

**BROWNAVE.COM'S 36 REASONS WHY THE UPS FREIGHT
TENTATIVE CONTRACT AGREEMENT "MUST" BE REJECTED**

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Driver (LHD)

1.

Article 4
Stewards

The employer shall only be obligated to respond to information requests that are approved by the business agent of the Local Union assigned to represent employees covered by this Agreement.

2.

Article 5
Section 2. Layoffs

(b) An employee shall be entitled to a notice of layoff from the Company if they are subject to the daily elimination of their job under paragraphs (c) or (d) below for a period of at least two (2) consecutive weeks. The notice shall be provided to the employee and the Local Union, upon request. If such notice is provided, the employee shall be considered laid off and have the right to exercise the privileges of the first paragraph of this Section.

A. Bumping Rights:

1. Road Drivers:

a. Daily Cuts:

(note: Daily Cuts are often times a result of #3: Article 5 - Section 4(a))

i. Hold until his/her next bid. (Article 5 - Section 2(c)1)

ii. Dovetail into the extra board. (Article 5 - Section 2(c)2)

(only if able to meet next bid start time)

iii. Work ahead of a casual employee. (Article 5 - Section 2(c)1)

(only if able to meet next bid start time)

Memorandum of Understanding

8. The Company shall continue its practice of 2-hour show up pay; however, the parties agree the employee shall first be afforded his or her right under Article 5 to displace less senior employees provided work is available. If no work is available and the employee was not informed of the run being cut (or other lack of work) until he or she arrived at the service center, then the 2-hour show up pay shall apply.

Line Haul Driver Addendum

The following rules shall apply to Line Haul Drivers (LHD):

(b) With regard to seniority, Article 5, Section 1(a), (b) and (c) and Section 5 shall apply. LHDs shall have their own seniority list for layoff, recall and bumping rights. The notification procedure set forth in Article 5, Section 3 shall apply. LHDs shall not be subject to being bumped by employees in other job classifications, except as provided in Article 44 (d). LHDs may bump casuals only, provided the employee has the company seniority and necessary qualifications.

2. P&D Driver's

(note: Daily Cuts are often times a result of #3: Article 5 - Section 4(a))

a. Daily Cuts:

i. Take the day off pursuant to (e). (Article 5 - Section 2(d)1)

Article 5

Section 2. Layoffs

(e) When more than one employee within a job classification requests a day off, the Company will offer any available time off in seniority order.

ii. Displacing the junior P&D driver who starts at the same time or after them, if any. (Article 5 - Section 2(d)2)

iii. The displaced P&D driver may work ahead of a casual employee for available hours, provided the driver will be able to meet their next bid start time. (Article 5 - Section 2(d))

Memorandum of Understanding

8. The Company shall continue its practice of 2-hour show up pay; however, the parties agree the employee shall first be afforded his or her right under Article 5 to displace less senior employees provided work is available. If no work is available and the employee was not informed of the run being cut (or other lack of work) until he or she arrived at the service center, then the 2-hour show up pay shall apply.

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(d). LHDs may bump casuals only, provided the employee has the company seniority and necessary qualifications.

3. Clerks

Addendum to the UPS Freight Agreement

Covering Over-the-Road and Local Cartage Operations

10. As a substitution for Article 30, Sections 1 and 2, the following will apply:

11. As a substitution for paragraph 9 of the May 11, 2009 MOU between the parties, the following shall apply:

The Company will provide employees covered by this Addendum two (2) hour show-up pay; however, the parties agree the employee shall first be afforded his or her right under Article 5 to displace less senior employees provided work is available. The two (2) hour show-up pay shall apply if no work is available.

3.

Article 5

Section 4. Posting

(a) Starting times, by classification will be posted for bid on the Union bulletin board on a semi-annual basis. The bids will contain a description of the run or job. Bids shall remain posted for fourteen (14) calendar days. The most senior employee bidding on the job shall be awarded the bid. **The Company retains all rights to change the contents of any job after the bid process as necessary to service its customers.** If the start time of a job changes more than two (2) hours or more than fifty (50) miles (total within a week) for an “over-the-road” driver, the job shall be subject to re-bid under paragraph (b) below unless the employee currently holding the bid decides to remain in the job. Further, nothing written in this paragraph shall preclude the Company from using local cartage drivers in another area if operationally necessary.

(unchanged) This one line gives the company exclusive rights and empowers them to: target and single-out employee's at will.

**Addendum to the UPS Freight Agreement
Covering Over-the-Road and Local Cartage Operations**

[Clerks]

3. The following Articles or portions of Articles shall not be applicable to employees covered by this Addendum: **Article 5, Sections 1(d), (e), and (g), 2, 4,** and 6; Article 10, Section 2; Article 13(b); Article 18, Sections 1, 2, and 4; Article 23, Section 1(a) and (c); Article 26; Article 30, Sections 1 and 2; Article 31; Article 37, Sections 1 and 2; Article 41, Article 43, Article 44, Article 45 and Article 47. Substitutions, if necessary, for these Articles or Sections are set forth below.

4.

**Article 6
Suspension, Discipline and Discharge**

Section 4. Prompt Action

The Employer must issue all discipline within ten (10) calendar days of knowledge of the underlying events, with the exception of issuing a letter of investigation regarding accidents. In the event of a vehicle accident, the Employer shall have twenty (20) days to complete its investigation, if warranted, and ten (10) days to take disciplinary action. **During the period of the investigation the employee will be offered any available dockwork in his service center. The pay rate shall be the applicable full-time dockworker rate.** The twenty (20) days will be extended by mutual agreement, as necessary, if relevant information is not available to the Employer. Agreement will not be unreasonably withheld.

"any available" will result in being subject to interpretation

Section 5. Suspensions

Suspensions are to be served upon: (1) the employee's acceptance of the suspension; or (2) notification of a decision by the Regional Panel; or (3) failure of the employee to file a timely grievance.

"Timely" will continue to be subject to interpretation. There is no threshold for establishing a beginning for an aggrieved employee. Therefore this inclusion is an unjust liability.

5.

Article 7
Local, Regional and National Grievance Procedures

Section 5. Regional Grievance Panels

(f) All unresolved grievances must be referred to the appropriate Regional Panel. Each Regional Panel will meet every ~~two~~ (2) three (3) months for a three (3) day period for the purpose of hearing grievances docketed on the agenda. During this three (3) day period, the Panel will hear cases in the following order: discharges, suspensions, and regular cases; provided however, that regular cases shall be heard at least on the third (3rd) day. **Provided a local hearing has been conducted.**

Causing greater delay to: discharges, suspensions and regular cases.

6.

Article 15 Equipment and Safety

Ongoing issues with: Parts on Order & forced operation until received.

Air Conditioning.

(note: Forced Dispatches, often times a result of #3: Article 5 - Section 4(a))

7.

Article 16

Examination and Identification Fees

Section 1. Required Examination

(a)

DOT medical cards must be obtained from the doctor designated by the Company.

A requirement exceeding; Federal Motor Carrier Safety Administration (FMCSA) § 391.42 and § 391.43 regulations.

8.

Penalty Pay. (Article 17)

(Not negotiated.)

9.

Altered Start Times / Canceled Scheduled Work Day

(note: Both, often times a result of #3: Article 5 - Section 4(a))

1. Casuals

The schedule for casual employees shall be posted by Friday of the preceding workweek. A casual employee shall be guaranteed four (4) hours of pay on any day he/she is scheduled and reports to work. ~~The Company may alter the casual employee's start time **or cancel the scheduled work day** provided the employee is notified prior to reporting to work. The Company may cancel a scheduled day of work with twenty-four (24) hours prior notice.~~ (Article 18 - Section 1)

Unfavorable standard, in comparison to current agreement.

Notification must be communicated and or displayed (or both) prior to completion of previous tour of duty and or assignment.

2. Full-time Employees

The scheduled for full-time employees shall be posted by Friday of the preceding workweek. ~~The start time can be altered as a part of this posting by up to two (2) hours of the job's bid start time. The Company may alter the start time on a daily basis for more than two (2) hours provided the employee is notified prior to reporting to work.~~ If an employee's start time is altered by more than two (2) hours more than fifty percent (50%) of the time in any sixty (60) day period, the employee may request it to be re-bid pursuant to Article 5. Ninety percent (90%) of the full-time employees holding bid jobs will be guaranteed a minimum of eight (8) hours pay per day **when put to work** and the standard guaranteed workweek shall be forty (40) hours per week. **The remaining ten percent (10%) of employees holding bid jobs shall have a four (4) hour guarantee when put to work.** Work shall be scheduled for five (5) consecutive days, **Sunday through Thursday.** Monday through Friday or Tuesday through Saturday.

Notwithstanding the above, the Company shall also have the right to maintain a sufficient number of full-time employees without a posted or established schedule in order to handle unscheduled and extra ad hoc work. (Article 18 - Section 2)

Notification must be communicated and or displayed (or both) prior to completion of previous tour of duty and or assignment, otherwise the guarantee doesn't exist! (when put to work)

3. Clerks

**Addendum to the UPS Freight Agreement
Covering Over-the-Road and Local Cartage Operations**

7. As a substitution for those Article 18 provisions which the parties agree will not apply to employees covered by this Addendum, the following will apply:

Section 2. Casual and full-time employees' schedules will be posted by Friday of the preceding workweek if there is any change. If there is no change, the schedules need not be posted. **An employee's start time can be altered by this posting by up to two (2) hours of its normal time. The Company may also alter the start time on a daily basis by more than two (2) hours, provided the employee is notified prior to reporting to work.** All employees shall be scheduled for five (5) consecutive workdays, either Monday through Friday or Tuesday through Saturday. Full-time employees shall be guaranteed eight (8) hours pay per day **when put to work** and the standard workweek shall be forty (40) hours per week. **Casual employees shall be guaranteed four (4) hours per day on any day he/she is scheduled and reports to work.**

10.

Overtime

A. Altered Start Times.

1. Full-time Employees

a. Local Cartage (Article 18 - Section 2)

(Premium Pay not negotiated for starting ahead of scheduled start time)

b. Clerks (Addendum - 7 - Section 2)

(Premium Pay not negotiated for starting ahead of scheduled start time)

2. Road Drivers

(Premium Pay opportunities not negotiated, accounting for daily time of service considerations)

B. 6th Punch

All hours worked in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week shall be paid at the rate of time and one-

half (1 ½) the regular hourly rate, but not both. (Article 18 - Section 3)
(Addendum - 2 [Clerks])

(Premium Pay not negotiated beyond the eighth hour on a 6th punch.)

C. 7th Punch

One and one-half (1 1/2) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, (Article 18 - Section 2) (Addendum - 7 - Section 2 [Clerks])

(Premium Pay not negotiated beyond the eighth hour on a 7th punch.)

except where the seventh (7th) consecutive day of work falls on Sunday, in which case double time shall be paid. (Article 18 - Section 2) (Addendum - 7 - Section 2 [Clerks])

(Premium Pay not negotiated beyond the eighth hour on a 7th punch.)

11.

Retaliation

(note: see #3: Article 5 - Section 4(a))

The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. The Employer will treat employees with dignity and respect at all times, which shall include, but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect. (Article 20 - Section 2)

Already had this in UPS's Code of Business Conduct.

*Our problems at UPS Freight is; constant **Retaliation** and the many opportunities for individuals to be singled out!*

12.

Medical Disqualifications

Section 3. Medical Disqualification

(a) A driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or casual inside employee at such work until he/she can return to his/her driving job. However, if the displacement of a full-time employee with a CDL would negatively affect the employer's operation, the medically disqualified driver may only displace a casual inside employee. "Red-circled" non- CDL cartage employees shall not be subject to displacement in this process. While performing the inside work, the driver will be paid ninety percent (90%) of the appropriate rate of pay for the full-time classification of work being performed. The Company shall attempt to provide eight (8) hours of work, if possible, out of available work.

Nothing about allowing a reset, upon next bid

Super-Seniority for Red-circled non-CDL cartage employees

90% Pay

13.

Benefits

A. Medical Plans

(a) From August 1, 2013 until January 1, 2014, covered employees, current retirees and employees who retire during this period will be covered by Article 25, Section 1 of the 2008-2013 UPS Freight Agreement.

(b) Effective January 1, 2014 health and welfare coverage for all full-time and part-time employees on the payroll at that time and those hired thereafter will be provided through the Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W). The Company shall make the necessary contributions to the CSH&W to maintain coverage. In the event of a work related injury contributions shall be continued for one year. Contributions shall be continued for four (4) weeks in the event of off-the-job illness or injury.

(c) Employees covered by CSH&W shall be obligated to pay the following monthly amounts as a premium for the coverage:

Single----- \$45.00 - \$5.00

E/ee Plus----- \$90.00 - \$10.00

E/ee & Family----- \$135.00 - \$15.00 (Article 25 - Section 1)

Memorandum of Understanding

(1) The parties agree that the benefits to be provided UPS Freight employees upon transition to Central States Health & Welfare Plan (CS H&W Plan) will mirror those currently provided by the UPS Health & Welfare Package Select. This includes having Kaiser as an option in California.

B. Discretionary Days

Except for emergency situations, **discretionary time must be scheduled and approved in advance by management.** (Article 25 - Section 2)

C. Holidays

Casual employees will receive the above holidays plus an additional floating holiday (Article 25 - Section 4)

Employees hired **after April 8, 2008** after ratification of this Agreement will be eligible for paid holidays only after one year of active employment. (Article 25 - Section 4)

(Compensation for Non-Service Days not negotiated)

Memorandum of Understanding

4. The parties agree that employees who start and work on a Holiday shall be compensated at one and one-half (1 ½) their hourly rate; this does not pertain to employees whose regular scheduled workday concludes on a Holiday. The Company may continue its practice of moving the Holiday for operational needs, but must pay one and one-half (1 ½) for employees who start work on a Holiday. The Company shall not change the start times in an effort to negate the Holiday Premiums.

D. Vacations

1. 152nd

Only specified for; Casuals (Article 25 - Section 5(d))

2. 156 Reports

During each vacation year, the employee must work one hundred and fifty-six (156) reports to earn their vacation. Computation of the one hundred and fifty-six (156) reports **shall include paid time off** such as vacation, holidays, jury duty and funeral leave. (Article 25 - Section 5(b)(ii))

Workers Comp "is" in many opinions "paid time off" and should diminish the requirement.

3. Full-time Selection

Percentages per week not negotiated. (Article 25 - Section 5(c))

4. Employees who resign or are terminated

Unused vacation shall not be considered accrued and **will not be paid to an employee** who resigns or is terminated. (Article 25 - Section 5(e))

E. Retirement

Effective ~~upon ratification~~ **January 1, 2008**, full-time and casual employees ~~shall cease~~ to be covered by the UPS Retirement Plan and instead became covered by the UPS Pension Plan. ~~The UPS Pension Plan will be amended to cover the employees based on the terms set forth in this subsection.~~ **Until December 31, 2013**, ~~the~~ benefit formula for current and future full-time and casual employees will remain unchanged from the benefit formula in effect for the UPS Retirement Plan at the time of ratification of this Agreement **on December 31, 2007. No additional benefits will accrue under that formula after December 31, 2013.**

Effective January 1, 2014, eligible full-time and casual employees who have an hour of covered employment on or after January 1, 2014 will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2013 (if any) plus one hundred and five dollars (\$105.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2014. In years in which an employee has less than fifteen hundred(1500) hours, he shall earn a prorated share of the one hundred and five dollars (\$105.00). There shall be no limit on the number of years for which the one hundred and five dollar (\$105.00) benefit may be earned. (Article 25 - Section 6)

Our "Best" Monetary Years are still yet to come!

14.

Wages

A. General Wage Increases

1. Full-Time Local Cartage Employees
(That have completed their progression)

<u>2014</u>	<u>\$0.50</u>
<u>2015</u>	<u>\$0.50</u>
<u>2016</u>	<u>\$0.50</u>
<u>2017</u>	<u>\$0.50</u> (split)
<u>2018</u>	<u>\$0.50</u> (split) (Article 26 - Section 1(a))

The average increase for 2017 & 2018 = \$0.375 per hour

2. Full-Time Road Employees
(That have completed their progression)

<u>2014</u>	<u>.0125</u>
<u>2015</u>	<u>.0125</u>
<u>2016</u>	<u>.0125</u>
<u>2017</u>	<u>.0125</u> (split)
<u>2018</u>	<u>.0125</u> (split) (Article 26 - Section 2(a))

The average increase for 2017 & 2018 = \$0.009375 per mile

3. Casual Employees
(That have completed their progression)

<u>2014</u>	<u>\$0.50</u>
<u>2015</u>	<u>\$0.50</u>
<u>2016</u>	<u>\$0.50</u>
<u>2017</u>	<u>\$0.50</u> (split)
<u>2018</u>	<u>\$0.50</u> (split) (Article 26 - Section 3)

The average increase for 2017 & 2018 = \$0.375 per hour

4. Clerical Employees
(That have completed their progression)

<u>2014</u>	<u>\$0.50</u>
<u>2015</u>	<u>\$0.50</u>
<u>2016</u>	<u>\$0.50</u>
<u>2017</u>	<u>\$0.50 (split)</u>
<u>2018</u>	<u>\$0.50 (split)</u> (Article 26 - Section 4(a))

The average increase for 2017 & 2018 = \$0.375 per hour

B. Progression

1. Forty-eight Months

a. Employees entering a full-time Local Cartage job after ~~ratification~~ **August 1, 2013** (whether promoted from casual or as a new hire) shall be paid in accordance with the following progression when performing jockey, helper or dock work: (Article 26 - Section 1(c))

b. Employees entering a full-time Local Cartage job after **August 1, 2013** ~~ratification~~ shall be paid in accordance with the following progression when performing local driving work: (Article 26 - Section 1(d))

c. Employees first entering the "Over-the-Road" driver classification after **August 1, 2013** ~~ratification of this Agreement~~ will be paid in accordance with the following progression. (Article 26 - Section 2(c))

d. Casual employees hired after **August 1, 2013** ~~ratification of this Agreement~~ shall be paid in accordance with the following: (Article 26 - Section 3(c))

e. **Employees entering a full-time clerical job after August 1, 2013 shall be paid in accordance with the following progression when performing clerical work;** (Article 26 - Section 4(c))

f. **Employees entering a part-time clerical job after August 1, 2013 shall be paid in accordance with the following progression when performing clerical work;** (Article 26 - Section 4(d))

C. Full-time Non-CDL

Employees bidding into a new fulltime Non-CDL position after August 1, 2013, shall be paid eighty percent (80%) of the progression rates in (c) above. Once the progression is completed the employee shall receive eighty percent (80%) of the Top Rate. (Article 26 - Section 1(c))

D. Shift Differentials

Still exists and without conditional guidance (Article 26 - Section 1(e))

F. Paid for Time

All employees covered by this Agreement shall be paid for all time spent in the service of the Employer. Time shall be computed from the time an employee reports and is available until the time he is effectively cleared from duty. Road drivers will be paid on a mileage basis for miles driven, **and for time incidental to the performance of driving duties**, including, but not limited to, any rest breaks to which the employee may be entitled, pre-trip inspections, in-route breaks, in-route tire checks, logging, post trip inspection, vehicle condition report, traffic delays, AVR arrival/dispatches, reporting of breakdown, reporting of accidents, tractor wash, check bay time, reefer checks and pre- trip shop time. Except as otherwise specified in this Agreement, all other time spent by a road driver on the clock shall be compensated at the local cartage wage rate for dockwork. (Article 26 - Section 5 4)

Memorandum of Understanding

5. The Company shall pay any sleeper team delays as follows: after 15 minutes each driver shall be paid the appropriate Local Cartage wage rate for P & D as specified in Article 26, Section 4 or equivalent progression step for the duration of the delay.

6. If a mileage road driver experiences a traffic delay in excess of 15 minutes, then he or she shall be paid the appropriate Local Cartage wage rate for P & D as specified in Article 26, Section 4 back to the first minute. A traffic delay is defined as the wheels being completely stopped for the duration of the delay. This does not include typical rush hour traffic where the truck may be moving very slowly or starting and stopping intermittently. An example of a traffic delay would be when a highway is completely shut down for 15 minutes or more due to an incident and the vehicles cannot move at all.

(see #8)

15.

Meal Period

(unchanged)

16.

Breaks

(not added)

**Addendum to the UPS Freight Agreement
Covering Over-the-Road and Local Cartage Operations**

[Clerks]

10. As a substitution for Article 30, Sections 1 and 2, the following will apply:

All covered employees shall continue to receive their scheduled **rest and lunch breaks.**

17.

Daily Guarantee

A. Road Drivers

1. The Employer may not subcontract work **at a facility** in any classification if any employee who normally performs such work **at that facility** is **on layoff or is receiving less than his/her appropriate daily guarantee in his/her classification.** (Article 44(a))

2. The Employer may continue its practice regarding runs that do not have loads returning to the home domicile or its practice **(including pay equivalency)** concerning the reassignment of Company drivers to cover peak periods. (Article 44(c))

3. **As part of this Agreement, the Company will recall all Road Drivers to full employment within their classification or the LHD classification as per the memorandum of understanding, at all facilities where subcontractors are being used no later than ninety (90) days from the effective date of this Agreement. Full employment shall be defined as a Road Driver receiving his/her daily guarantee in his/her classification. The recall shall include Road Drivers laid off to the street as well as**

those working outside their classification. Once a Road Driver is returned to work all provisions of the contract will apply. (Article 44(e))

A Mileage Equivalency to the eight (8) hour guarantee doesn't exist therefore, there is no daily guarantee for anyone paid a mileage rate that has driven beyond fifty (50) miles in any one twenty four (24) hour period.

**National UPS Freight Agreement
"Zone" Addendum**

2. The NFA shall apply to employees covered by this Addendum except as modified in this Section:

(a) Article 18, Section 2, shall be amended to **delete the requirement to provide an eight (8) hour guarantee** per day for the 90% employees. However, the parties agree that when drivers are not working a full 8 hours, **vendors will not be used in that geographical area unless necessary due to equipment needs or service reasons;**

18.

Subcontracting

A. Road

1. The Employer may not subcontract work **at a facility** in any classification if any employee who normally performs such work **at that facility is on layoff or is receiving less than his/her appropriate daily guarantee in his/her classification.** (Article 44(a))

2. The Employer may subcontract work in order to meet service commitments if it does not possess the facility, equipment or personnel to perform such work. **In no event shall this paragraph be used as a basis to subcontract Road Driver work.** (Article 44(b))

3. The Employer may continue its practice regarding runs that do not have loads **returning to the home domicile** or its practice (including pay equivalency) concerning the reassignment of Company drivers to cover peak periods. However, if sufficient freight is generated in the future to provide loads returning to the home domicile, the run shall be performed by members of the bargaining unit. **The parties agree these freight loads and/or loads assigned to an LHD will be converted to a scheduled run covered by a Road Driver if the two (2) way movements are sufficient to constitute a full-time job; occur for at least four (4) consecutive weeks; and can meet all customer and service commitments. Terminals**

within thirty (30) mile driving distance from each other shall be considered one (1) terminal for the purpose of determining if there is a “two-way” run. (Article 44(c))

4. In order to create full-time bargaining unit jobs, enhance the Company’s ability to compete, and reduce its reliance on outside vendors, the Company may create a new classification of employee named line haul driver (LHD). The attached Addendum shall control how LHD’s are used and their terms of employment. If any Road Driver is displaced from his job classification for more than five (5) days and a LHD is operating into or out of that facility, then the driver shall have the right to take the job of the junior line haul driver who is domiciled in that facility without the loss of pay or benefits. If the facility is one (1) in which a LHD only terminates his run, the Company will re-domicile the LHD run to that facility if it can do so and still meet customer commitments. (Article 44(d))

5. As part of this Agreement, the Company will recall all Road Drivers to full employment within their classification or the LHD classification as per the memorandum of understanding, at all facilities where subcontractors are being used no later than ninety (90) days from the effective date of this Agreement. Full employment shall be defined as a Road Driver receiving his/her daily guarantee in his/her classification. The recall shall include Road Drivers laid off to the street as well as those working outside their classification. Once a Road Driver is returned to work all provisions of the contract will apply. (Article 44(e))

Memorandum of Understanding

UPS Freight (“Employer”) and the Teamsters National UPS Freight Negotiating Committee (“Union”) agree to the following Memorandum of Understanding (MOU):

Article 44, paragraph (e) shall not apply to any Road Driver who is not working because he declined to follow his work after an approved change of operations. In addition, any driver who declines a recall opportunity pursuant to Article 44 paragraph (e) shall no longer be considered laid off in relation to Article 44. Any driver who accepts a LHD position shall maintain their full pay and benefits as outlined in the CBA and all Memorandum of Understandings applicable to road drivers. This shall include but not be limited to Articles 5, 18, 25 and 26.

B. City

1. The Employer may subcontract work in order to meet service commitments if it does not possess the facility, equipment or personnel to

perform such work. **In no event shall this paragraph be used as a basis to subcontract Road Driver work.** (Article 44(b))

(Local Cartage left vulnerable)

C. Zones

**National UPS Freight Agreement
“Zone” Addendum**

2. The NFA shall apply to employees covered by this Addendum except as modified in this Section:

(a) Article 18, Section 2, shall be amended to **delete the requirement to provide an eight (8) hour guarantee** per day for the 90% employees. However, the parties agree that when drivers are not working a full 8 hours, **vendors will not be used in that geographical area unless necessary due to equipment needs or service reasons;**

(e) In recognition of the fact that the Company’s conversion of zones from vendor to employees is experimental and can only be successful if costs are controlled, Article 44 of the NFA shall be amended to also permit the use of vendors in the following circumstances:

(i) Vendors can be used if inbound and/or outbound volume exceeds the capacity of existing employees or the capability of existing equipment.

The Company commits it will not use this provision to eliminate or reduce overtime or to avoid hiring additional new bargaining unit employees if the growth in volume makes it economically feasible;

(ii) Vendors may be used to cover for employee absences, including, but not limited to, vacations and any approved leave of absence. Before using a vendor, the Company is obligated to first order this work to any employee in the zone who is in a layoff status, if any; then to any UPS Freight qualified employee on lay-off within service center that feeds that zone area provided the Company has sufficient notice of the absence; and

(iii) **The Company retains the right to revert to vendor coverage if volume levels do not make it economically feasible to continue to provide service in that area through Company employees.** If the Company determines that it is not economically feasible to continue service in any area, it shall provide the Union thirty (30) days notice of the transition. The Company will meet with the Union within the thirty (30) days to review the data in order to determine if there is mutual agreement on the economic feasibility. Mutual agreement will not be unreasonably withheld by the parties. If a vendor is implemented then the Company will engage in effects bargaining with the Union.

19.

New Classification

A. Line Haul Driver (LHD)

1. In order to create full-time bargaining unit jobs, enhance the Company's ability to compete, and reduce its reliance on outside vendors, the Company may create a new classification of employee named line haul driver (LHD). The attached Addendum shall control how LHD's are used and their terms of employment. If any Road Driver is displaced from his job classification for more than five (5) days and a LHD is operating into or out of that facility, then the driver shall have the right to take the job of the junior line haul driver who is domiciled in that facility without the loss of pay or benefits. If the facility is one (1) in which a LHD only terminates his run, the Company will re-domicile the LHD run to that facility if it can do so and still meet customer commitments. (Article 44(d))

Memorandum of Understanding

UPS Freight ("Employer") and the Teamsters National UPS Freight Negotiating Committee ("Union") agree to the following Memorandum of Understanding (MOU):

Article 44, paragraph (e) shall not apply to any Road Driver who is not working because he declined to follow his work after an approved change of operations. In addition, any driver who declines a recall opportunity pursuant to Article 44 paragraph (e) shall no longer be considered laid off in relation to Article 44. Any driver who accepts a LHD position shall maintain their full pay and benefits as outlined in the CBA and all Memorandum of Understandings applicable to road drivers. This shall include but not be limited to Articles 5, 18, 25 and 26.

Line Haul Driver Addendum

The following rules shall apply to Line Haul Drivers (LHD):

(a) All Articles of the UPS Freight Agreement ("UPSFA") shall apply to LHDs, except Articles 5, 18, 23.1c, 25, 26, 41, 43, 44 and 47. Further, Article 21, Section 3 and Article

ARTICLE 23

TIME SHEETS, TIME CLOCKS, AND VIDEO CAMERAS

Section 1. Time Sheets and Time Clocks

(c) The Company shall maintain sign-in and sign-out records at service centers. All road drivers must record their arrival, departure, origin and destination.

Article 4

Stewards

The employer shall only be obligated to respond to information requests that are approved by the business agent of the Local Union assigned to represent employees covered by this Agreement.

2.7. Section 3.3 shall apply to LHDs provided the employee has the seniority and is qualified to perform the available inside work.

Article 27

Drug and Alcohol Testing

Section 3.3 – Off-Duty DUI

Any driver cited for Driving Under the Influence who does not have his/her license suspended, or who has limited driving privileges, shall immediately notify the Company of the citation and be assessed by a SAP within five (5) working days of the citation. If the SAP determines the driver does not require rehabilitation, then he/she shall be allowed to return to driving. Until the assessment is completed, the driver shall be allowed to work inside in accordance with Article 21, Section 3 (a) for up to two years. If rehabilitation is required, the SAP shall determine the terms upon which the employee may return to work. The employee shall be returned to driving once he/she successfully completes the rehabilitation program provided his/her driving privileges have been restored. The one time right to rehabilitation provided in this Article shall not be applicable to a driver who completes a rehabilitation program under this paragraph, unless, as a result of the DUI citation, the driver is convicted or loses his/her license for driving.

Article 21

Union Activities/Leave of Absence

Section 3. Medical Disqualification

(a) A driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or casual inside employee at such work until he/she can return to his/her driving job. However, if the displacement of a full-time employee with a CDL would negatively affect the employer's operation, the medically disqualified driver may only displace a casual inside employee. "Red-circled" non-CDL cartage employees shall not be subject to displacement in this process. While performing the inside work, the driver will be paid ninety percent (90%) of the appropriate rate of pay for the full-time classification of work being performed. The Company shall attempt to provide eight (8) hours of work, if possible, out of available work.

(b) With regard to seniority, Article 5, Section 1(a), (b) and (c) and Section 5 shall apply. LHDs shall have their own seniority list for layoff, recall and bumping rights. The notification procedure set forth in Article 5, Section 3 shall apply. LHDs shall not be subject to being bumped by employees in other job classifications, except as provided in Article 44 (d). LHDs may bump casuals only, provided the employee has the company seniority and necessary qualifications.

Article 5

Section 1. Seniority

(a) Upon completion of the probationary period, the employee's seniority for all purposes shall be the first day worked as a probationary employee. Seniority shall be broken only by discharge, voluntary quit, normal retirement, or more than a two (2) year layoff, or leave, except for employees on workers compensation leave who shall not suffer a break in seniority unless on leave for more than three (3) years.

(b) A list of employees arranged in the order of their seniority shall be posted on the Union bulletin board no less often than once every six (6) months. A copy of the seniority posting shall be sent to the Local Union.

(c) Any controversy over the seniority standing of any employee on the seniority list shall be subject to the grievance procedure. An employee shall have thirty (30) days to protest his placement on the seniority list once it is first posted. If there is no written protest within this thirty (30) day period, the employee shall not have a right to challenge his placement on the list thereafter.

Section 5. Probationary Employees

(a) A probationary employee shall work under the provisions of this Agreement, but shall be employed on a trial basis until he completes forty-five (45) working days in a ninety (90) working-day period. Time spent in orientation shall not count toward the forty-five (45) working days.

(b) The Employer may not terminate a probationary employee for the purpose of evading this Agreement or discriminating against Union members.

Article 44 Subcontracting

In order to create full-time bargaining unit jobs, enhance the Company's ability to compete, and reduce its reliance on outside vendors, the Company may create a new

classification of employee named line haul driver (LHD). The attached Addendum shall control how LHD's are used and their terms of employment. If any Road Driver is displaced from his job classification for more than five (5) days and a LHD is operating into or out of that facility, then the driver shall have the right to take the job of the junior line haul driver who is domiciled in that facility without the loss of pay or benefits. If the facility is one (1) in which a LHD only terminates his run, the Company will re-domicile the LHD run to that facility if it can do so and still meet customer commitments.

(c) The following work rules shall apply to LHDs:

- (i) LHDs work week may be any combination of days in a work week.
- (ii) LHDs may have different start times within the work week.
- (iii) A LHD may be required to start his day at different times and facilities within the work week depending on the origin of his load.
- (iv) Runs shall be as assigned by the Company. However, if a particular workweek has consistent work days and start times it shall be subject to bid.

(d) Available new or vacated LHD jobs will be posted within seven (7) calendar days. The job opening will remain posted for seven (7) calendar days. The most senior casual employee bidding on the job shall be awarded the job, provided he or she is qualified. If there is no qualified casual employee to fill the job, the Company may hire a new employee. If a current casual employee is awarded the job, the Company shall have the right to fill that vacancy with a new hire.

An employee in the LHD classification may bid on a job in the local cartage or road classification pursuant to Article 5. Full-time employees at the service center shall have priority over casuals and LHDs. If no full-time employee at the service center bids on the job, the seniority date used to determine bidding priority among casuals and LHDs at the service center shall be their date of hire. If awarded such a bid, the LHD will be slotted into the progression for that job according to his/her seniority and immediately begin receiving the appropriate benefits for the job.

(e) LHDs shall be entitled to the following benefits:

(i) Medical Benefits: LHDs will be provided medical benefits through Central States. Plan B shall be the schedule of benefits. However, casual employees that are awarded a LHD position shall maintain their current benefits.

(ii) 401(K) Plan: The LHD shall be eligible to participate in the Teamster UPS National 401(K) Tax Deferred Savings Plan in accordance with the terms of that Plan. The Employer shall withhold from the employee's earnings, amounts mutually agreed between the Employer and the employee and deposit

such monies into a 401(K) account in the employee's name in compliance with the Internal Revenue Code and ERISA.

(iii) Holidays: LHDs shall become eligible for holiday pay after one (1) year of employment. All work performed by an LHD on a holiday shall be at a straight time rate.

(iv) Vacations: Article 25, Section 5 shall apply to LHD, except the maximum number of paid vacation days shall be ten (10). A casual employee awarded a LHD position shall be given the appropriate credit for vacation accrual.

(v) Retirement: New employees hired as LHDs shall not accrue benefits in the UPS Pension Plan for the first twenty-four (24) months of employment. However, all time in service as a LHD by any new or current employee shall count toward the vesting requirements in the UPS Pension Plan. After twenty-four (24) months of employment, LHDs will earn a monthly accrued benefit payable at normal retirement age equal to the amount of their monthly accrued benefit as of December 31, 2013 (if any) plus fifty dollars (\$50.00) per year times years of UPS Freight Benefit Service earned on or after January 1, 2014. In years in which an employee has less than fifteen hundred (1500) hours, he shall earn a prorated share of the fifty dollars (\$50.00). There shall be no limit on the number of years for which the fifty dollar (\$50.00) benefit may be earned. However, casual employees that are awarded LHD positions shall maintain their current benefits.

(vi) Other Benefits: UPS Freight may decide, whether other existing benefits programs such as but not limited to safety bonuses, discounted stock purchase plans, and educational assistance may be extended, modified or discontinued for this job classification at the Employer's discretion.

(f) Wages: LHDs shall be paid in accordance with the following:

	Start	Three Year
Single	\$0.42	\$0.44
Sleeper (per driver)	\$0.2129	\$0.2209
Triple	\$0.4257	\$0.4474
Sleeper Triple (per driver)	\$0.2157	\$0.2245

The compensation LHDs receive as a result of the application of the mileage rate to miles driven shall be the total compensation to which he is entitled for his road driving and all incidental duties (including, but not limited to, any rest breaks to which the employee may be entitled, pre-trip inspections, in-route breaks, in-route tire checks, logging, post-trip inspection, vehicle condition report, traffic delays, AVR arrival/dispatches, reporting of breakdown, reporting of accidents, tractor wash, check bay time, reefer checks, drops & hooks, fueling and pre-trip shop time). Except as otherwise specified in this Agreement, time spent waiting for

dispatch in excess of one (1) hour at a non- domiciled location, unless the run is a layover or doing any work not incidental to driving shall receive fifteen dollars (\$15.00) per hour.

(g) The Joint UPSF/IBT Competition Committee shall have the authority to review line haul runs that may be proposed by UPS Freight to create a two-way run. UPSF and the Union also agree to review and approve proposed runs that may be inclusive of runs currently being performed by vendors. In the event the parties do not agree, the runs shall not be implemented.

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