period	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years	Total
Balance sheet obligations:					
ABS borrowings	$ 50.0	$ --	$ --	$ --	$ 50.0
Long-term debt	40.3	18.5	5.0	10.5	74.3
Off-balance sheet obligations:					
Operating leases	26.3	31.8	6.0	6.0	70.1(1)
Total contractual obligations	$ 116.6	$ 50.3	$ 11.0	$ 16.5	$ 194.4

(1) The net present value of operating leases, using a discount rate of 10 percent, was $58.4 million at June 30, 2003.

Other Commercial Commitments

The following table reflects other commercial commitments or potential cash outflows that may result from a contingent event.

(amounts in millions) Amount of Commitment Expiration Per Period	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years

			years	years	Total
Available line of credit	$ 147.9(1)	$ --	$ --	$ --	$ 147.9
Letters of credit	151.8	0.3	--	--	152.1
Lease guarantees for SCST	1.8	3.1	1.6	0.2	6.7
Surety bonds	48.7(2)	3.0	1.5	--	53.2
Total commercial commitments	$ 350.2	$ 6.4	$ 3.1	$ 0.2	$ 359.9

(1) The line of credit renews in April 2004. Although we have no assurance we will be able to renew the facility, we expect to begin the renewal process well in advance of the expiration and we believe other sources of funding are readily available.

(2) Includes $3.3 million of surety bonds for SCST related to property damage and workers' compensation self insurance.

SUBSEQUENT EVENTS

On July 8, 2003, Yellow and Roadway Corporation (Roadway) announced a definitive agreement under which we will acquire Roadway for approximately $966 million, or $48 per share (based on a fixed exchange ratio and a 60-day average price per share of $24.95 for Yellow common stock in a half cash, half stock transaction). We will also assume an expected $140 million in net Roadway indebtedness, bringing the enterprise value of the acquisition to approximately $1.1 billion. Upon completion of the transaction, Roadway will be an operating subsidiary under the holding company, which will be renamed Yellow-Roadway Corporation. The transaction is expected to be complete by the end of 2003. As a stipulation to the definitive agreement, Yellow has entered into arrangements for approximately $1.1 billion in committed financing. As of July 29, we were committed to an estimated $14 million in investment banking, financing, legal and accounting fees as a result of this transaction.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to a variety of market risks, including the effects of interest rates, foreign currency exchange rates and fuel prices.

Interest Rate Risk

To provide adequate funding through seasonal business cycles and minimize overall borrowing costs, we utilize both fixed rate and variable rate financial instruments with varying maturities. At June 30, 2003, we had approximately 40 percent of our debt at variable rates with the balance at fixed rates. We use an interest rate swap to hedge our exposure to variable interest rates. We hedged 100 percent of our variable debt under the swap agreement at June 30, 2003.

The table below provides information regarding our interest rate risk as of June 30, 2003. For fixed-rate debt, principal cash flows are stated in millions and weighted average interest rates are by contractual maturity. The fair value of fixed-rate debt has been estimated by discounting the principal and interest payments at current rates available for debt of similar terms and maturity. The fair value of variable-rate debt is estimated to approximate the carrying amounts due to the fact that the interest rates are generally set for periods of three months or less, and is excluded from the following table. For the interest rate swap, the table presents the notional amount (in millions) and contractual interest rate.

	2003	2004	2005	2006	2007	There-After	Total	Fair Value
Fixed-Rate Debt	$ 24.3	$ 16.1	$ 16.4	$ 7.0	$ 0.0	$ 10.5	$ 74.3	$ 84.1
Average interest rate	6.00%	6.77%	6.58%	6.71%	--	6.06%		
Interest Rate Swap								
Notional amount	$ 50.0(1)	--	--	--	--	--	$ 50.0	$ 51.3
Avg. pay rate (fixed)	6.06%	--	--	--	--	--		
Avg. receive rate (variable)	1.12%	--	--	--	--	--		

(1) Interest rate swap on the ABS facility. The variable rate is based on the 3-month LIBOR as of June 30, 2003.

Foreign Currency Exchange Rates

Revenue, operating expenses, assets and liabilities of our Canadian and Mexican subsidiaries are denominated in local currencies, thereby creating exposure to fluctuations in exchange rates. The risks related to foreign currency exchange rates are not material to our consolidated financial position or results of operations.

Fuel Price Volatility

Yellow Transportation has an effective fuel surcharge program in place. These programs are well established within the industry, and customer acceptance of fuel surcharges remains high. Since the amount of fuel surcharge is based on average, national diesel fuel prices and is reset weekly, our exposure to fuel price volatility is significantly reduced.

Item 4. Controls and Procedures

The company maintains a rigorous set of disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in its filings under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The company's principal executive and financial officers have evaluated its disclosure controls and procedures within 90 days prior to the filing of this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

Subsequent to the evaluation by the company's principal executive and financial officers, there were no significant changes in internal controls or other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses. We made appropriate adjustments to our procedures and controls in response to the issue mentioned in Management's Discussion and Analysis that resulted in an insurance claim under a fidelity policy related to prior years' expenses.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - None

Item 2. Changes in Securities and Use of Proceeds - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders - None

Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.2	Bylaws.
10.1	Executive Severance Agreement dated as of July 1, 2003, between Yellow Corporation and Steve Yamasaki.
31.1	Certification pursuant to Exchange Act Rules 13a-14 and 15d-14, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to Exchange Act Rules 13a-14 and 15d-14, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On April 21, 2003, a Form 8-K was filed under Item 7, Financial Statements and Exhibits, and Item 9, Information Being Provided Under Item 12. We made available our results of operations and financial condition for the quarter ending March 31, 2003 by means of a press release.

On June 5, 2003, a Form 8-K was filed under Item 9, Regulation FD Disclosure, in which Yellow reconfirmed previously-provided second quarter guidance and full year 2003 earnings per share guidance.

On July 8, 2003, a Form 8-K/A was filed under Item 5, Other Events, to announce the signing of a definitive agreement under which Yellow will acquire Roadway Corporation for approximately $966 million in cash and Yellow common stock on approximately a 50/50 basis.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	YELLOW CORPORATION ---------------------------- Registrant
Date: July 29, 2003	/s/ William D. Zollars ---------------------------- William D. Zollars Chairman of the Board of Directors, President & Chief Executive Officer
Date: July 29, 2003	/s/ Donald G. Barger, Jr. ---------------------------- Donald G. Barger, Jr. Senior Vice President & Chief Financial Officer

EXHIBIT 3.2

YELLOW CORPORATION
BYLAWS

(As Amended through April 17, 2003)

ARTICLE I
STOCKHOLDERS

SECTION 1. ANNUAL MEETING

An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held on such date in April and at such location and time of day as the Board of Directors shall each year fix.

SECTION 2. SPECIAL MEETINGS

Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by the Chairman of the Board, Chief Executive Officer or a majority of the Board of Directors and shall be held at the principal office of the company in Overland Park, Kansas on such date, and at such time as they shall fix.

SECTION 3. NOTICE OF MEETING

Written notice of the place, date and time of all meetings of the stockholders shall be given, not less than ten nor more than sixty days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the General Corporation Law of the State of Delaware or the Certificate of Incorporation).

When a meeting is adjourned to another date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than fourteen days after the date for which the meeting was originally notice, or if a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting any business may be transacted which might have been transacted at the original meeting.

SECTION 4. QUORUM

At any meeting of the stockholders, the holders of a majority of the outstanding shares (exclusive of treasury stock) of each class of stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for the transaction of any business, unless or except to the extent that the presence of a larger number may be required by law.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of the stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another date or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

SECTION 5. ORGANIZATION

The Chairman of the Board or, in his absence, the Chief Executive Officer, shall call to order any meeting of the stockholder and act as chairman of the meeting and the Secretary or Assistant Secretary shall act as secretary of the meeting. In the absence of the Secretary or Assistant Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman appoints.

SECTION 6. CONDUCT OF BUSINESS

At an annual meeting of the stockholders, only such business may be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder.

For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice must be received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the meeting; provided, however, than in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made.

To be in proper written form, a stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at any annual meeting unless it has been properly brought before the meeting. The Chairman of the annual meeting shall determine whether business has been properly brought before the meeting in accordance with the provisions of this Section 6. If he should determine that it has not, he shall so declare to the meeting. Any business not properly brought before the meeting shall not be transacted.

SECTION 7. PROXIES AND VOTING

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

Each stockholder shall have one vote for every share of stock entitled to vote which is registered in his name on the record date for the meeting, except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws.

All voting, except on the election of directors and where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his proxy, a stock vote shall be taken. Every stock vote shall be taken by ballot, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballot shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws, all other matters shall be determined by a majority of the votes cast.

SECTION 8. NOTICE OF NOMINATION

Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors. Such nominations shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than 14 days nor more than 50 days prior to any meeting of the stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to stockholders. Notice of nominations which are proposed by the Board of Directors shall be given by the Chairman on behalf of the Board.

Each notice under the above paragraph shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee.

The Chairman of the meeting may, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 9. STOCK LIST

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his name shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the metropolitan area where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.

The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. This list shall presumptively determine the identify of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. DIRECTORS

A. NUMBER AND TERM OF OFFICE

The number of directors who shall constitute the whole board shall be seven. Each director shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office or death except as otherwise provided herein or required by law.

Whenever the authorized number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office shall have the power to elect such new directors for the balance of a term and until their successors are elected and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

B. CHAIRMAN OF THE BOARD

The Board of Directors shall elect a member of the Board of Directors as Chairman of the Board of Directors (the "Chairman of the Board" or "Chairman") at its first meeting after every annual meeting of stockholders. The Chairman of the Board shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office (as Chairman or director) or death except as other required by law.

The Chairman of the Board shall preside over all meetings of the Board of Directors and meetings of the shareholders and shall undertake such other tasks as he and the Board of Directors shall agree. The Chairman may also serve as an officer with respect to any of the offices described in Article IV hereof, however, the Chairman, solely in his capacity as Chairman of the Board, shall not be deemed an officer of the Corporation.

SECTION 2. VACANCIES

If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his successor is elected and qualified.

SECTION 3. RESIGNATION AND REMOVALS

No person who is concurrently a director and an employee of the Corporation shall be qualified to serve as a director of the Corporation from and after the time of any diminution in such person's duties or responsibilities as an officer, the time they leave the employ of the Corporation for any reason or their 72nd birthday; provided, that if any such person resigns from the Board of Directors upon such event, such person shall thereafter be deemed qualified to serve as a director of the Corporation for so long as such person is otherwise qualified to so serve pursuant to the following sentence. No person shall be qualified to serve as a director of the Corporation on or after the date of the annual meeting of stockholders following:

(a) the director's 72nd birthday;

(b) any fiscal year in which he has failed to attend at least 66% of the meetings of the Board of Directors and any committees of the Board of Directors on which such director serves, when such Board and committee meetings are taken on a collective basis; or

(c) the three month anniversary of any change in his employment (other than a promotion or lateral movement within the same organization); provided that such a person shall be deemed to be qualified to serve as a director if so determined by a majority of the members of the whole Board (excluding the director whose resignation would otherwise be required) if the Board in its judgment determines that such waiver would be in the best interest of the Corporation. A director shall offer the director's retirement or resignation effective as of the annual meeting of stockholders following any of those events.

A director may be removed only for cause by a majority vote of the stockholders entitled to vote for the election of directors. If the Chairman, pursuant to the preceding sentence, is removed from his office as director, such removal shall also constitute his removal as Chairman of the Board. The Chairman of the Board may be removed as Chairman (but not as director) at any time, with or without cause, by a majority vote of the Board of Directors. "For cause" shall mean only such circumstances as described in the last paragraph of Article FIFTH of the Corporation's Certificate of Incorporation.

SECTION 4. REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held at such places or places, on such date or date, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

SECTION 5. SPECIAL MEETINGS

Special meetings of the Board of Directors shall be called upon written request of two directors then in office or by the Chairman of the Board and shall be held at such place, on such date, and at such time as they or he shall fix. Notice of the place, date and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not less than three days before the meeting or by telegraphing the same not less than eighteen hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 6. QUORUM

At any meeting of the Board of Directors, one-third of the total number of the whole board, but not less than two, shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

SECTION 7. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such board or committee by means of conference telephone or similar communications equipment that enables all persons participating in the meeting to hear each other. Such participation shall constitute presence in person at such meeting and any action duly taken by Directors at such a meeting shall have the same force and effect as if taken at a meeting duly called and attended in person by the Directors.

SECTION 8. CONDUCT OF BUSINESS

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

SECTION 9. POWERS

The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

1. To declare dividends from time to time in accordance with law;

2. To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;

3. To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

4. To remove any officer of the Corporation with or without cause, and from time to time transfer the powers and duties of any officer to any other person for the time being;

5. To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers and agents;

6. To adopt from time to time such stock option, stock purchase, bonus or other compensation plans for officers and agents of the Corporation and its subsidiaries as it may determine;

7. To adopt from time to time such insurance, retirement, and other benefit plans for officers and agents of the Corporation and its subsidiaries as it may determine;

8. To adopt from time to time regulations, not inconsistent with these bylaws, for the management of the Corporation's business and affairs; and

9. To adopt from time to time an order of succession designating the officers to perform the duties and exercise the powers of the president in the event of the President's absence, death, inability or refusal to act.

SECTION 10. COMPENSATION OF DIRECTORS

Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the directors.

ARTICLE III
COMMITTEES

SECTION 1. COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors, by resolution, may from time to time designate committees of the Board, each of which shall have the respective powers and duties necessary or proper to carry out the purposes for which appointed, to serve at the pleasure of the board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend or to authorize the issuance of stock if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any members of the committee present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

SECTION 2. CONDUCT OF BUSINESS

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members, which may be by telephone or telegraph, of all meeting; one-third of the members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matter shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

ARTICLE IV
OFFICERS

SECTION 1. GENERALLY

The officers of the Corporation shall consist of a Chief Executive Officer, a President (who may be, but need not be, the Chief Executive Officer), a Secretary and Treasurer. The Board of Directors may elect such additional officers as it deems necessary, including vice presidents, assistant secretaries and assistant treasurers. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. Any number of offices may be held by the same person.

SECTION 2. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be the senior officer of the Corporation and shall be responsible in general for the supervision and control of all the business and affairs of the Corporation.

SECTION 3. PRESIDENT

If the Board of Directors elects a Chief Executive Officer who is not the President, the President shall act in the place of the Chief Executive Officer in his absence or in the event of his death, inability or refusal to act. He shall perform all duties and have all powers which are delegated to him by the Board of Directors or Chief Executive Officer. He shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized. In the event of the absence, death, inability or refusal to act of the President, the officer designated by the Board of Directors shall perform the duties and exercise the powers of the President.

If the Board of Directors does not elect a Chief Executive Officer, the President shall also perform the duties and exercise the powers of the Chief Executive Officer.

SECTION 4. VICE PRESIDENT

Each vice president shall perform such duties as the Board of Directors shall prescribe.

SECTION 5. TREASURER

The Treasurer shall have charge and custody of all monies and securities of the Corporation, shall in general perform all of the duties commonly incident to the office of Treasurer, and shall perform such other duties as may be assigned him by the Chief Executive Officer, President, or Board of Directors. He shall make such disbursements of the funds of the Corporation as are proper and shall render from time to time an account of all such transactions and of the financial condition of the Corporation.

SECTION 6. SECRETARY

The secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He shall have charge of the corporate minute books.

SECTION 7. DELEGATION OF AUTHORITY

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

SECTION 8. REMOVAL

Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

SECTION 9. ACTION WITH RESPECT TO SECURITIES OF OTHER CORPORATIONS

Unless otherwise directed by the Board of Directors, the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V
INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHERS

SECTION 1. RIGHT TO INDEMNIFICATION

a. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she or a person for whom he or she is the legal representative is or was a director, officer or employee or agent of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expenses, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that with respect to any agent or employee, to the extent any such expenses, liabilities or losses are covered by insurance, other than insurance maintained by the corporation, the corporation shall be required to indemnify and hold harmless such agent or employee only to the extent that such expenses, liabilities or losses are not covered by such insurance. Such right shall be a contract right and shall include the right to be paid by the corporation expenses incurred in defending any such proceedings in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer of the corporation in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this section or otherwise.

b. Any person who is or was an agent of the corporation, and who would be entitled to be indemnified by the corporation under the circumstances set forth in Section 1(a) but for the fact that such person is not or was not a director, officer or employee of the corporation, may be indemnified by the corporation (but shall not be entitled to be indemnified by the corporation) in a specific case to all or part of the extent set forth in Section 1 (a), if the Board of Directors determines that it is in the best interests of the corporation to grant such indemnity. Authorization for such indemnity and the extent thereof shall be determined by majority vote of a quorum of the Board of Directors.

SECTION 2. RIGHT OF CLAIMANT TO BRING SUIT

If a claim under Section 1 is not paid in full by the corporation within 90 days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant had not met the applicable standard of conduct.

SECTION 3. NON-EXCLUSIVITY OF RIGHTS

The rights conferred by Sections 1 and 2 shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 4. INSURANCE

The corporation may maintain insurance, at its expense, to protect itself and any such director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

SECTION 5.

For purposes of this Article, reference to "other enterprise" shall include entities of any kind, including associations, rate bureaus and conferences.

ARTICLE VI
STOCK

SECTION 1. CERTIFICATE OF STOCK

Shares of the stock of the Corporation may be represented by certificates or uncertificated. Owners of shares of the stock of the Corporation shall be recorded in the share register of the Corporation, and ownership of such shares shall be evidenced by a certificate or book-entry notation in the share register of the Corporation. Any certificates representing such shares shall be signed by, or in the name of the Corporation by, the chairman or vice chairman of the Board of Directors, or the president or a vice president, and by the secretary or any assistant secretary, if one be appointed, or the treasurer or an assistant treasurer of the Corporation, certifying the number of shares represented by the certificate owned by such stockholder in the Corporation. Any or all of the signatures on the certificate may be facsimile.

SECTION 2. TRANSFERS OF STOCK

Upon surrender to the Corporation, or the transfer agent of the Corporation, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate or other evidence of such new shares to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Uncertificated shares shall be transferred in the share register of the Corporation upon the written instruction originated by the appropriate person to transfer the shares.

SECTION 3. TRANSFER AND CHANGE OF ADDRESS

Title to a certificate and to the shares represented thereby can be transferred only:

(1) By delivery of the certificates, endorsed either in blank or to a specific person, by the person appearing in the certificate to be the owner of the shares represented thereby; or

(2) By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign or transfer the same of the shares represented thereby, signed by the person appearing by the certificates to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

SECTION 4. CHANGE OF ADDRESS

Stockholders shall be responsible for notifying in writing the secretary, or the transfer agent or registrar as the case may be, if appointed by resolution of the Board, of any changes in their addresses from time to time, and failure to do so shall relieve the Corporation, its shareholders, directors, officers and the transfer agent and/or registrar, if any, of liability, for failure to direct notices, dividends, or other documents or property to an address other than the one appearing in the records of the secretary, or, if appointed, the transfer agent or registrar.

SECTION 5. RECORD DATE

The Board of Directors may fix a record date, which shall not be more than sixty or less than ten days before the date of any meeting of stockholders, nor more than sixty days prior to the time for the other action hereinafter described, as of which there shall be determined the stockholders who are entitled: to notice of or to vote at any meeting of stockholders or any adjournment thereof; to receive payment of any dividend or other distribution or allotment of any rights; or to exercise any rights with respect to any change, conversion or exchange of stock with respect to any other lawful action.

SECTION 6. LOST, STOLEN OR DESTROYED CERTIFICATES

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the board of directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

SECTION 7. REGULATIONS

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

SECTION 8. REGISTERED STOCKHOLDER

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact hereof and, accordingly, shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

ARTICLE VII
NOTICES

SECTION 1. NOTICES

Whenever notice is required to be given to any stockholder, director, officer, or agent, such requirement shall not be construed to mean personal notice. Such notice may in every instance be effectively given by depositing a writing in a post office or letter box, in a postpaid, sealed wrapper, or by dispatching a prepaid telegram, addressed to such stockholder, director, officer, or agent at his or her address as the same appears on the books of the Corporation. The time when such notice is dispatched shall be at the time of the giving of the notice.

SECTION 2. WAIVERS

A written waiver of any notice, signed by a stockholder, director, officer, or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholders, director, officer, or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VIII
MISCELLANEOUS

SECTION 1. FACSIMILE SIGNATURES

In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

SECTION 2. CORPORATE SEAL

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in charge of the secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the treasurer or by the assistant secretary or assistant treasurer.

SECTION 3. RELIANCE UPON BOOKS, REPORTS AND RECORDS

Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying good faith upon the books of accounts or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser with reasonable care.

SECTION 4. FISCAL YEAR

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

SECTION 5. TIME PERIODS

In applying any provisions of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days after an event, calendar days shall be used, the day of the doing of the act shall be excluded and the day of the event shall be included.

ARTICLE IX
AMENDMENTS

SECTION 1. AMENDMENTS

These Bylaws may be amended or repealed, or new bylaws may be adopted (a) by the affirmative vote of seventy-five percent of the shares issued and outstanding and entitled to vote at any annual or special meeting of stockholders; provided that the notice of such meeting of stockholders whether regular or special, shall specify as one of the purposes thereof the making of such amendment or repeal; or (b) by telling the affirmative vote of the majority of the Board of Directors at any regular or special meeting.

EXHIBIT 10.1

EXECUTIVE SEVERANCE AGREEMENT

AGREEMENT between Yellow Corporation, a Delaware corporation ("Yellow") and Steve Yamasaki (the "Executive"),

WITNESSETH:

WHEREAS, the Compensation Committee of the Board of Directors (the "Board") of Yellow has recommended, and the Board has approved, Yellow entering into severance agreements with key executives of Yellow and its Subsidiaries (hereinafter sometimes collectively referred to as the "Corporation"; and

WHEREAS, the Executive is a key executive of Yellow or one of its subsidiaries and has been selected by the Board as a key executive; and

WHEREAS, should Yellow receive any proposal from a third person concerning a possible Business Combination with, or acquisition of equity securities of, Yellow, the Board believes it important that the Corporation and the Board be able to rely upon the Executive to continue in his position, and that Yellow have the benefit of the Executive performing his duties without his being distracted by the personal uncertainties and risks created by such a proposal;

NOW, THEREFORE, the parties agree as follows:

1. Definitions.

(a) "Business Combination" means any transaction which is referred to in any one or more of clauses (a) through (e) of Section 1 of Subparagraph A of Article Seventh of the Certificate of Incorporation of Yellow Corporation.

(b) "Cause" means conviction of a felony involving moral turpitude by a court of competent jurisdiction, which is no longer subject to direct appeal, or an adjudication by a court of competent jurisdiction, which is no longer subject to direct appeal, that the Executive is mentally incompetent or that he is liable for willful misconduct in the performance of his duty to the Corporation which is demonstrably and materially injurious to the Corporation.

(c) "Change of Control," for the purposes of this Agreement, shall be deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, purchases or otherwise acquires shares of the Corporation after the date hereof and as a result thereof becomes the beneficial owner of shares of the Corporation having 20% or more of the total number of votes that may be cast for election of directors of Yellow; or (ii) as the result of, or in connection with any cash tender or exchange offer, merger or other Business Combination, or contested election, or any combination of the foregoing transactions, the Continuing Directors shall cease to constitute a majority of the Board of Directors of Yellow or any successor to Yellow.

(d) "Continuing Director" means a director of Yellow who meets the definition of Continuing Director contained in Section 7 of Subparagraph C of Article Seventh of the Certificate of Incorporation of Yellow Corporation.

(e) "Corporation" means Yellow Corporation and its subsidiaries.

(f) "Normal Retirement Age" means the last day of the calendar month in which the Executive's 65th birthday occurs.

(g) "Permanent Disability" means a physical or mental condition which permanently renders the Executive incapable of exercising the duties and responsibilities of the position he held immediately prior to any Change of Control.

(h) "Subsidiary" means any domestic or foreign corporation, a majority of whose shares normally entitled to vote in electing directors is owned directly or indirectly by Yellow or by other Subsidiaries.

2. Services During Certain Events. In the event a third person begins a tender or exchange offer, circulates a proxy to shareholders, or takes other steps seeking to effect a Change of Control (as herein defined), the Executive agrees that he will not voluntarily leave the employ of the Corporation without the consent of the Corporation, and will render the services contemplated in the recitals to this Agreement, until the third person has abandoned or terminated his or its efforts to effect a Change of Control or until 90 days after a Change of Control has occurred. In the event the Executive fails to comply with the provisions of this paragraph, the Corporation will suffer damages which are difficult, if not impossible, to ascertain. Accordingly, should the Executive fail to comply with the provisions of this paragraph, the Corporation shall retain the amounts which would otherwise be payable to the Executive hereunder as fixed, agreed and liquidated damages but shall have no other recourse against the Executive.

3. Termination After Change of Control. "Termination" shall include (a) termination by the Corporation of the employment of the Executive with the Corporation within two years after a Change of Control for any reason other than death, Permanent Disability, retirement at or after his Normal Retirement Age, or Cause or (b) resignation of the Executive after the occurrence of any of the following events within two years after a Change of Control of Yellow:

a) An adverse change of the Executive's title or a reduction or adverse change in the nature or scope of the Executive's authority or duties from those being exercised and performed by the Executive immediately prior to the Change of Control.

b) A transfer of the Executive to a location which is more than 35 miles away from the location where the Executive was employed immediately prior to the Change of Control.

c) Any reduction in the rate of the Executive's annual salary below his rate of annual salary immediately prior to the Change of Control.

d) Any reduction in the level of the Executive's fringe benefits or bonus below a level consistent with the Corporation's practice prior to the Change of Control.

4. Termination of Payments. In the event of a Termination, as defined in Paragraph 3, Yellow shall provide to the Executive the following benefits:

a) Yellow shall pay to the Executive on or before the Executive's last day of employment with the Corporation, as additional compensation for services rendered to the Corporation, a lump sum cash amount (subject to the minimum applicable federal, state or local lump sum withholding requirements, if any, unless the Executive requests that a greater amount be withheld) equal to two times the highest base salary and bonuses paid or payable to the Executive by the Corporation with respect to any 12 consecutive month period during the three years ending with the date of the Executive's Termination. In the event there are fewer than 120 whole or partial months remaining from the date of the Executive's Termination to his Normal Retirement Age, the Executive shall be paid three times such highest base salary and bonuses.

b) During the "Applicable Period" (as hereinafter defined), following the Executive's Termination, the Executive shall be deemed to remain an employee of the Corporation for purposes of the applicable medical, life insurance and long-term disability plans and programs covering key executives of the Corporation and shall be entitled to receive the benefits available to key executives thereunder, provided, however, that in the event the Executive's participation in any such employee benefit plan or program is barred, the Corporation shall arrange to provide the Executive with substantially similar benefits. For purposes of this Agreement, the "Applicable Period" shall mean (i) if there are fewer than 120 whole or partial months remaining from the date of the Executive's Termination to his Normal Retirement Date, three years, or (ii) if subclause (i) above is not applicable, two years.

c) The Executive shall be entitled to the Gross-Up Payment, if any, described in Paragraph 6.

5. Stock-Out of Options. In the event of a Change of Control, the Executive shall receive in exchange for his non-qualified stock options and incentive stock options granted by the Corporation which are outstanding on the date of the Change of Control, common stock of Yellow (or, if Yellow or its successor becomes a subsidiary of another company, common stock of such other company) having a fair market value equal to the fair market value of such stock options on the effective date of the Change of Control (such value to be determined by an independent accounting firm retained by Yellow using a Black-Scholes based pricing formula without giving consideration to the lack of transferability and the risk of forfeiture). Such options shall thereupon terminate. For as long as this Agreement shall be in effect, the provisions of this Paragraph 5 shall be deemed to have amended the terms of any and all existing option agreements between the Executive and the Corporation except any option agreements representing incentive stock options outstanding on the date of this Agreement.

6. Additional Payments by Yellow.

a) Gross-Up Payment. In the event it shall be determined that any payment or benefit of any type by the Corporation to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (determined without regard to any additional payments required under this Paragraph 6) (the "Total Payments") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar tax that may hereafter be imposed) or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments. Payment of the Gross-Up Payment shall be made promptly following the determination by the Accounting Firm as described in subparagraph (b) of this Paragraph 6 or in accordance with subparagraph (c) of this Paragraph 6.

b) Determination by Accountant. All determinations required to be made under this Paragraph 6, including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by an independent accounting firm retained by Yellow (the "Accounting Firm"), which shall provide detailed supporting calculations both to Yellow and the Executive within 15 business days of the date of Termination, if applicable, or such earlier time as is requested by Yellow. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon Yellow and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Yellow should have been made ("Underpayment") consistent with the calculations required to be made hereunder. In the event that Yellow exhausts its remedies pursuant to subparagraph (c) of this Paragraph 6 and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Yellow to or for the benefit of the Executive. Yellow shall promptly pay all expenses of the Accounting Firm pursuant to this Paragraph 6.

c) Notification Required. The Executive shall notify Yellow in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by Yellow of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise Yellow of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day period following the date on which it gives such notice to Yellow (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If Yellow notifies the

Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give Yellow any information reasonably requested by Yellow relating to such claim,

(ii) take such action in connection with contesting such claim as Yellow shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by Yellow,

(iii) cooperate with Yellow in good faith in order to effectively contest such claim,

(iv) permit Yellow to participate in any proceedings relating to such claim, provided, however, that Yellow shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this subparagraph (c), Yellow shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund, or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as Yellow shall determine; provided, however, that if Yellow directs the Executive to pay such claim and sue for a refund, Yellow shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, Yellow's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

d) Repayment. If, after the receipt by the Executive of an amount paid or advanced by Yellow pursuant to this Paragraph 6, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to Yellow's complying with the requirements of this Paragraph 6), promptly pay to Yellow the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount paid or advanced by Yellow pursuant to this Paragraph 6, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and Yellow does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such payment or advance shall be forgiven and shall not be required to be repaid and the amount of such payment or advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

7. General.

a) Arbitration. Any dispute between the parties hereto arising out of, in connection with, or relating to this Agreement or the breach thereof shall be settled by arbitration in Overland Park, Kansas, in accordance with the rules then in effect of the American Arbitration Association ("AAA"). Arbitration shall be the exclusive remedy for any such dispute except only as to failure to abide by an arbitration award rendered hereunder. Regardless of whether or not both parties hereto participate in the arbitration proceeding, any arbitration award rendered hereunder shall be final and binding on each party hereto and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

The party seeking arbitration shall notify the other party in writing and request the AAA to submit a list of 5 or 7 potential arbitrators. In the event the parties do not agree upon an arbitrator, each party shall, in turn, strike on arbitrator from the list, the Corporation having the first strike, until only one arbitrator remains, who shall arbitrate the dispute. The arbitration hearing shall be conducted within 30 days of the selection of an arbitrator or at the earliest date thereafter that the arbitrator is available.

b) Indemnification. If arbitration occurs as provided for herein and the Executive is awarded more than the Corporation has asserted is due him or otherwise substantially prevails therein, the Corporation shall reimburse the Executive for his reasonable attorneys' fees, costs and disbursements incurred in such arbitration and hereby agrees to pay interest on any money award obtained by the Executive from the date payment should have been made until the date payment is made, calculated at the prime interest rate of NationsBank, N.A., Kansas City, Missouri, in effect from time to time from the date that payment(s) to him should have been made under this Agreement. If the Executive enforces the arbitration award in court, the Corporation shall reimburse the Executive for his reasonable attorneys' fees, costs and disbursements incurred in such enforcement.

c) Payment Obligations Absolute. Yellow's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, any setoff, counterclaim, recoupment, defense or other right which the Corporation may have against him or anyone else, except as provided in paragraph 2 hereof. All amounts payable by Yellow hereunder shall be paid without notice or demand. Each and every payment made hereunder by Yellow shall be final and Yellow will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event affect any reduction of Yellow's obligations to make the payments required to be made under this Agreement.

d) Continuing Obligations. The Executive shall retain in confidence any confidential information known to him concerning the Corporation and its respective businesses until such information is publicly disclosed.

e) Successors. This Agreement shall be binding upon and insure to the benefit of the Executive and his estate and the Corporation and any successor of the Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive.

f) Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

g) Controlling Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Delaware.

h) Termination. This Agreement shall terminate if a majority of the Continuing Directors determines that the Executive is no longer a key executive and so notifies the Executive; except that such determination shall not be made, and if made shall have no effect, (i) within two years after the Change of Control in question or (ii) during any period of time when Yellow has knowledge that any third person has taken steps reasonably calculated to effect a Change of Control until, in the opinion of a majority of the Continuing Directors the third person has abandoned or terminated his efforts to effect a Change of Control. Any decision by a majority of the Continuing Directors that the third person has abandoned or terminated his efforts to effect a Change of Control shall be conclusive and binding on the Executive.

IN WITNESS WHEREOF, the parties have executed this Agreement on the 1st day of July, 2003.

EXECUTIVE:	YELLOW CORPORATION
/s/ Steve Yamasaki	by: /s/Daniel J. Churay
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	Daniel J. Churay Senior Vice President, General Counsel And Secretary
	ATTEST:

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14 AND 15D-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William D. Zollars, certify that:

(1) I have reviewed this report on Form 10-Q of Yellow Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2003

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14 AND 15D-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Donald G. Barger, Jr., certify that:

(1) I have reviewed this report on Form 10-Q of Yellow Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2003

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended June 30, 2003, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, William D. Zollars, Chief Executive Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Yellow Corporation.

Date: July 29, 2003

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended June 30, 2003, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, Donald G. Barger, Jr., Chief Financial Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Yellow Corporation.

Date: July 29, 2003

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer