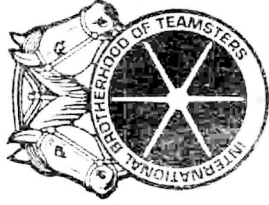


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NATIONAL MASTER UPS FREIGHT AGREEMENT



For The Period August 1, 2013
through July 31, 2018

NATIONAL MASTER UPS FREIGHT AGREEMENT



**For The Period August 1, 2013
through July 31, 2018**

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NATIONAL MASTER UPS FREIGHT AGREEMENT

**For the period of
August 1, 2013 through July 31, 2018**

UPS Freight, hereinafter referred to as the “Employer” and/or “Company”, and the TEAMSTERS NATIONAL UPS FREIGHT NEGOTIATING COMMITTEE, hereinafter referred to as TNUPSFNC, representing Local Unions affiliated with the International Brotherhood of Teamsters.

ARTICLE 1 PARTIES TO THE AGREEMENT

Section 1. Employees Covered

This Agreement covers, where already recognized, those employees who are employed as drivers, either over-the-road or city, as well as those employees engaged in dock and clerical work. A list of locations at which the TNUPSFNC has been recognized is appended to this Agreement as Addendum A.

Section 2. Operations Covered

The execution of this Agreement on the part of the Employer shall cover all employees of the Employer in the bargaining unit at any existing terminals at which the TNUPSFNC has been certified as the collective bargaining representative. The Locals designated by the TNUPSFNC to administer the Agreement shall also be deemed parties to this Agreement.

Section 3. Transfer of Company Title or Interest

In the event the Company is sold or any part of its operations covered by this Agreement is transferred, the Company shall give notice to the Local Union to the extent required by applicable law.

The Company shall give notice of the existence of this Agreement to any entity involved in the sale or other transaction by which the operation covered by this, or any part thereof, may be transferred. Such notice shall be in writing, with a copy to the Local Union, at the time of the purchase and sale negotiation are made known to the public or the Company executes a contract or transaction as herein described, whichever first occurs. The Local Union shall also be advised of the exact nature of the transaction, not including financial details.

ARTICLE 2

SCOPE OF AGREEMENT

Section 1. Agreement

The execution of this Agreement on the part of the Company shall apply to the job classifications defined and set forth in this Agreement.

Section 2. Non-Covered Units

This Agreement shall not be applicable to those operations of the Company where the employees are covered by a collective bargaining agreement with a union not signatory to this Agreement, or to those employees who have not designated a signatory union as their collective bargaining agent.

Section 3. Accretions

Notwithstanding the foregoing paragraphs, the provisions of this Agreement shall be applied without evidence of Union representation of the employees involved, to all subsequent additions to, and extensions of, current operations covered by this Agreement, which adjoin and are controlled and utilized as a part of such current operation, and newly established terminals and consolidations of terminals which are controlled and utilized as a part of such current operation. In the event the parties fail to agree on whether an accretion under this Section is appropriate, the exclusive method of resolving the dispute shall be that either party may refer the issue to the National Labor Relations Board for determination.

ARTICLE 3

RECOGNITION, UNION SHOP, AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the Teamsters National United Parcel Service Freight Negotiating Committee is the exclusive representative of all employees of the Employer in covered classifications. The employees covered by this Agreement shall constitute one (1) bargaining unit. The Local Unions designated by the TNUPSFNC to represent the covered employees shall be parties to this Agreement.

(b) When the Employer needs additional employees, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

Business agents and/or a steward shall be permitted to attend new employee orientations. The Employer agrees to provide the Local Union at least one week's notice of the date, time, and location of such orientation. The sole purpose of the business agent's or steward's attendance shall be to encourage new employees to join the Union.

Section 2. Union Shop and Dues

(a) All present employees who are members of the Local Union on the effective date of this Subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union in good standing as a condition of employment. In order to assist the Local Unions in maintaining current and accurate membership records, the Employer will furnish the appropriate Local Union a list of new employees. The Employer agrees to notify the Local Union when a new employee attains seniority. This notification will be made in conjunction with the new employee listing. The list will include the name, address, social security number, date of hire, service center to which assigned, shift, and classification or position hired into. The list will be provided on a monthly basis. All present employees who are not members of the Local

Union and all employees who are hired hereafter, shall become and remain members in good standing of the Local Union as a condition of employment on and after the thirty-first (31st) day following the beginning of their employment, or on and after the thirty-first (31st) day following the effective date of this Subsection, or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union, as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be offered to such employees on the same basis as all other members, and further that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provision of the National Labor Relations Act, but not retroactively.

(b) No provision of Section 2(a) of this Article shall apply to the extent that it may be prohibited by state law. In the event Subsection (a) above may not be validly applied, the Employer agrees to recommend to all new employees that they become members of the Union and maintain such membership during the life of this Agreement.

Section 3. Dues Checkoff

The Employer agrees to deduct from the pay of all employees covered by this Agreement the initiation fees, dues and/or uniform assessments of the Local Union having jurisdiction over such employees. The Local Union will electronically provide the Employer a weekly amount to be deducted from each employee. The Local Union will individually specify the weekly amount to be deducted for initiation fees, union dues and/or assessments. For initiation fees and assessments, the Local Union will notify the Employer the number of weeks these deductions are to be taken from the employee. Notification of deductions to be made by the Employer for the benefit of the Local Union must be received at least one (1) month prior to the date the deduction is to be made. The obligation of the Local Union to provide this information shall be satisfied by the transmission of a computer file in mutually agreeable format.

The Employer shall make no deductions that are not listed on the Local Union's monthly or weekly checkoff statement in those locations which send a checkoff statement to the Employer. In the event the Employer improperly deducts too much dues money, the amount improperly withheld shall be remitted to the involved employee(s) on the second (2nd) scheduled workday following notification to the Employer. The Local Union(s) shall return any overpayment(s) to the Employer within one (1) week following written notification from the Employer.

The Employer will provide a remittance to the Local Union within fifteen (15) days following the check date the deduction was taken. With each remittance, the Employer shall submit a report listing all employees alphabetically with their social security number and job classification. For those employees who had no deduction for the week, the Employer will provide a reason. In the event the Local Union does not want to receive a weekly remittance, the Employer will provide a monthly remittance by the fifteenth (15th) day of the following month. However, if this option is chosen, the Employer will still make weekly deductions as described above.

Where law requires written authorization by the employee, the same is to be furnished in the form required. No deduction shall be made which is prohibited by applicable law.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's Social Security number and the amount deducted from that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Employer agrees to deduct certain specific amounts each week from the wages of those employees who shall have given the Employer written notice to make such deductions. The Employer will remit amounts deducted to the applicable credit union once each week. The amount so deducted shall be remitted to the applicable credit union once each month or weekly. The Employer shall not make deductions and shall not be responsible for remittance to the credit union for any deductions for those weeks during which the employee's earnings shall be less than the amount authorized for deductions.

ARTICLE 4 STEWARDS

The Company recognizes the right of the Local Union to designate job stewards and alternates from the Company's seniority list. The authority of job stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

- (a) The investigation and presentation of grievances with his/her Company or the designated Company representative in accordance with the provisions of the collective bargaining agreement;
- (b) The collection of dues when authorized by appropriate Local Union action;
- (c) The transmission of such messages and information, which shall originate with and are authorized by the Local Union or its officers, provided such messages and information:
 - 1. have been reduced to writing; or
 - 2. if not reduced to writing, are of routine nature and do not involve work stoppages, slowdowns, refusals to handle goods, or any other interference with the Company's business.

When requested by the employee, there shall be a steward present whenever the Company meets with the employee to conduct investigatory interviews which may result in discipline or discharge or to

discuss a grievance. If a steward is unavailable, the employee may designate a bargaining unit member who is immediately available at the service center at the time of the meeting to be present. Meetings or interviews shall not begin until the steward or designated bargaining unit member, if requested, is present. An employee who does not want a Union steward or designated available bargaining unit member present at any meeting or interview where the employee has a right to Union representation, must waive Union representation in writing. If the Union requests a copy of the waiver, the Company shall promptly furnish it.

Stewards and alternates have no authority to take strike action or any other action interrupting the Company's business, except as authorized by official action of the Local Union. The Company recognizes these limitations upon the authorized Job Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Company in so recognizing such limitations shall have the authority to impose proper, nondiscriminatory discipline, including discharge. However, in the event the Job Steward or the designated alternate has led, or instigated or encouraged unauthorized strike action, slowdown or work stoppages in violation of this Agreement, he/she may be singled out for more serious discipline, up to and including discharge. Stewards and/or alternate stewards shall not be subject to discipline for performing any of the duties within the scope of their authority and defined in this Section, in the manner permitted by this Section.

The Steward or the designated alternate shall be permitted reasonable time to investigate, present and process grievances on the Company's property without interruption of the Company's operation. Upon notification to his or her supervisor, a steward shall be afforded the right to leave his/her work area for a reasonable period of time to investigate, present and process grievances and to represent a fellow employee concerning grievances or discipline so long as such activity does not interrupt the Employer's operations. The Company will make a reasonable effort to ensure that its operations are not interrupted by the steward's engaging in such activities. The Company shall not use interruption of its operation as a subterfuge for denying such right to the steward. Time spent in handling griev-

ances during the job steward's or his/her designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the "job steward."

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.

Union stewards shall be allowed to wear a Union Steward pin while on the Employer's property.

ARTICLE 5

Section 1. Seniority

(a) Upon completion of the probationary period, the employee's seniority for all purposes shall be the first (1st) day worked as a probationary employee. Seniority shall be broken only by discharge, voluntary quit, normal retirement, or more than a two (2) year lay-off, 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.

(d) For full-time employees there shall be two seniority lists, "local cartage" and "over-the-road." There shall also be a separate "casual local cartage" seniority list. Employees in the following classifications shall be included on the local cartage seniority list: all truck

drivers, helpers, dock workers, jockeys, and such other employees as may be presently or hereafter represented by the Union, engaged in local pickup, delivery, and assembling of freight. The "over-the-road" seniority list shall include all over-the-road drivers whose primary job is to transport freight between the Employer's facilities. Nothing within this paragraph shall preclude the Company from requesting a road driver to make extra stops to pick up or deliver freight in connection with his regular run or performing other local cartage work as the Company may assign. It is not the intent of the Company that this provision be utilized to diminish cartage employees' work.

(e) The Company shall offer extra city or dock work to road employees who are on layoff and who are qualified and immediately available for city or dock work prior to using casual employees, except where there is a mutually agreed procedure to the contrary. No road employee shall gain "local cartage" seniority under this provision, but he/she shall accrue Company seniority.

(f) The following shall apply to casual employees:

1. The date an employee is hired as a casual will be the casual seniority date.
2. A casual employee laid off due to lack of work for less than one year will retain his/her casual seniority. Company and job classification seniority shall be lost due to discharge, voluntary quit or retirement.
3. The date a casual employee obtains full-time employment shall be the employee's regular seniority date.
4. A casual employee whose layoff exceeds one (1) year shall be considered to have been terminated and shall lose seniority, but may reapply for employment.
5. A full-time employee's seniority shall prevail over a casual employee's seniority in case of layoff.
6. If a full-time position is available for bid, and is not bid upon by

a qualified regular full-time employee, the casual employee with the most seniority who bids on the position will be awarded the position if he/she meets the minimum qualifications of the position.

7. Casual employees will be laid off and recalled to their job classification in accordance with Section 2 below.

8. When a casual or combination of casuals works the same shift for eight (8) continuous hours forty-five (45) days in ninety (90) consecutive calendar days, other than as a temporary replacement for an employee on vacation or leave of absence, the Company shall create a full-time position that it may classify, at its discretion, as a fulltime dock with CDL or fulltime dock only; pay will be in accordance with Article 26.

(g) In developing the initial Local Cartage seniority list referenced above, the Company shall use the employee's Company seniority date unless a particular employee transferred into his current service center from another service center. In such event, the employee's transfer date to the current service center shall be used to develop the seniority list.

Section 2. Layoffs

(a) When it becomes necessary to reduce the working force, the last employee hired on the affected classification seniority list shall be laid off first, unless CDL qualifications are necessary. The affected regular employee may bump the most junior employee in another job classification provided the bumping employee is qualified to do the job. The bumping employee goes to the bottom of the new job classification seniority list. If the employee exercises the right to bump and receives a recall notice, the employee must return to the position from which he/she was laid off. Company benefits will be provided in accordance with the terms of the applicable SPD.

An employee on layoff will be offered work in any or all classifications (road, city, or dock) at his domicile ahead of any casual or probationary employees, provided he/she is available and qualified.

(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.

(c) If a road driver's run is cut for the day, the road driver will have the option of (1) holding until his/her next bid, (2) dovetailing into the extra board or (3) working ahead of a casual employee. Option (2) and (3) will only be available to the driver if he/she will be able to meet their next bid start time.

(d) If a P&D driver's run is cut for the day, the P&D driver will have the option of (1) taking the day off pursuant to (e) below, or (2) displacing the junior P&D driver who starts at the same time or after them, if any. 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.

(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.

Section 3. Recall

Employees on layoff (including employees who exercised their right to bump) shall be recalled in the reverse order of their layoff, provided the employee is qualified to perform the work, if work is available. Notice of recall shall be mailed to the employee's last known address by certified mail, return receipt requested, and shall set forth the time and date the laid off employee is to report back to work. The employee shall have seven (7) calendar days from the date the return receipt is signed to contact the Employer and seven (7) calendar days to return to his/her previous job. In the event an employee fails to make himself/herself available for work at the end of the seven (7) calendar days, he/she shall lose all seniority rights under this Agreement.

Section 4. Posting

(a) Starting times, by classification will be posted for bid on the Union bulletin board on a semi-annual basis in June and December of each year. The bids will contain a description of the run or job. Bids shall remain posted for seven (7) calendar days, from Wednesday noon to Wednesday noon. 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 one hundred (100) miles (total within a week) for an "over-the-road" driver, the job shall be subject to re-bid under paragraph (b) below. In addition, if a bid job is cancelled more than ten (10) times in a calendar month, the job shall be subject to re-bid under paragraph (b) as well, provided the employee holding the job does not decide 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.

(b) Available new or vacated bargaining unit positions will be posted for seven (7) calendar days from Wednesday noon to Wednesday noon on the Union bulletin board. Such postings will include the start time and a description of the run for "over-the-road" jobs. The most senior employee bidding on the job who is below the employee currently holding the job on the seniority list shall be awarded the bid.

There shall be a limit of four (4) moves as a result of the re-bid. The Company shall thereafter have the right to fill any remaining vacancy via the assignment of the junior available qualified employee. In the absence of a local agreement to the contrary, if ten percent (10%) or more of the road driver bid jobs on the seniority list are posted for re-bid within the thirty (30) calendar days after the semi-annual bid process set forth in this section, an additional bid of all starting times will occur in the classification.

Copies of all completed bids shall be sent to the Local Union within ten (10) working days of completion.

(c) Employees who did not possess a CDL on April 7, 2008, including yard jockeys, shall continue to be red circled. All new full-time employees will be required to possess a valid CDL. Casual employees must possess a valid CDL before they will be eligible to be awarded a full-time job except as otherwise provided in this Article.

The Company shall make equipment and management personnel reasonably available for employees to use to gain CDL qualifications on their own time.

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.

Section 6. Purchase of Equipment

The Employer shall not require as a condition of continued employment that an employee purchase truck, tractor, and/or tractor and trailer or other vehicular equipment, or that any employee purchase or assume any proprietary interest or other obligation of the business.

Section 7. Unassigned Work

When all things are equal, the Employer recognizes that the principles of seniority shall be given prime consideration in the everyday operation of the business.

Absent an area agreement to the contrary, the following shall apply:

(a) Unassigned P&D drivers with the same start time will be offered the choice of P&D work in seniority order at the beginning of their shift. Unassigned work that is available during and at the end of the shift will be offered in seniority order to P&D drivers

who are currently available and qualified. Drivers will decide promptly upon being offered a choice of work.

(b) When it becomes necessary to reduce the number of dock workers during a shift, unassigned dock work will be offered to dock workers who are waiting for assignment in seniority order, provided all contractual work guarantees are met and overtime status is equal.

ARTICLE 6

SUSPENSION, DISCIPLINE AND DISCHARGE

Section 1. Just Cause

Employees shall not be disciplined, suspended or discharged except for just cause. Except for offenses of extreme seriousness, employees shall be subject to progressive discipline, which shall require the Company to give at least one (1) advance warning notice of the complaint(s) against the employee to the employee in writing with a copy of the same to the Local Union.

Section 2. Notification in Writing

When an employee is disciplined, suspended or discharged, the employee and the Union shall be notified in writing. Any employee discharged away from his/her home Service Center shall be provided expeditious transportation to his/her home Service Center at the Company's expense.

Section 3. Expiration of Prior Disciplinary Action for Future Use in Progressive Discipline

Warning notice(s) or suspensions as provided herein shall not remain in effect to support further progressive disciplinary action for a period of more than nine (9) months. All warning notices, discharges, suspensions or other disciplinary action shall be confirmed in writing to the employee and Union.

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.

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.

ARTICLE 7 LOCAL, REGIONAL AND NATIONAL GRIEVANCE PROCEDURES

Section 1.

A grievance is hereby defined to be any controversy, complaint, misunderstanding or dispute arising as to interpretation, application or observance of any of the provisions of this Agreement.

Grievance procedures may be invoked only by the authorized Union or Employer representative.

Section 2.

Except in cases where an employee can be suspended or discharged without a warning letter, an employee subject to suspension or discharge shall be allowed to remain on the job, without loss of pay, unless and until the suspension or discharge is sustained under the grievance procedure. The Union agrees that it will not unreasonably delay the processing of such cases. An employee remaining on the job under this provision may be removed from service if he/she commits another disciplinary offense for which he/she is subject to suspension or discharge without a warning letter under this

Agreement. Grievances related to a discharge or suspension notice must be filed with the Company within ten (10) calendar days. If the grievance cannot be resolved locally within five (5) working days, Section 3 (c) below applies.

Section 3. Resolution of Grievances

In the event of a grievance related to any dispute as to the interpretation, application or observance of the provisions of this Agreement other than discipline, it shall be handled in the following manner:

- (a) The employee shall report it to his shop steward in writing within five (5) working days. The steward shall attempt to adjust the matter with the supervisor within two (2) working days.
- (b) Failing to agree, the shop steward shall promptly report the matter to the Local Union which shall submit it in writing and attempt to adjust the same with the Company within five (5) working days.
- (c) If the Local Union and the Company fail to reach a decision or agree upon a settlement in the matter, it may be submitted in writing within ten (10) working days to the appropriate UPS Freight Joint Grievance Panel (UPSFJGP), as set forth in Section 5 below.
- (d) A grievance to be heard by the appropriate UPSFJGP must be in writing and submitted to the Panel Secretary thirteen (13) working days before the meeting of the Panel, with the exception of discharge grievances which may be submitted no less than five (5) working days before the meeting.
- (e) In the event a majority of a Panel cannot agree upon a decision, other than a case covered by Section 5(g) below, the matter shall be considered deadlocked. In such event, the Union shall have the right to request it to be heard by the National Grievance Panel (NGP) within ten (10) calendar days after receipt of the written decision. If an open grievance is not submitted to the NGP within the ten (10) days, it shall be considered resolved.

Section 4. Miscellaneous

Payment for grievances settled at the local level of the grievance procedure must be made within two (2) weeks following the date of the settlement. Payment for grievances resolved by a Regional Panel or the National Grievance Panel shall be made within two (2) weeks following the Company's receipt of the Panel's resolution statement. A copy of the payroll adjustment will be mailed to the Local Union involved. Payment of grievance amount will be listed on the employee's payroll advisory. Payment for grievance settlement shall be taxed at the employee's regular withholding rate where legally permissible.

The parties may extend any deadline imposed by this Article in writing by mutual agreement.

Section 5. Regional Grievance Panels

(a) There shall be four (4) UPS Freight Regional Joint Grievance Panels. The Panels shall be established based upon the corresponding geographical regions of the International Brotherhood of Teamsters: i.e. Eastern, Western, Central, and Southern.

(b) In order that each Panel may operate quickly and efficiently, the parties agree that a person who may or may not be a member of a Panel shall be mutually selected and designated to serve as Secretary. Each Panel shall have its own Secretary. The Secretary shall have no voice in making decisions and shall perform only the duties assigned to him/her by the Panel. The Secretary shall docket cases, prepare the agenda and mail a copy prior to the scheduled meeting of the Panel to each member of the Panel, the Employer and Local Unions whose case appears on the agenda. The Secretary shall attend the meeting to prepare and keep the minutes and mail copies of the minutes to the members of the Panel and shall also mail copies of the decision of the Panel to all UPS Freight representatives and Local Unions who are parties to this Agreement.

(c) A grievance to be heard by a Panel must be put in writing and submitted to the appropriate Secretary thirteen (13) days before the meeting of the Panel, with the exception of discharge grievances which may be submitted no less than five (5) working days before

the meeting. The Parties further agree that no grievance or grievances shall be discussed except those which have been received by the Secretary of the Panel before the deadline set forth above. It is agreed that in order for a Panel to hear a case there shall be an equal number of Employer Committee members and Union Committee members sitting, not to exceed three (3) Union Committee members and three (3) Employer Committee members and not less than two (2) Union Committee members and two (2) Employer Committee members. The members of the Panel are to be selected from the overall geographical area covered by the Panel. The decision of the majority of the Panel hearing the case shall be binding on all parties.

(d) It is understood and agreed that the Employer representatives and the Local Union representatives who are representing the UPS Freight operation and/or Local Union involved in a proceeding before a Panel, will be ineligible to act as a member of that Panel during the proceeding.

(e) If a Local Union docketts a case at a Regional Panel, the Company and the Union shall both be required to pay a fifty (\$50.00) dollar docketing or hearing fee. The expenses for operating a Regional Panel shall be borne equally by all the covered Local Unions on a pro rata basis and Company operations which are covered by this Agreement. The parties reserve the right to modify the above fees or impose an assessment, by mutual consent.

(f) All unresolved grievances must be referred to the appropriate Regional Panel. Each Regional Panel will meet every 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. The Company may not postpone a discharge case in which the Grievant is off the job, provided a local hearing has been conducted.

Upon the request of either chairman and by mutual agreement of both chairmen, the Regional Panel will hear discharge and suspen-

sion cases on Tuesday, Wednesday and Thursday, if necessary, in order to clear the docket. In these month(s), there will be a second (2nd) Regional Panel established on the same days to hear regular cases on Tuesday, Wednesday and Thursday. Such request will be limited to two (2) times a year unless otherwise mutually agreed to by both the Company and the Union chairmen.

After one (1) year, the Co-Chairs of the Regional Panels shall evaluate whether meeting every three (3) months is effectively and expeditiously resolving pending grievances. If not, the schedule will be reverted to every two (2) months by mutual agreement.

(g) On discharge and suspension cases only, an impartial arbitrator will sit as a fifth (5th) or seventh (7th) Panel member of the Regional Panel and shall render a bench decision on all deadlocked cases. The parties shall mutually agree to a panel of arbitrators. If the parties are unable to agree, each party shall submit a list of seven (7) arbitrators and shall alternately strike until at least three (3) are selected. Individual arbitrators are subject to review and dismissal by either party upon thirty (30) days notice and will be replaced. Any arbitrator's decision that involves the interpretation of this Agreement, other than Article 6, may be reviewed by the NGP subject to the criteria and procedures set forth in Section 6(b) below.

Section 6. National Grievance Panel

(a) Cases deadlocked at a Regional Panel may be submitted to the NGP for decisions. The NGP shall be composed of an equal number of Employer and Union representatives. It shall meet at least three (3) times per year on mutually agreed upon dates and locations. The NGP shall adopt rules of procedure which may include the reference of disputed matters to subcommittees for investigation and report the final decision or approval, however, to be made by the NGP. If the NGP resolves any dispute by a majority vote of those present and voting, such decision shall be final and binding upon all parties.

(b) The Union and Employer may under this Section review and reverse, if necessary, decisions by any regional or local grievance committee which interprets Master language erroneously.

The NGP may consider and review decisions raising an issue of interpretation of language which are submitted by the Union (either the Chair of the TNUPSFNC or his designee) or the designated Employer representative. The NGP shall have the authority to reverse and set aside the majority decision of any regional panel, local decision or Regional Panel arbitrator's award if, in its opinion, such decision is contrary to the language of this Agreement. The decision of the NGP shall be final and binding. The NGP shall determine whether a decision submitted to it raises an issue of interpretation of Master Agreement language.

In order for such cases to be reviewed, the decision must interpret language of this Agreement and set a precedent for future grievances. In addition, a reasonable case must be made that the lower Panel interpretation was contrary to the true meaning of the Agreement. If the NGP deadlocks on whether a decision meets these criteria, arbitration may be requested as set forth below, unless the review concerns a Regional Panel arbitrator's opinion.

Prior to such cases being placed on the master docket, the moving party (either the Chair of the TNUPSFNC or his designee) or the designated Employer representative shall confer with his counterpart and discuss the matter.

(c) Where the NGP fails to reach a majority decision as to any case submitted pursuant to this Article, either party shall have the right to refer the case to binding arbitration. Either party wishing to submit a grievance to arbitration must do so within ten (10) days of receipt by mail or hand delivery of the NGP deadlock decision. The arbitrator is to be selected from an American Arbitration Association national panel list and all aspects of the arbitration procedure shall be governed by the Rules of the American Arbitration Association.

(d) The arbitrator shall have the authority to apply the provisions of this Agreement and to render a decision on any grievance coming before him/her but shall not have the authority to amend or modify this Agreement to establish new terms or conditions of employment.

(e) The parties reserve the right to modify the above schedules, fees and/or assessments for Regional and NGP meetings by mutual consent.

ARTICLE 8 PROTECTION OF RIGHTS

Section 1. Picket Lines: Sympathetic Action

It shall not be a violation of this Agreement, and it shall not be cause for discharge, disciplinary action (including but not limited to the temporary or permanent replacement of any employee) in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of Unions party to this Agreement, and including primary picket lines at the Employer's places of business, and the Employer shall not direct any employee to cross a primary picket line.

Section 2. Struck Goods

It shall not be a violation of this Agreement and it shall not be cause for discharge, disciplinary action or permanent replacement if any employee refuses to perform any service which his/her Employer undertakes to perform as an ally of an Employer or person whose employees are on strike and which service, but for such strikes, would be performed by the employees of the Employer or person on strike.

ARTICLE 9 LOSS OR DAMAGE

Section 1.

Employees shall not be held responsible, or required to assume liability, for loss or damage or stolen merchandise, unless the Company demonstrates that the employee, without justification or mitigation, violated established rules, procedures or policies, the observance of which would have prevented the loss, damage or theft. In no event will an employee be held responsible for, or

required to assume any liability for any loss, damage or stolen merchandise when performing assigned work in a manner as specifically instructed by a supervisor. This Article shall not be utilized in any manner to hold an employee liable for any loss or damage of equipment under any conditions or for any damage to cargo as a result of any vehicular accident.

Section 2.

Prior to an employee being charged with the responsibility and liability for any loss, damaged or stolen merchandise, a hearing shall be held with the Local Union, the employee and the Company, during which the employee's justification or mitigation, if any, for his/her conduct shall be considered. Employees who are found to be liable and required by the Company to make restitution for such liability shall not also be subject to any further disciplinary action. Any dispute between the parties under this provision may be referred to the grievance procedure.

ARTICLE 10 BOND AND INSURANCE

Section 1. Bonds

Should the Company require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Company. The primary obligation to procure the bonds shall be on the Company. If the Company cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her bonding requirements, standard premiums only on said bond to be paid by the Company. A standard premium shall be that premium paid by the Company for bonds applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

Section 2. Insurance

Every driver of a commercial motor vehicle must maintain a Commercial Drivers License and be covered by insurance. If the Company cannot cover a driver under an existing fleet policy, the Company will promptly apply to the state assigned risk-pool to provide any comparable coverage. During the pendency of the application and until insurance is obtained, the driver will not be terminated, but will be taken out of driving service.

ARTICLE 11 UNIFORMS

The Company agrees that if any employee is required to wear any kind of uniform as a condition of continued employment, such uniform, including uniform shorts, shall be furnished by the Company, free of charge, at the standard required by the Company. The Company will consider purchasing uniforms made in the United States by union vendors.

The Company shall replace all clothing, glasses, hearing aids and/or dentures not covered by Company insurance or workers' compensation which are destroyed or damaged in a wreck or fire with Company equipment while on Company business.

The Company has the right to establish and maintain reasonable standards for wearing apparel and personal grooming.

The Company shall place an order for replacement uniform parts within one (1) week of the date upon which an employee shows worn items to his or her manager. The worn items will be exchanged with replacement uniform parts when the Company receives the replacements from the vendor.

ARTICLE 12 PASSENGERS

No driver shall allow anyone to ride on his/her truck except by authorization of the Company, or except in cases of emergency arising out of disabled commercial equipment or an Act of God. No

more than two (2) people (including the driver) shall ride in the cab of a tractor unless required by government agencies or the necessity of checking of equipment. This shall not prohibit drivers from picking up other drivers, helpers or others in wrecked or broken-down motor equipment and transporting them to the first (1st) available point of communication, repair, lodging or available medical attention. Nor shall this prohibit the transportation of other drivers from the Company at a delivery point or Service Center to a restaurant for meals.

ARTICLE 13

COMPENSATION CLAIMS

- (a) The Company agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. Upon request by an employee injured on-the-job, the Company will provide information outlining the procedure for submitting a workers' compensation claim.
- (b) Road drivers sustaining an injury while being transported in Company provided transportation for Company purposes at a lay-over service center shall be considered as having been injured on the job.
- (c) In the event that an employee sustains an occupational illness or injury while on a run away from his/her home service center, the Company shall provide transportation by bus, train, plane, or automobile to his/her home service center if and when directed by a doctor.
- (d) The Company agrees to provide any employee injured locally transportation at the time of the injury, from the job to the medical facility and return to the job, or to his/her home if required.
- (e) In the event of a fatality arising in the course of employment, while away from the home service center, the Company shall return the deceased to his/her home at the point of domicile.
- (f) The Company may publish reasonable safety rules and procedures, provide the Local Union with a copy and require employees

to acknowledge in writing that they have received such rules and procedures. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action.

(g) An employee who is sent home by the Company as a result of an injury on the job, or is sent to a hospital, or who must obtain medical attention that day, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. An employee who has returned to his/her regular duties after sustaining a compensation injury who is required by the worker's compensation doctor to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time.

(h) The Company may continue a modified work program on a non-discriminatory basis. This program is designed to provide temporary opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury.

ARTICLE 14 MILITARY CLAUSE

Employees in service in the uniformed services of the United States, as defined by the provisions of the Uniform Services Employment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable state and federal laws. This shall include continuation of health coverage as provided by USERRA, and pension contributions for the employee's period of service, as provided by USERRA. Employees shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

The Employer, in its discretion, may make additional payments or award additional benefits to employees on leave for service in the uniformed services in excess of the requirements outlined in the USERRA.

Employees on USERRA-approved military leave shall continue to accrue vacation to be used upon return as set forth below. To be eli-

gible for accrual, employees must be (i) employed by UPS Freight for at least one (1) year, (ii) be a member of the uniformed services at time of call up, and (iii) be called onto active duty (other than for training) for a period of service exceeding thirty (30) days pursuant to any provision of law because of a war or national emergency declared by the President of the United States or Congress. An eligible employee returning to work as per USERRA shall be entitled to annual vacation for the remainder of that contractual vacation period based on the number of weeks to which he/she is entitled for years of service and the quarter in the current contractual vacation period in which the employee returns from eligible military leave, as follows:

No. Wks.	Q1	Q2	Q3	Q4
5	5	3	2	1
4	4	3	2	1
3	3	2	1	1
2	2	1	1	1

In no event shall the employee have less than one (1) week of vacation available upon his/her return.

For the next contractual vacation period, the employee shall be credited with the vacation he/she would have accrued while he/she was on military leave.

The treatment of unused vacation and the scheduling of vacation shall be in accordance with Article 25.

Upon notification from an employee that he/she is taking USERRA qualified military leave, the Employer shall notify the Local Union within five (5) business days.

ARTICLE 15 EQUIPMENT AND SAFETY

Section 1. Safe Equipment

The Company shall not require employees to take out on the

streets or highways any vehicle that is not in a safe operating condition, including, but not limited to, equipment which is acknowledged as overweight or not equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement or basis for discipline where employees refuse to operate such equipment unless such refusal is unjustified.

It shall also not be a violation of this Agreement or considered an unjustified refusal where employees refuse to operate a vehicle when such operation constitutes a violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe condition of such equipment. The Company shall be responsible for any citation issued if it occurred through no fault of the driver.

Repairs to equipment will be certified on the Vehicle Condition Report.

Section 2. Dangerous Conditions

Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work, or danger to person or property or in violation of any applicable statute or court order, or in violation of government regulation relating to safety of person or equipment. The term "dangerous conditions of work" does not relate to the type of cargo hauled or handled.

Section 3. Accident Reports

Any employee involved in any accident or cargo spill incident, involving any hazardous or potentially polluting product, shall immediately report said accident or spill incident and any physical injury sustained. The employee, as soon as possible, or at the latest before the end of the shift during which the accident or incident occurs, shall make out an accident or incident report in writing on forms furnished by the Company and shall turn in all available names and addresses of witnesses to the accident or incident.

The employee shall receive a copy of the accident or incident report that he/she submits to the Company if requested. Failure to comply with this provision shall subject such employee to disciplinary action.

Section 4. Equipment Reports

Employees shall immediately, or at the end of their shift, report all defects of equipment. Such reports shall be made on a suitable form furnished by the Company. The report shall be made available for inspection by the next driver operating the unit. The employees making the report shall be provided a copy if requested at the time the report is made.

The Company shall not ask or require any employee to take out equipment that has been reported on a Vehicle Condition Report as being in an unsafe operating condition by an employee who has operated the vehicle until the same has been repaired or is approved for use in accordance with the Vehicle Report Procedure.

When the occasion arises where an employee gives a written report on forms in use by the Company of a vehicle being in an unsafe working or operating condition and receives no consideration from the Company, he/she shall take the matter up with an officer of the Local Union who will take the matter up with the Company. However, in no event shall an employee be required to take out on the streets or highways a vehicle that is not in a safe operating condition or in violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety as provided in Section 1 of this Article.

Section 5. Qualifications on Equipment

If the Company or government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with the Company, the Company shall allow such regular employee the use of the equipment so required in order to take the examination on the employee's own time. Costs of such license required by government agency will be paid for by the employee.

Section 6. Hazardous Materials Program

The parties agree to comply with the Company's Hazardous Materials Program. The parties agree that the Company will be responsible for the development and implementation of procedures subject to federal, state and local laws regarding the handling of hazardous materials.

Section 7. Union Liability

Nothing in this Agreement relating to health, safety or training rules or standards shall create any liability or responsibility on behalf of the Union for any job-related injury or accident to any employee or any other person. Further, the Company will not commence legal action against the Union as a result of the Union's negotiation of safety standards contained in this Agreement or failure to properly investigate or follow-up Company compliance with those safety standards.

Section 8. Government Required Safety & Health Reports

The Company shall provide upon written request by the Local Union, a copy of any occupational incident report that is required to be filed with a federal government agency on safety and health subjects addressed by this Article only. Such reports shall be free of charge.

Section 9. Equipment Requirements

(a) All vehicular equipment added after the effective date of this Agreement will be equipped with air conditioning and power steering. The Company will not purchase new diesel powered forklifts unless the National Institute for Occupational Safety and Health concludes that diesel is or can be made as safe and healthy as alternative fuels. Such forklifts will be maintained in proper operating conditions.

(b) The Employer shall install heaters and defrosters on all trucks and tractors.

(c) There shall be first-line tires on the steering axle of all road and local pick-up and delivery power units. In case of breakdown a temporary replacement other than a first-line tire may be used to return to the home terminal.

(d) All new road equipment regularly assigned to the fleet shall be equipped with an air-ride seat on the driver's side. Such equipment shall be maintained in reasonable operating condition. All new air-ride seats shall oscillate and have an adjustable lumbar support, height, backrest and seat tilt.

(e) When the Employer weighs a trailer, the over-the-road driver shall be furnished the resulting weight information along with his/her driver's orders.

(f) All road and city equipment shall have a speedometer operating with reasonable accuracy.

(g) The Employer and the Union recognize the need for safe and efficient twin-trailer operations. Accordingly, the parties agree to the following:

1. Dollies shall be counter-balanced or equipped with a crank-down wheel to support the weight of the dolly tongue.

2. Whenever possible, the Employer will hook up the heaviest trailer in front in twin-trailer operations. In those instances where it is not possible because of an intermediate drop of less than one hundred fifty (150) miles or scaling of the drive axle, the driver after driving the unit at any point on the trip, determines, at his/her sole discretion, the unit does not handle properly, may have the Employer switch the unit or authorize the driver to switch the unit and be paid for such time.

(h) All newly manufactured road tractors regularly assigned to the fleet after the effective date of this Agreement shall be equipped with heated mirrors. However, it shall not be a violation of this provision for the tractor to be dispatched to the next Employer point of repair if the heated and/or power mirror is inoperative.

(i) All new diesel tractors and new yard equipment shall be equipped with vertical exhaust stacks.

(j) All new road and city tractors shall be equipped with large spot mirrors (6" minimum) on both sides of the tractor upon and after the effective date of this Agreement.

ARTICLE 16

EXAMINATION AND IDENTIFICATION FEES

Section 1. Required Examination

(a) Physical, mental or other examinations required by a government body or the Employer shall be promptly complied with by all employees; provided, however, the Employer shall not pay for any time spent in the case of applicants for jobs.

The Employer shall determine the doctor that will perform the required examination and shall be responsible to these employees only for time spent at the place of examination or examinations where the time spent by the employee exceeds two (2) hours, and in that case only for those hours in excess of said two (2) hours. Examinations are to be taken at the employee's home area and are not to exceed one (1) in any one (1) year, unless the employee has suffered serious injury or illness within the year. Employees will not be required to take examinations during their working hours, unless paid by the Employer for all time spent. Employees shall be given reasonable notice of dates of examinations. The Employer shall pay for all such examinations for all regular and probationary employees.

DOT medical cards must be obtained from the doctor designated by the Company. For those drivers subject to DOT regulations who possess a valid medical certificate from a designated DOT provider, the Employer shall pay for any additional physical, mental, or other examinations required by the Employer to confirm the validity of the medical certificate.

(b) It is understood by the Employer and the Union that once an employee notifies the Employer that he/she has been released

to return to work by the employee's doctor, the Company doctor must examine the employee within three (3) working days from the time the employee brings the return-to-work slip to the Employer.

The Employer reserves the right to select its own medical examiner or doctor, and the Union may, if it believes an injustice has been done an employee, have said employee re-examined at the Union's expense.

In the event of disagreement between the doctor selected by the Employer and the doctor selected by the Union, the Employer and Union doctors shall together select a third (3rd) doctor within seven (7) days, whose opinion shall be final and binding on the Company, the Union, and the employee. Neither the Company nor the Union or employee will attempt to circumvent the decision. The expense of the third (3rd) doctor shall be equally divided between the Employer and the Union. Disputes concerning back pay shall be subject to the grievance procedure.

If the third (3rd) doctor agrees that the employee should be returned to work, the employee shall be reimbursed at his/her daily guarantee, less any other monies received back to the date of the examination by the Company doctor. It shall exclude any time the employee was not available for examination or work.

Section 2. Identification Fees

Should the Company find it necessary to require employees to carry or record full personal identification, such requirement shall be complied with by the employees. Any such personal identification shall not require employees to disclose their social security numbers. The cost of such personal identification shall be borne by the Company.

Section 3. Company Will Furnish Equipment

It is mutually understood that, under normal circumstances, the Company will furnish equipment for their employees to take any CDL test required by law.

Section 4. Identification of Company Representatives

Company representatives, if not known to the employees, shall identify themselves to employees prior to taking disciplinary action.

ARTICLE 17 PAY PERIOD

Employees shall be paid in full each week on pay periods occurring on a day established by the Company, in the week following the week worked.

Not more than seven (7) days' pay shall be held on an employee. Each employee shall be provided with an itemized statement of gross earnings and an itemized statement of all deductions made for any purpose. Verified payroll mistakes of twenty dollars (\$20.00) or more will be paid on the next business day if requested by the employee. Over-the-road employees shall receive their regular paychecks prior to their last dispatch or tour of duty, prior to payday, if available; with the understanding they shall not cash same until the date on the paycheck.

New employees, defined as those not in the bargaining unit on the payroll on the date of ratification, shall designate Electronic Fund Transfer (EFT), unless prohibited by applicable State law.

When an employee notifies the Company in writing of any ongoing overpayment, the employee's increasing liability will cease five (5) working days after the date of the written notification. The notification shall be provided to the employee's immediate supervisor or manager.

All employees shall be reimbursed expenses within thirty (30) days of submitting the request.

ARTICLE 18 WORKDAY AND WORKWEEK

Section 1. Casual Employees

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.

Section 2. Full-time Employees

The schedule 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.

One and one-half (1 ½) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, except where the seventh (7th) consecutive day of work falls on Sunday, in which case double time shall be paid.

Section 3. Overtime

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. Overtime shall not be pyramided. Pay for hours not worked shall not count toward the forty (40) hour threshold.

All hours worked on Sundays or holidays or on the seventh (7th) consecutive day or in excess of ten (10) hours per day shall not apply against the guarantee but must be paid in addition to the guarantee.

The Company will make a reasonable effort to notify non-driving employees at least one (1) hour in advance of overtime.

Section 4. Work in Other Classifications

Full and casual employees will be paid an hourly rate commensurate with the work they are performing.

ARTICLE 19 POSTING

Section 1. Posting of Agreement

A copy of this Agreement shall be posted in a conspicuous place.

Section 2. Union Bulletin Boards

The Employer agrees to provide suitable space for the Union bulletin board. Postings by the Union on such boards are to be confined to official business of the Union and on the Union's official letterhead or TITANS. The Employer shall not remove, tamper with or alter any notice posted by the Union unless such notice is harmful to the Employer.

All Union bulletin boards must be glass encased and the steward and Business Agent given a key. The Employer shall have ninety (90) days to comply.

ARTICLE 20 COOPERATION OF EMPLOYEES/FAIR DAY'S PAY

Section 1. Cooperation of Employees, Company and Union

The parties agree that at all times as fully as it may be within their

power to cooperate so as to protect the long-range interests of the employees, the Company, the Union and the general public served by the parties to this Agreement.

Section 2. Fair Day's Work for Fair Day's Pay

The Union and the Company recognize the principle of a fair day's work for a fair day's pay. Jobs and job security of employees working under this Agreement are best protected through efficient and productive operations of the Company and the trucking industry. This principle shall be recognized in the administration of this Agreement and the resolution of all grievances thereunder.

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.

Section 3. Safety and Health Committee

There shall be a Safety and Health Committee comprised of a mutually agreed to number of bargaining unit representatives and up to an equal number of management representatives.

Bargaining unit members who seek to serve on the Safety and Health Committee may volunteer to do so, with approval of the Local Union. The Union co-chair of the committee shall be selected by the bargaining unit members of the committee. The Employer will provide the Local Union with the names of the management representatives on the committee.

Section 4. Other Participation Teams

The Company and TNUPSFNC may mutually agree to other committees as appropriate. Agreement will not be unreasonably withheld.

ARTICLE 21

UNION ACTIVITIES/LEAVE OF ABSENCE

Section 1. Union Activities

(a) Any employee, member of the Union, acting in any official capacity whatsoever shall not be discriminated against for his/her acts as such officer of the Union so long as such acts do not interfere with the conduct of the Company's business, nor shall there be any discrimination against any employee because of Union membership or activities.

(b) The Company agrees to grant employees reasonable time off without pay without discrimination or loss of seniority rights to attend a labor convention or union meeting called by the Local Union, provided at least forty-eight (48) hours written notice is given by the Local Union to the Company specifying the length of time off and provided that there shall be no disruption of the Company's operations. The Company's consent to such requests shall not be unreasonably denied.

(c) Authorized agents of the Union shall have access to the Company's premises during working hours for the purpose of adjusting disputes, investigating working conditions, collecting dues and ascertaining that this agreement is being adhered to, provided, however, that there is no interruption of the Company's working schedule.

Section 2. Leave of Absence

(a) When an employee in any job classification requiring driving has his/her operating privilege or license suspended or revoked for reasons other than medical disqualification or those for which the employee can be discharged by the Company, a leave of absence without loss of seniority, not to exceed two (2) years, shall be granted for such time as the employee's operating license has been suspended or revoked. The employee will be given available work opportunities to perform non-CDL required job functions.

(b) A Union member elected or appointed to serve as a Union official shall be granted a leave of absence during the period of such employment, without discrimination or loss of seniority rights, and without pay.

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 operations, 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) In addition to those already covered by this section, disqualified drivers who are actively pursuing a waiver or exemption with the DOT may work inside pursuant to this section if there is a reasonable expectation that his or her waiver/exemption will be granted.

ARTICLE 22 SEPARATION OF EMPLOYMENT

Upon discharge or quitting, the Employer shall pay all money due to the employee on the employee's regular payday in the week following such separation from employment unless otherwise required by applicable law.

ARTICLE 23 TIME SHEETS, TIME CLOCKS AND VIDEO CAMERAS

Section 1. Time Sheets and Time Clocks

(a) In over-the-road or line operations, the Company shall provide and require the employee to keep a time sheet or trip card showing

the arrival and departure at a service center and intermediate stops and cause and duration of all delays, time spent loading and unloading, and same shall be turned in at the end of each trip. In city operations, a daily time record shall be maintained by the Company.

(b) Employees shall punch their own time cards.

(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.

(d) The Company may substitute updated time-recording equipment for time cards and time sheets. However, printed time records will be made available to employees upon request.

Section 2. Video Cameras

The Company may install and operate video cameras in all public areas of the Service Center to help the Company in assuring the safety and security of employees, Company property and customer freight. The Company shall not install or use video cameras in areas of the Company's premises that violate the employee's right to privacy such as in bathrooms or places where employees change clothing or provide drug or alcohol testing specimens.

The Company may use video cameras to discharge an employee without corroboration by observers if the employee engages in conduct such as dishonesty, theft of property, vandalism, or fighting for which an employee could be discharged without a warning letter. If the information on the video tape is to be utilized for any purpose in support of a disciplinary or discharge action, the Company must provide the Local Union, prior to the hearing, an opportunity to review the video tape used by the Company.

Section 3. Computer Tracking Devices

No employee shall be disciplined solely based upon information derived from a GPS or any other technology enhancements or devices unless the employee engages in conduct creating imminent danger to other employees or the general public or other conduct such as dishonesty or recklessness resulting in a serious accident.

ARTICLE 24 LEAVE OF ABSENCE

Section 1. Jury Duty Leave

When an employee is required to miss time from the regularly scheduled work week because of an obligation to serve on a jury, the employee must give prior notice to his/her supervisor with a copy of the letter requiring jury duty service. The employee is obligated to minimize the number of hours missed from work for jury duty service provided, however, that when an employee reports for jury duty service on a scheduled work day, the employee will not unreasonably be required to report for work that particular day. The Company reserves the right to verify the necessity of any hours missed from work due to jury duty service. Full-time employees will be paid the difference between the regular hourly rate and any remuneration received for jury duty service.

Section 2. Subpoenas, Summons and Voluntary Appearances

When an employee is required to miss time from the regularly scheduled work week because of a subpoena, summons or voluntary appearance to testify in a legal matter (other than approved Company related matters), the employee must give adequate notice to his/her supervisor. An hourly employee may take time off as paid vacation or as unpaid excused absence. In case an employee is subpoenaed by the Company as a witness, he/she shall be reimbursed for all time lost and expenses incurred.

Section 3. Family and Medical Leave

The Company shall provide unpaid leave subject to the terms of the Family and Medical Leave Act (FMLA) of 1993.

Section 4. Funeral Leave

Full-time employees who have been employed for six (6) months are eligible for funeral leave. A maximum of two (2) days leave will be paid to employees for missed time from work on account of the death of an immediate family member, to include the employ-

ee's spouse, children, grandchildren, parents, grandparents, brothers, sisters and children and parents of the spouse. An employee shall be eligible for a third paid day of leave if the location of the funeral requires the employee to miss work the next day due to travel. To be eligible for funeral leave, the employee must attend the funeral or service. Pay for funeral leave is calculated on the basis of eight (8) hours at straight time hourly rate of pay.

Section 5. Personal Leave

Full-time employees will be allowed a personal leave of absence without pay not to exceed thirty (30) calendar days if:

1. It is requested in writing to the Service Center Manager, and
2. Management believes the leave is for good reason and does not interfere with business operations. Approval for such leave shall not be unreasonably denied.

If an employee takes another job elsewhere during leave approved under Section 3 or 5 of this Article, the employee will be considered as having resigned.

A personal leave of absence may be extended for an additional thirty (30) calendar days if there is good reason and management approves it. Approval for such extension shall not be unreasonably denied. The employee must request the extension in writing before the first leave expires.

Employees on personal leave will not earn vacation or be entitled to paid holidays. All benefits will continue up to two (2) months if paid for in advance by the employee.

Employees who take a personal leave of absence are not eligible for unemployment compensation during the leave period.

Section 6. Casual FMLA

Casual employees who have worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months, are eligible for unpaid leave as set forth

below, except that the amount of leave allowed will be computed at one-half (1/2) of the time provided by the FMLA. Eligible employees are entitled up to a total of six (6) weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth of a child;
2. Adoption, or placement for foster care;
3. To care for a spouse, child, or parent of the employee due to a serious health condition;
4. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the six (6) week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense.

The provisions of this section are in response to the Federal Act and shall not supersede any state or local law which provides for greater employee rights.

ARTICLE 25 BENEFITS

Section 1. 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
E/ee Plus	\$90.00
E/ee & Family	\$135.00

(d) The terms of the medical coverage shall be available from the CSH&W.

(e) Effective January 1, 2014, all future retirees will receive medical coverage through the CSH&W plan.

Section 2. Discretionary Days

Full-time employees shall be eligible to receive four (4) discretionary personal days thirty-two (32) hours each calendar year. These days may be used in scheduling time off for any purpose, including illness, appointments, care of family members, observance of religious holidays, etc. This time shall be taken as a whole day (8 hours). Except for emergency situations, discretionary time must be scheduled and approved in advance by management. Unused time related to these discretionary personal days may be accrued at the current rate and carried over from year to year for the life of the Agreement. An employee may request payment for any accrued discretionary days; payment will be made within ten (10) days of the request. Discretionary days will be paid at the rate at which they were accrued. All employees entering a full-time job

classification will receive four (4) days after one (1) year of full-time employment, and will receive four (4) discretionary days each subsequent calendar year.

Section 3. 401(k) Plan

All full-time and casual employees shall continue to be eligible to participate in the Teamsters UPS National 401(k) Tax Deferred Savings Plan in accordance with the terms of that Plan. The Employer shall withhold from an 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.

Section 4. Holidays

The Employer will pay full-time employees for the following eight (8) holidays each year provided they work either the day before and the day after the holiday or are on an approved paid absence:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

Casual employees will receive the above holidays plus an additional floating holiday to be taken on any day selected by the employee with his manager's approval.

Full-time employees will be eligible to receive eight (8) hours pay for each of the foregoing paid holidays. Casual employees are eligible to receive holiday pay for those holidays in the amount of one-fifth (1/5) of their week's pay of the work week preceding the week of the holiday.

Employees hired after April 8, 2008 will be eligible for paid holidays only after one year of active employment.

Section 5. Vacations

(a) Weeks of Vacation

Full-time employees will be awarded paid vacation based on service. The first award of vacation is conferred on January 1 following the employee's date of hire. Subsequent awards are conferred on January 1 of each year. Incremental increases in vacation days are conferred on January 1 of the year in which the anniversary year of service occurs. The amount of vacation to be conferred on each January 1 will be determined in accordance with Section 5(b) below. All vacation must be used during the calendar year or it will be lost.

Vacation day awards are set forth in the following schedule:

<u>Years of Service</u>	<u>Days of Vacation</u>
1 year	5
2-7 years	10
8-15 years	15
16-25 years	20
26 or more years	25

(b) Full-time Vacation Accrual

1. To be eligible for employees' full vacation during the first (1st) calendar year in which the employee was employed, an employee must have worked one hundred and fifty-six (156) reports, but need not to have been employed for the full calendar year.

If the employee worked less than one hundred and fifty-six (156) reports during this calendar year, but did attain seniority, the employee's vacation shall be pro-rated by earning one (1) day of vacation for each forty (40) reports, and taken after the employee has been employed one (1) full year.

The employee who attains one hundred and fifty-six (156) reports

during the first calendar year shall enjoy a January 1st date of the calendar year they were employed as a vacation anniversary date for accumulating earned vacation. Employees who do not attain one hundred and fifty-six (156) reports that year will have a January 1st date of the following calendar year as a vacation anniversary.

2. 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. Seniority employees who worked less than one hundred and fifty-six (156) reports during the calendar year, will be entitled to a pro-rata vacation day for each forty (40) reports times the weeks of vacation that they are entitled to.

(c) Full-time Vacation Selection

1. The Company will post a vacation schedule for bid by December 1st of each year showing the weeks available for vacation the next calendar year and the number of employees in each classification who may be on vacation each week. The Company will make vacation available for bid based upon the needs of the operation. Employees shall have fourteen (14) days to submit their bid. Awards shall be in seniority order within classification. Insufficient bidders will be assigned vacation week(s). If an employee desires pay in lieu of vacation, he shall be required to indicate such on his bid. The Company shall have the right to accept the offer of pay versus vacation or award the time off. Once scheduled, vacation weeks may only be moved by mutual agreement between the Company and employee or as a result of the application of the Family Medical Leave Act. However, if the Company blocks out weeks for vacation as a part of the annual bid and thereafter determines that some of those weeks can be used for vacation, the Company shall make those vacation weeks available in seniority order.

2. Full-time employees who have earned at least two (2) weeks of vacation will have the option of declaring that he/she wants to split one (1) of the available weeks of vacation into five (5) single days.

The employee must declare this option at the time of the vacation selection. Seniority will prevail in the selection of the single day(s). Single vacation days must be selected in writing a minimum of seven (7) working days prior to the day the employee desires off. The Company will approve or deny the request within two (2) working days of receipt. Approval shall not be unreasonably withheld. Such vacation days will be paid at the same rate as vacation. Any days not used will be paid off at the end of the year.

(d) Casual Vacations

Casual employees shall be entitled to five (5) days of unpaid vacation after one (1) year of active employment. These days shall be scheduled and taken by mutual agreement with the Company. On the next January 1st after a casual employee attains five years of service, he will be eligible for five (5) days of paid vacation. A day of vacation shall be equal to $1/52^{\text{nd}}$ of the prior years total paid hours divided by five (5). Such vacation will be scheduled, taken and/or paid by mutual agreement with the Company.

(e) Accrued or Unused Vacation

Accrued or unused vacation within any calendar year shall be paid to an employee if he retires or dies. Unused vacation shall not be considered accrued and will not be paid to an employee who resigns or is terminated.

Section 6. Retirement

(a) Effective January 1, 2008, full-time and casual employees ceased to be covered by the UPS Retirement Plan and instead became covered by the UPS Pension Plan. 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 on December 31, 2007. No additional benefits will accrue under that formula after December 31, 2013, except as may be provided for those employees covered by paragraph (c) below. After that date, additional benefits will be accrued in accordance with paragraphs (b) or (c) below, as applicable.

(b) Effective January 1, 2014, eligible full-time and casual employees who have an hour of service in 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.

(c) Effective January 1, 2014, eligible full-time and casual employees who have an hour of service in covered employment on or after January 1, 2014 and who have a Final Average Compensation (FAC), as defined by the UPS Pension Plan, greater than \$73,000.00 as of December 31, 2013, shall be entitled to receive as a retirement benefit equal to the greater of the monthly benefit calculated in accordance with paragraph (b) above or the benefit formula referenced in paragraph (a) above that was in effect on December 31, 2007.

(d) The UPS Pension Plan is governed by the terms of the plan document and trust agreement, both of which are incorporated herein by reference. Any claims for benefits are subject to resolution solely through the UPS Pension Plan administrative claims process.

(e) Nothing in this section shall affect the provision in the UPS Pension Plan providing that the Monthly Accrued Benefit payable to a Participant who has attained, at least, age fifty-five (55) and completed at least thirty (30) years of Benefit Service as of his or her benefit commencement date shall not be reduced. Further, a Participant who has completed at least twenty-five (25) years of Benefit Service and who has attained at least sixty (60) years of age as of his or her separation from service shall not have his or her Monthly Accrued Benefit reduced.

Section 7. Other Benefits

Other existing fringe benefit programs such as, but not limited to, safety bonuses, discounted stock purchase plans, educational assistance programs, may be continued, modified or discontinued by the Employer in its discretion.

ARTICLE 26 WAGES

Section 1. Full-time Local Cartage Employees

(a) In each of the calendar years 2014 through 2016, employees on the "Local Cartage" seniority list who have completed their progression shall receive the following increases effective the first pay period in January of each year. The general wage increases for 2017 and 2018 shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014	\$0.50
2015	\$0.50
2016	\$0.50
2017	\$0.50
2018	\$0.50

(b) Employees on the "Local Cartage" seniority list who are still in progression on August 1, 2013 shall receive the general wage increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the 2008-2013 Agreement. Upon completion of that progression the employee shall continue to receive the general wage increases set forth in paragraph (a) above.

(c) Employees entering a full-time Local Cartage job after 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:

Start	\$16.75
Seniority	\$17.25
Twelve (12) months	\$18.25
Twenty-four (24) months	\$19.55
Thirty-six (36) months	\$23.40
Forty-eight (48) months	Top Rate

When an employee completes the above progression he/she shall be eligible thereafter to begin receiving the general wage increases set forth in paragraph (a) above. Employees bidding into a new full-time 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.

(d) Employees entering full-time Local Cartage job after August 1, 2013 shall be paid in accordance with the following progression when performing local driving work:

Start	\$17.20
Seniority	\$17.70
Twelve (12) months	\$18.70
Twenty-four (24) months	\$20.00
Thirty-six (36) months	\$24.00
Forty-eight (48) months	Top Rate

When an employee completes the above progressions he/she shall be eligible thereafter to begin receiving the general wage increases set forth in paragraph (a) above.

(e) The "Top Rate" referred to in the full-time schedules in this Article shall be as follows:

	Dock Leadman	Dock Worker (Full-Time)	Jockey	Local/ Road Driver
1/1/14	\$26.30	\$26.05	\$26.30	\$26.65
1/1/15	\$26.80	\$26.55	\$26.80	\$27.15
1/1/16	\$27.30	\$27.05	\$27.30	\$27.65
1/1/17	\$27.55	\$27.30	\$27.55	\$27.90
7/1/17	\$27.80	\$27.55	\$27.80	\$28.15
1/1/18	\$28.05	\$27.80	\$28.05	\$28.40
7/1/18	\$28.30	\$28.05	\$28.30	\$28.65

Section 2. Full-Time Road Employees

(a) In each of the calendar years 2014 through 2016, employees on the "Over the Road" seniority list who have completed their progression shall receive the following increases effective the first pay period in January of each year. The general wage increases for 2017 and 2018 shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014	.0125
2015	.0125
2016	.0125
2017	.0125
2018	.0125

(b) Employees still in progression on August 1, 2013 shall receive the mileage rate increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the 2008-2013 Agreement. Upon completion of that progression, the employee shall continue to receive the mileage rate increases set forth in paragraph (a) above.

(c) Employees first entering the "Over-the-Road" driver classification after August 1, 2013 will be paid in accordance with the following progression:

	Start	Seniority	12 Months	24 Months	36 Months	48 Months
Single	.4342	.4468	.4720	.5049	.6058	Top Rate
Sleeper (per dvr.)	.2290	.2357	.2490	.2663	.3196	Top Rate
Triple	.4408	.4536	.4792	.5125	.6150	Top Rate
Sleeper Triple (per dvr.)	.2330	.2397	.2533	.2709	.3251	Top Rate

To the extent the road driver is paid on an hourly basis, the rates set forth in Section 1 for the local driver (including the "Top Rate") shall apply.

Upon completion of this progression, the road driver shall be eligible thereafter to begin receiving the mileage rate increases set forth in paragraph (a) above.

Section 3. Casual Employees

(a) In each of the calendar years 2014 through 2016, casual employees who have completed their progression shall receive the following increases effective the first pay period in January of each year. The general wage increases for 2017 and 2018 shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014	\$0.50
2015	\$0.50
2016	\$0.50
2017	\$0.50
2018	\$0.50

(b) Casual employees still in progression on August 1, 2013 shall receive the same general wage increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the 2008-2013 Agreement. Upon completion of that progression, the employee

shall continue to receive the general wage increases set forth in paragraph (a) above.

(c) Casual employees hired after August 1, 2013 shall be paid in accordance with the following:

Start	\$12.00
Twelve (12) months	\$13.00
Twenty-four (24) months	\$14.50
Thirty-six (36) months	\$15.50
Forty-eight (48) months	Top Rate

The "Top Rate" referred to in the above schedule shall be sixteen dollars and fifty cents (\$16.50). Once a casual employee completes that progression, he/she shall be eligible thereafter to begin receiving the hourly wage increases set forth in paragraph (a) above. A casual employee who is awarded a full-time job shall begin the full-time progression at the seniority rate if his/her rate is below the seniority rate of the new full-time job. If a casual employee's rate is higher than the seniority rate of the new job, he/she will be red circled until such time as the calculated progression rate exceeds the employee's rate.

Section 4. Clerical Rates

(a) In each of the calendar years 2014 through 2016, clerical employees who have completed their progression shall receive the following increases effective the first pay period in January of each year. The general wage increases for 2017 and 2018 shall be implemented in two (2) equal installments: one-half shall be implemented in the first pay period in January and the second half will be implemented in the first pay period after July 1 of each year.

2014	\$0.50
2015	\$0.50
2016	\$0.50
2017	\$0.50
2018	\$0.50

(b) Clerical employees still in progression on August 1, 2013 shall receive the same general wage increases set forth above but shall and will be paid no less than what they are entitled to in accordance with their current progression set forth in the Addendum in the 2008-2013 Agreement. Upon completion of that progression, the employee shall continue to receive the general wage increases set forth in paragraph (a) above.

(c) Employees entering a full-time clerical job after August 1, 2013 shall be paid in accordance with the following progression when performing clerical work:

Start	\$14.00
Seniority	\$15.00
Twelve (12) months	\$16.00
Twenty-four (24) months	\$17.00
Thirty-six (36) months	\$17.50
Forty-eight (48) months	Top Rate

The Top Rate shall be eighteen dollars (\$18.00).

(d) Employees entering a part-time clerical job after August 1, 2013 shall be paid in accordance with the following progression when performing clerical work:

Start	\$10.50
Twelve (12) months	\$12.00
Twenty-four (24) months	\$13.50
Thirty-six (36) months	\$14.00
Forty-eight (48) months	Top Rate

The Top Rate shall be fifteen dollars (\$15.00).

Section 5. 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 27

DRUG AND ALCOHOL TESTING

Section 1. Controlled Substances Testing

The parties have agreed that the procedures as set forth in this Article shall be the methodology for all testing and will be modified only in the event that further federal legislation or Department of Transportation (DOT) regulations (as set forth in 49 CFR Parts 40 and 382) require revised testing methodologies or requirements during the term of this Agreement. To the extent that a subject is not covered by this Article the appropriate regulation shall control.

Should other categories, modifications or types of testing be required by the government, the parties will meet as expeditiously as possible to develop a mutually agreeable procedure.

Section 1.1 Employees Who Must Be Tested

UPS Freight employees subject to Department of Transportation mandated drug testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a Commercial Drivers License (CDL). This includes employees who relieve for vacations or other temporary vacancies.

In addition to testing mandated employees, controlled substance testing will be required as part of prequalification for driver positions.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are subject to the same types of test as those employees who are covered by the DOT regulations. The substances for which testing shall be conducted, and cut-off levels thereto, shall be consistent with those listed for the DOT covered employees. This provision also applies to testing conducted pursuant to rehabilitation and after care programs.

Section 1.2 Testing

Because of the consequences that a positive test result has on an employee, UPS Freight will employ a very accurate, two-stage testing program. Urine samples will be analyzed by a highly qualified independent laboratory which is certified by the Department of Health and Human Services (HHS). All samples will be tested according to DOT drug testing requirements. Validity testing for the presence of adulterants shall be conducted on all specimens, per HHS requirements.

Section 1.3 Screening Test

The initial test uses an immunoassay to determine levels of drugs or drug metabolites. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for these five (5) drugs or drug classes.

Substance	Initial Test Level (ng/ml)
Marijuana Metabolites	50
Cocaine Metabolites	150
6-Acetylmorphine	10
Opiate Metabolites	2000
Phencyclidine	25
Amphetamines	500
MDMA/MDA/MDEA	500

These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

Section 1.4 Confirmatory Test

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS)

techniques at the cutoff values listed. The following cutoff levels shall be used to confirm the presence of drugs or drug metabolites:

Substance	Confirmatory Test Level (ng/ml)
Marijuana Metabolite (1)	15
Cocaine Metabolite (2)	100
Opiates:	
Morphine (3)	2000
6-Acetylmorphine	10
Codeine (3)	2000
Phencyclidine	25
Amphetamines:	
Amphetamine	250
Methamphetamine (4)	250
MDMA/MDA/MDEA	250

- (1) Delta-9-tetrahydrocannabinol-9-carboxylic acid (THCA)
- (2) Benzoylcegonine confirmatory cutoff of 100 ng/ml.
- (3) Test for 6-AM when morphine concentration is greater than or equal to 2000 ng/ml. Morphine is the target analyte for codeine/morphine testing.
- (4) Specimen must also contain amphetamine at a concentration greater than or equal to one hundred (100) ng/ml before reporting methamphetamine positive.
- (5) Methylenedioxymethamphetamine (MDMA) and its analytes MDA and MDEA.

In the event the initial urine test indicates a positive response the confirmatory test must be done. These substances and test levels are subject to change by the Department of Transportation as advances in technology or other considerations warrant.

Section 1.5 Laboratory Testing

All laboratories selected by UPS Freight for analyzing Controlled Substances Testing will be HHS certified.

Section 1.6 Types of Testing Required

Testing procedures will be performed as part of pre-qualified practices, after defined DOT reportable accidents, on the basis of reasonable cause, upon return to duty after a positive test, under random testing and as follow-up testing for post drug rehabilitation.

Section 1.7 Pre-Qualification Testing

Controlled substance testing will be part of UPS Freight's regulated pre-qualification conditions for driver positions.

Drivers will be advised in writing prior to the application process that pre-qualification testing will be conducted to determine the presence of controlled substances. Applicants will be required to acknowledge in writing an understanding of this request before they receive an application.

Section 1.8 Reasonable Cause Testing

Upon reasonable cause, UPS Freight will require an employee to be tested for the use of controlled substances.

Reasonable cause is defined as an employee's observable action, appearance, or conduct that clearly indicates the need for a fitness for duty medical evaluation.

The employee's conduct must be witnessed by at least one (1) supervisor, two (2) if available. The witnesses must have received training in observing a person's behavior to determine if a medical evaluation is required. When the supervisor(s) confront(s) an employee, a Union representative should be made available, if requested. If no steward is present, the employee may select another hourly paid employee to represent him:

Documentation of the employee's conduct shall be prepared and signed by the witnesses within twenty-four (24) hours of the observed behavior, or before the test results are released, whichever is earlier. In addition, a copy will be sent to the Local Union in a timely manner. The employee shall not be required to waive any claim or cause of action under law.

Section 1.9 Post-Accident Drug Testing

All employees will be required to submit to a drug test after a DOT defined serious accident, which is one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle.

Non-DOT mandated employees may be required to submit to drug testing if there is any reasonable suspicion of drug usage or reasonable cause to believe that the employee has been operating a vehicle while under the influence of drugs, or reasonable cause to believe the employee was at fault in the accident and drug usage may have been a factor.

Drivers are required to submit to such testing as soon as possible, but in all events within thirty-two (32) hours. Union representation will be made available, as provided in this Agreement.

It is not the intention of this language to prohibit the driver from leaving the scene of an accident for the period of time necessary to obtain assistance in responding to the accident or to receive necessary medical attention.

The result of a urine test for the use of controlled substances, conducted by federal, state, or local officials having independent authority for the test, shall be considered to meet the requirements of post-accident testing, provided such tests conform to applicable federal, state or local requirements, and that the results of the tests are obtained by the Employer.

Section 1.10 Notification

UPS Freight employees, subject to random drug testing, will be

notified of testing in person or by direct phone contact. Notification shall be given by the management person responsible for such notification. The procedure for selection of employees for random testing shall comply with DOT regulations. A copy of the procedures shall be supplied to the Union. The procedure shall be subject to the approval of the Union's UPS Freight Safety and Health Committee, which approval shall not be withheld unreasonably.

Section 1.11 Rehabilitation and Testing After Return To Duty/SAP and Employer Duties

All employees shall be entitled to a leave of absence on a one-time basis for the purpose of rehabilitation for substance abuse. Such leave must be requested prior to notification of a drug or alcohol test and prior to engaging in any conduct that results in discipline.

The employee will be permitted to return to work from an approved leave of absence for rehabilitation, after the SAP has determined that the employee has successfully complied with prescribed education and/or treatment and the employee has provided a negative drug test result, as per cutoff levels contained in Section 1.3 or Section 1.4 of this Article, as applicable, and/or an alcohol test with an alcohol concentration less than 0.02.

It is understood that if the grievance procedure is utilized contractual time limits on disciplinary action and the employee's request for rehabilitation will be suspended until resolution of the grievance.

Substance Abuse Professional (SAP)

Each Substance Abuse Professional (SAP) must be a licensed Doctor of Medicine or Osteopathy, or a licensed or certified psychologist, social worker, employee assistance professional, or drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders and be knowledgeable of the SAP function as it relates to Employer interest in safety-sensitive functions and applicable DOT agency

regulations. In addition, the SAP shall keep current on applicable DOT agency regulations and comply with the DOT qualification training and continuing education requirements.

The SAP is responsible for performing the following functions:

1. Conducting the initial face-to-face clinical assessment and evaluation to determine what assistance is needed by the employee to solve problems associated with alcohol and/or drug use;
2. Referring the employee to an appropriate education and/or treatment program;
3. Conducting a face-to-face follow-up evaluation to determine if the employee has actively participated in the education and/or treatment program and has demonstrated successful compliance with the initial assessment and evaluation recommendations;
4. Providing the Employer with a follow-up drug and/or alcohol testing plan for the employee; and
5. Providing the employee and Employer with recommendations for continuing education and/or treatment.

Follow-up testing shall consist of at least six (6) tests in the first (1st) twelve (12) months following the employee's return to duty. The one (1) year period may be extended as necessary by written verification of the Substance Abuse Professional.

Employer Responsibilities

Prior to allowing an employee to return to duty, after the employee has successfully completed rehabilitation, the employer shall:

- (a) Ensure that the employee is "drug free", based on a drug test that shows no positive evidence of the presence of drug or a drug metabolite in the employee's system.
- (b) Ensure that the employee has been evaluated by a Substance Abuse Professional (SAP) for drug use or abuse.

(c) Ensure and confirm with the Substance Abuse Professional that the employee demonstrates compliance with all conditions or requirements of a rehabilitation program in which he or she participated.

Section 1.12 Disciplinary Action

Employees may be subject to discipline up to and including discharge if they test positive for drugs as specified elsewhere in this Article. The one exception is if an employee tests positive for a drug as part of a random drug test. In such event, the employee shall be allowed to return to work provided he has successfully completed rehabilitation. A second positive drug test regardless of the type of test, shall result in termination.

An employee shall also be subject to discipline for the following reasons:

- (a) Failure to successfully complete rehabilitation.
- (b) A positive specimen as part of after-care drug testing.
- (c) Failure to comply with after-care treatment plan.
- (d) An adulterated or substituted specimen.
- (e) An employee's refusal to submit to a test required under this Agreement.

Section 1.13 Preparation for Testing

Pursuant to Department of Transportation regulations, the Employer reserves the right to utilize on site or off site collection facilities.

Upon arrival at the collection site, an employee must provide the collection agent with:

- Photo identification issued by the Employer or a federal, state or local government;

If the employee arrives without the above-listed items, the collection agent should contact the responsible Human Resources manager.

A standard DOT approved urine custody and control form will be supplied by the appropriate laboratory for use with test for DOT mandated employees. This form must be used by all collection facilities and signed by the employee and the collection agent in the appropriate areas. The form used for non-DOT test will contain the same information and procedures as the DOT form.

Section 1.14 Specimen Collection Procedures

The Employer agrees to use the Specimen Collection Checklist approved by the National UPSF/Union's UPSF Safety and Health Committee. The checklist is to be used with the affected employees at the collection site by the person performing the collection services for the Employer.

The checklist is to be used at all locations, but it is understood that failure to use or the refusal to use the checklist does not invalidate a properly conducted controlled substance testing procedure. Nor does it prohibit an employee's recourse to the collective bargaining agreement and/or the grievance procedure.

All procedures for urine collection will follow Department of Transportation guidelines to ensure an individual's privacy. An employee who gives reason to believe that he or she may have adulterated or substituted a sample will be required to provide a specimen under direct observation by a same gender collection agent. If it is determined that an employee has adulterated or substituted a sample it shall result in the termination of his/her employment.

No unauthorized personnel will be allowed in any area of the collection site. Only one (1) controlled substances testing collection procedure will be conducted at a time and the specimens can only be handled by the collection site person.

The employee being tested should remove any outer garments, such as coats, jackets, hats or scarves, and should leave any personal

belongings (purse or briefcase) with the collection agent. The employee shall display the items in his/her pockets to the collection agent. If the employee requests it, the collection agent shall provide the employee a receipt for his or her belongings. The employee may retain his or her wallet.

After washing his/her hands, the employee shall remain in the presence of the collection agent and shall not have access to any water fountain, faucet, soap dispenser, cleaning agent or other materials which could be used to adulterate the specimen.

The collection agent provides the employee with a new, sealed kit selected by the employee.

The employee will provide his or her specimen in a stall or otherwise partitioned area that allows for privacy. The Employer agrees to recognize all employees' rights to privacy while being subjected to the collection process at all times and at all collection sites. Further, the Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps will be taken to insure that the entire process does nothing to demean, embarrass or offend the employees unnecessarily. Authorization for collection under direct observation will be in accordance with Department of Transportation regulations. All procedures shall be conducted in a professional, discreet and objective manner. Refusal to provide a specimen under direct observation when requested shall be considered a refusal to test and a terminable offense.

The employee shall be instructed to provide at least forty-five (45) milliliters of urine in the collection container. The employee shall hand the specimen to the collection agent. The specimen shall remain in the sight of both the collection agent and the employee at all times. A minimum of thirty (30) milliliters of urine shall be placed in the primary specimen container by the collection agent. The collection agent then must pour at least fifteen (15) milliliters of urine from the collection container into the second specimen bottle to be used for the split specimen. If the individual is unable to provide forty-five (45) milliliters of urine, the collection agent shall direct the individual to drink fluids, not to exceed forty (40) ounces distributed reasonably over a period not to exceed three (3) hours or

until a sufficient specimen is provided, whichever occurs first. (The original specimen, if any, should be discarded, unless it was out of temperature range or showed evidence of adulteration or tampering.) If the individual is still unable to provide forty-five (45) milliliters of urine, he/she will be taken out of service and a medical evaluation will be conducted within five (5) business days by a licensed physician who has the expertise in this type of medical issue, and is approved by the Employer to determine if there is a medical reason for the inability to provide a specimen. If it is not determined that there is a medical reason, the individual will be treated as having refused to take the test. If the employee fails for any reason to provide forty-five (45) milliliters of urine, the collection agent should contact a third party administrator (TPA) and either the District Safety and Health Manager or another Employer designee.

The regulations specify the privacy procedures and the reasons to believe that a specimen has been adulterated which includes, but is not limited to, conduct clearly and unequivocally indicating an attempt to substitute or adulterate the sample, e.g., abnormal urine color or urine temperature outside the acceptable range. All specimens suspected of being adulterated shall be packaged and forwarded to the laboratory for testing.

In the event of suspected specimen adulteration, a second specimen will be immediately collected under direct observation and the entire procedure should be repeated including initiation of a new custody and control form and separate packaging for shipping. If an employee refuses to provide a second specimen, it shall be noted as a refusal to test and shall be a terminable offense.

The collection agent shall document any unusual behavior or appearance on the urine custody-and-control form.

Specimen handling (from one (1) authorized individual or place to another) will always be conducted using chain-of-custody procedures. Every effort must be made to minimize the number of people handling specimens. Both specimen containers shall be sealed and then forwarded to an approved laboratory for testing.

When a return-to-duty or follow-up test is being conducted, the collection process may be observed. If observed, the observer shall be the same gender as the employee being tested.

When a test kit is received by a laboratory, the thirty (30) milliliter sealed urine specimen container shall be removed immediately for testing. The shipping container with the remaining sealed container shall be immediately placed in secure refrigerated storage.

If an employee is told that the first (1st) sample tested positive, the employee may, within seventy-two (72) hours of receipt of actual notice, request that the second (2nd) urine specimen be forwarded by the first (1st) laboratory to another independent and unrelated HHS approved laboratory of the parties' choice for GC/MS confirmatory testing of the presence of the drug. If an employee chooses to have the second (2nd) sample analyzed, he/she shall at that time execute a special checkoff authorization form to insure payment by the employee. For those employees who choose to have the second (2nd) specimen tested, disciplinary action can only take place after the MRO verifies the first (1st) test as positive and the second (2nd) laboratory confirms the presence of the drug. However, the employee must be taken out of service once the first (1st) test result is verified as positive by the MRO while the second (2nd) test is being performed. If the second (2nd) laboratory report is negative, the employee will not be charged for the cost of the second (2nd) test and will be reimbursed for all lost time. It is also understood that if an employee opts for the second (2nd) specimen to be tested, any contractual time limits on disciplinary action are waived.

Section 1.15 Specimen Shipping Preparations

After measuring temperature and visibly inspecting the urine specimen, the collection agent should tighten and seal the specimen shipping container.

The collection agent places a security label (initialed and dated by the employee) over the bottle cap, overlapping the bottle sides.

A double-pouch bag will be used for shipping, with one (1) side for the urine specimen and the other for paperwork.

The collection agent places the urine specimen in the sealable pocket of the specimen bag and then seals the bag.

The collection agent places laboratory copies of the urine custody and control form in the back sleeve of the double-pouch bag.

The collection agent places the sealed specimen bag in the shipping box.

Section 1.16 Medical Review Officer

Any person serving as a Medical Review Officer (MRO) for the Company must be a licensed doctor of medicine or osteopathy with knowledge of substance abuse disorders, issues relating to adulterated and substituted specimens, possible medical causes of specimens having an invalid result, and applicable DOT agency regulations. In addition, the MRO shall keep current on applicable DOT agency regulations and comply with the DOT qualification training and continuing education requirements.

The MRO is responsible for performing the following functions, in addition to those specified in the DOT regulations:

1. Reviewing the results of UPS Freight's drug testing program.
2. Receiving all positive and negative drug test reports as prescribed under the DOT regulations, and making all reports of drug test results to the Employer.
3. Within a reasonable time, notifying an employee of a confirmed positive test result.
4. Reviewing and interpreting each confirmed positive test result in order to determine if there is an alternative medical explanation for the specimen's testing positive. The MRO shall perform the following functions as part of the review of a confirmed positive test results:
 - a. Provide an opportunity for the employee to discuss a positive test result.

b. Review the employee's medical history and relevant biomedical factors. A driver is allowed to use a controlled substance (except for methadone) only when taken as prescribed by a licensed medical practitioner who is familiar with the driver's medical history and assigned duties.

c. Review all medical records made available by the employee to determine if a confirmed positive test resulted from legally prescribed medication or other possible explanation.

d. Verify that the laboratory report and assessment are correct.

5. Processing an employee's request to test the split sample. Such testing will be conducted at the employee's expense. The employee shall be reimbursed by UPS Freight for any such expense should the retest provide a negative result. If a reanalysis is negative, then the MRO will declare the test cancelled.

Section 1.17 MRO Determination

If the MRO determines, after appropriate review, that there is a legitimate medical explanation for the confirmed positive test result, the MRO shall report the test to the Employer as a negative. If the MRO determines, after appropriate review, that there is no legitimate medical explanation for the confirmed positive test result, the MRO shall report the positive test result to the appropriate member of management in accordance with DOT regulations.

Based on a review of laboratory reports, quality assurance and quality control data and other drug test results, the MRO may conclude that a particular confirmed positive drug test result should be cancelled. Under these circumstances, the MRO shall report that the test is cancelled.

Not later than seventy-two (72) hours after notification of a confirmed positive test result or refusal to test because of adulteration or substitution, an employee may submit a written or verbal request to the MRO for testing of the split sample. The laboratory used must be certified by the HHS and must follow usual chain-of-custody procedures.

The employee shall be reimbursed for any pay lost if taken out of service based upon a positive test result which is negated by the second (2nd) test or as the result of the resolution of the grievance.

Section 1.18 Record Retention

The Medical Review Officer is the sole custodian of individual test results. The MRO shall retain reports of individual positive test results for a minimum of five (5) years. Individual negative test results will be maintained for at least twelve (12) months. UPS Freight shall maintain in a driver's qualification file only such information as required by the DOT to document compliance with the drug testing requirements.

Section 1.19 Release of Drug Testing Information

The MRO shall inform the employee before beginning the verification interview, that the MRO could transmit to appropriate parties information concerning medications being used by the employee or the employee's medical condition only if, in the MRO's medical judgment, the information indicated that the employee may be medically unqualified under applicable DOT agency rules.

When a grievance is filed as a result of a positive test the Employer shall obtain from the laboratory its records relating to the drug test. Upon receiving the records, the Employer shall provide copies to the appropriate official of the Union, by the end of the following business day after receiving the documents from the laboratory or the MRO, as applicable, provided that the employee has executed written consent authorizing release to the Union, a copy of which must be provided to the Employer.

The Company agrees to notify the Union of any change of HHS approved laboratories used for drug testing, for whatever reason.

Section 2. Alcohol Testing

The parties have agreed that the procedures as set forth in this Section shall be the methodology for all testing and will be modified only in the event that further Federal legislation or Department of Transportation regulations required by regulation, revise testing methodologies or requirements during the term of this Agreement.

Where such regulations allow revised testing methodologies such modifications shall be subject to mutual agreement by the parties.

Section 2.1 Employees Who Must Be Tested

UPS Freight employees subject to Department of Transportation mandated alcohol testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a Commercial Drivers License (CDL). This includes employees who relieve for vacations or other temporary vacancies.

Employee's covered by this collective bargaining agreement who are not subject to DOT mandated alcohol testing are subject to the same types of testing as those employees who are covered by the DOT regulations.

Section 2.2 Testing

Because of the consequences that a positive test result has on an employee, UPS Freight will employ a very accurate, two-stage testing program. Breath samples will be collected by a Breath Alcohol Technician (BAT), who has been trained in the use of the Evidential Breath Testing (EBT) device, in a course equivalent to the DOT's model course. All samples will be tested according to DOT alcohol testing requirements. In the event that breath testing is not possible in such cases as reasonable cause, or post accident, the Employer has the right to use alternative DOT approved methods.

Section 2.3 Screening Test

The initial screening test uses an Evidential Breath Testing (EBT) device to determine levels of alcohol. The following initial cutoff levels shall be used when screening specimens to determine whether they are negative for alcohol. The EBT must also be capable of distinguishing alcohol from acetone at the 0.02 concentration level, test an air blank, and perform an external calibration check.

Breath Alcohol Levels:

Less than 0.02 - Negative

0.02 and above - Positive (Requires Confirmation Test)

Section 2.4 Confirmatory Test

All specimens identified as positive on the initial screening test, showing an alcohol concentration of 0.02 or higher, shall be confirmed using an EBT that is capable of providing a printed result in triplicate; is capable of assigning a unique and sequential number to each test; and is capable of printing out, on each copy of the printed test result, the manufacturer's name for the device, the device's serial number, and the time of the test.

A confirmation test must be performed not sooner than fifteen (15) minutes after the screening test, but not more than thirty (30) minutes after the screening test.

The following cutoff levels shall be used to confirm the presence of alcohol:

Breath Alcohol Levels:

Less than 0.02 - Negative

0.02 and greater – Positive

Section 2.5 Types of Testing Required

Testing procedures will be performed as part of pre-qualified practices, after defined DOT reportable accidents, on the basis of reasonable cause, upon return to duty after a positive test, under random testing, and as follow-up testing for post alcohol rehabilitation.

Section 2.6 Reasonable Cause Testing

Upon reasonable cause, UPS will require an employee to be tested for the use of alcohol.

Reasonable cause is defined as an employee's observable action, appearance, or conduct that clearly indicates the need for a fitness for duty medical evaluation.

The employee's conduct must be witnessed by at least one (1) supervisor, two (2) if available. The witnesses must have received training in observing a person's behavior to determine if a medical evaluation is required. When the supervisor confronts an employee,

a Union representative should be made available, if requested. If no steward is present, the employee may select another hourly paid employee to represent him.

Documentation of the employee's conduct shall be prepared and signed by the witnesses within twenty-four (24) hours of the observed behavior. In addition, a copy will be sent to the Local Union in a timely manner.

Section 2.7 Post-Accident Alcohol Testing

DOT mandated drivers will be required to submit to an alcohol test after a DOT defined serious accident, which is one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle.

Non-DOT mandated employees may be required to submit to alcohol testing if there is any reasonable suspicion of alcohol usage or reasonable cause to believe that an employee has been operating a vehicle while under the influence of alcohol, or reasonable cause to believe the employee was at fault in the accident and alcohol usage may have been a factor.

Alcohol testing will be required after accidents under the above conditions and drivers are required to submit to such testing within two (2) hours of the accident, if possible, and within eight (8) hours at the latest.

Drivers are required to submit to such testing as soon as possible within two (2) hours. Under no circumstances shall this type of testing be conducted more than eight (8) hours after the time of the accident.

It shall be the responsibility of the driver to remain readily available for testing after the occurrence of a commercial motor vehicle accident. It is also the responsibility of the driver to not use alcohol for eight (8) hours or until an alcohol test is performed under this section, whichever occurs first. Union representation will be made available pursuant to this Agreement.

It is not the intention of this language to prohibit the driver from leaving the scene of an accident for the period of time necessary to obtain assistance in responding to the accident or to receive necessary medical attention.

Law Enforcement Testing

The result of a breath or blood test for the use of alcohol or a urine test for the use of controlled substances, conducted by Federal, State, or local officials having independent authority for the test, shall be considered to meet the requirements of post-accident testing, provided such tests conform to applicable Federal, State or local requirements, and that the results of the tests are obtained by the Employer.

Section 2.8 Random Testing

UPS Freight employees, subject to random alcohol testing, will be notified of testing in person or by direct phone contact. Notification shall be given by the management person responsible for such notification. The procedure for selection of employees for random testing shall comply with DOT regulations. A copy of the procedures shall be supplied to the Union. The procedure shall be subject to the approval of the Union's UPS Freight Safety and Health Committee, which approval shall not be withheld unreasonably.

Section 2.9 Rehabilitation and Testing after Return to Duty

Employees may use the United Parcel Service Freight Employee Assistance Program, as well as any other referral service in choosing an approved program for treatment. The right to a leave of absence is controlled by Section 1.11.

Upon successful completion of rehabilitation the employee shall be subject to follow-up testing. Follow-up testing shall consist of at least six (6) tests in the first twelve (12) months following the driver's return to duty after rehabilitation leave. The one (1) year period may be extended as necessary by written verification of the SAP.

Employer Responsibilities

Prior to allowing an employee to return to duty, after the employee has tested positive for an alcohol concentration higher than 0.02 (but lower than 0.07), or has successfully completed rehabilitation, the Employer shall:

- (a) Ensure that the employee is "alcohol free", defined as less than 0.02, based on an alcohol test.
- (b) Ensure that the employee has been evaluated by a SAP for alcohol use or abuse.
- (c) Ensure and confirm with the SAP that the employee demonstrates compliance with all conditions or requirements of a rehabilitation program in which he or she participated.

Section 2.10 Discipline

An employee who tests positive (above 0.02) on any test (other than a positive result on a random test for the first time) shall be subject to termination.

An employee shall have a one (1) time rehabilitation opportunity as a result of a positive random alcohol test, provided the employee has not already taken a leave of absence for substance abuse (drug or alcohol) and the random test is less than 0.07.

In addition, the following may result in discipline up to and including discharge:

- (a) Failure to successfully complete rehabilitation.
- (b) A positive test, defined as 0.02 or higher, as part of post-care testing.

- (c) Failure to comply with the after-care treatment plan.
- (d) Possession of and/or consumption of an alcoholic beverage while on duty.
- (e) An employee's refusal to submit to a test required by this Agreement.

Section 2.11 Preparation for Testing

Pursuant to Department of Transportation regulations, the Employer reserves the right to utilize on site or off site testing facilities. Under no circumstances shall the Employer utilize UPS Freight personnel to serve as a Breath Alcohol Technician (BAT).

Upon arrival at the testing site, an employee must provide the BAT with a photo identification. If the employee arrives without the photo identification, issued by the Employer, or a federal, state or local government, the BAT should contact the District Safety and Health manager or the District Human Resources manager.

A standard DOT approved alcohol testing form must be used by all testing facilities. The form used for non-DOT tests will contain the same information and procedures as the DOT form.

Section 2.12 Specimen Testing Procedures

The Employer agrees to implement a "Specimen Testing Checklist". The checklist, approved by the UPSF/Union UPSF Safety and Health Committee, is to be used with the affected employees at the testing site by the person performing the testing for the Employer. The checklist is to be used at all locations, but it is understood that failure to use or the refusal to use the checklist does not invalidate a properly conducted alcohol testing procedure. Nor does it prohibit an employee's recourse to the collective bargaining agreement and/or the grievance procedure.

Procedures for alcohol testing will follow Department of Transportation guidelines to ensure an individual's privacy.

No unauthorized personnel will be allowed in any area of the testing site. Only one (1) alcohol testing procedure will be conducted at a time.

The employee will provide his or her specimen in a location that allows for privacy. The Employer agrees to recognize all employees' rights to privacy while being subjected to the testing process at all times and at all testing sites. Further the Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps will be taken to insure that the entire process does nothing to demean, embarrass or offend the employees unnecessarily. Testing will be under the direct observation of a BAT. All procedures shall be conducted in a professional, discreet and objective manner. Direct observation will be necessary in all cases.

The employee shall provide an adequate amount of breath for the EBT device. If the individual is unable to provide a sufficient amount of breath, the BAT shall direct the individual to again attempt to provide a complete sample. If the employee fails for any reason to provide the requisite amount of breath, the BAT shall contact the District Safety and Health manager or Human Resources manager.

If an employee is unsuccessful in providing the requisite amount of breath, the Employer then must have the employee obtain, within five (5) business days, an evaluation from a licensed physician chosen by the Employer who has the expertise in the medical issues concerning the employee's medical ability to provide an adequate amount of breath. If the physician determines that a medical condition has, or with a high degree of probability, could have precluded the employee from providing an adequate amount of breath, the employee's failure to provide an adequate amount of breath will not be deemed a refusal to take the test.

If the physician is unable to make a determination that the employee was medically unable to provide a sufficient amount of breath, the employee will be regarded as refusing to take the test.

The BAT shall document any unusual behavior or appearance on the alcohol testing form.

Section 2.13 Substance Abuse Professional (SAP)

Each Substance Abuse Professional (SAP) must be a licensed Doctor of Medicine or Osteopathy, or a licensed or certified psychologist, social worker, employee assistance professional, or drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders and be knowledgeable of the SAP function as it relates to Employer interest in safety-sensitive functions and applicable DOT agency regulations. In addition, the SAP shall keep current on applicable DOT agency regulations and comply with the DOT qualification training and continuing education requirements.

The SAP is responsible for performing the following functions:

1. Conducting the initial face-to-face clinical assessment and evaluation to determine what assistance is needed by the employee to solve problems associated with alcohol and/or drug use;
2. Referring the employee to an appropriate education and/or treatment program;
3. Conducting a face-to-face follow-up evaluation to determine if the employee has actively participated in the education and/or treatment program and has demonstrated successful compliance with the initial assessment and evaluation recommendations;
4. Providing the Employer with a follow-up drug and/or alcohol testing plan for the employee;
5. Providing the employee and employer with recommendations for continuing education and/or treatment.

Section 2.14 Record Retention

The Employer shall maintain records in a secure manner, so that disclosure of information to unauthorized persons does not occur.

Each Employer or its agent is required to maintain the following records for two (2) years:

1. Records of the inspection and maintenance of each EBT used in employee testing;
2. Documentation of the Employer's compliance with the Quality Assurance Plan (QAP) for each EBT it uses for alcohol testing;
3. Records of the training and proficiency testing of each BAT used in employee testing; and
4. Any required log books.

The Employer or its agent must maintain for two (2) years records pertaining to the calibration of each EBT used in alcohol testing, including records of the results of external calibration checks.

Section 2.15 Release of Alcohol Testing Information

The Breath Alcohol Technician (BAT) shall inform the employee before testing that the Employer will be notified if the confirmatory test is greater than 0.02, since the employee will be removed from service and considered medically unqualified to drive under DOT agency rules and regulations.

When a grievance is filed as a result of a positive test the Employer shall obtain records relating to the alcohol test. Upon receiving the records, the Employer shall provide copies to the appropriate official of the Union, by the end of the following business day after receiving the documents from the laboratory or the MRO, as applicable, provided that the employee has executed written consent authorizing release to the Union, a copy of which must be provided to the Employer.

Section 3. Provisions Applicable to Drug and Alcohol Testing

Section 3.1 Leave of Absence for Rehabilitation

An employee shall be permitted to take a leave of absence for the

purpose of undergoing treatment in an approved program for alcohol or substance abuse. Employees may use the United Parcel Service Freight Employee Assistance Program (EAP), a Union sponsored rehabilitation program, as well as any other referral service in choosing an approved program for treatment.

The leave of absence must be requested prior to the commission of any act subject to disciplinary action except as set forth above. The leave of absence shall be for a maximum of ninety (90) days; additional time may be granted if it is mutually agreed between the Company and the Union, or requested by the Substance Abuse Professional (SAP). While on such leave, the employee shall not receive any of the benefits provided by this Agreement, except the continued accrual of seniority.

All alcohol/drug treatment agreements including pre-care, after-care and return to work agreements entered into shall be confidential and signed by the employee and the SAP overseeing the treatment program and must have been approved by the Local Union business agent prior to the employee's signature. The post-care agreement shall comply with all provisions of this Article. The Employer agrees to recognize the employee's rights to privacy and confidentiality while being party to such an agreement.

Section 3.2 Paid For Time

Testing - Except for drug tests taken in conjunction with a DOT physical, the employee will be paid their regular straight time hourly rate of pay in the following manner:

1. For all time at the collection or testing site.
2. (a) If the collection or testing site is reasonably en route between the employee's home and the terminal, and the employee is going to or from work, pay for travel time one (1) way between the terminal and the collection site or the collection site to the terminal; or (b) For travel time both ways between the terminal and the collection site, only if the collection site is not reasonably en route between the employee's home and the employee's terminal.

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 2 (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.

Section 4. Training

If the Company requires an employee to undergo substance abuse training, the employee will be paid for such time and the training will be scheduled in connection with the employee's normal work shift, where possible.

ARTICLE 28 NON-DISCRIMINATION

The Company and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, age, or national origin nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, sex, age, or national origin or engages in other discriminatory acts prohibited by the Americans With Disabilities Act.

ARTICLE 29 MAINTENANCE OF STANDARDS

The Employer agrees, subject to the provisions of this Agreement, that

all conditions of employment relating to wages, hours of work, over-time differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement. It is agreed that the provisions of the Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement.

ARTICLE 30 MEAL PERIOD

Section 1. Road Driver Meals at Via Points

The Company may direct a driver to take a meal period at a via point(s). If the driver is on a pre-dispatched tour of duty that terminates at point of origin (turnaround), the meal period [thirty (30) to sixty (60) minutes] may be taken at any time during such tour of duty at the farthest point. Driver will not be required to take a meal period at a via point prior to the end of the third hour since the beginning of their tour of duty. A meal period shall not be compulsory at service centers where there is no accessible eating place.

Section 2. City Driver Meals

Drivers shall be scheduled between thirty (30) minutes and one (1) continuous hour for meals but not more than one (1) hour in each ten (10) hour period. No driver shall be compelled to take a meal period before he has been on duty three (3) hours or after he has been on duty six (6) hours. The scheduled meal period may be varied by mutual agreement.

Section 3. Legal Requirements

Meal periods must be taken in accordance with applicable Federal, State and Local laws.

ARTICLE 31 LODGING

Motel rooms shall be equipped with blinds or draperies or otherwise suitably darkened during daylight hours.

Motel rooms shall have adequate heating and cooling systems, and, where practical and possible, individual room regulators shall be made available.

All road drivers lodging shall be maintained on the basis of one (1) driver per room.

The Company shall furnish transportation to and from the nearest public transportation, where there is no unreasonable delay, at an away-from-home service center, provided there is no public transportation available in the near vicinity and further provided that this provision shall not apply where the driver is allowed to use the tractor for transportation.

ARTICLE 32

RAIN GEAR, GLOVES, AND YARD LIGHTS

All hostler and yard employees shall be provided with rain gear. Any service center employee handling hazardous freight shall be provided with rubber gloves suitable for the type of freight being handled. Employees handling toxic material as a first responder shall also be furnished with respirator masks and rubber gloves. The Company shall furnish adequate yard lighting at the service center in accordance with the Industrial Code in the area.

ARTICLE 33

SANITARY CONDITIONS

The Company agrees to maintain clean, sanitary washrooms having hot and cold running water and with toilet facilities, and a clean break/lunchroom area, unless otherwise mutually agreed. The Company also agrees to maintain sanitary drinking water. An emergency first-aid kit shall be furnished within a reasonable distance of the Company's dock.

ARTICLE 34

JURISDICTIONAL DISPUTES

Any jurisdictional dispute between the Local Union and any other non-Teamster union shall be resolved in accordance with

applicable law. In the event that any dispute should arise between any Teamster Local Union signatory to this Agreement and any other Teamster-affiliated Local Union relating to the jurisdiction over employees or operations covered by this Agreement, the Employer agrees to accept and comply with the decision or settlement of the Unions or Union bodies which have the authority to determine such dispute, and such disputes shall not be submitted to arbitration under this Agreement or to legal or administrative agency proceedings. It will be a violation of this Agreement if any Union or employee engages in a work stoppage or picketing in furtherance of a jurisdictional dispute.

ARTICLE 35

EMERGENCY REOPENING

In the event of war, declaration of emergency, pandemic, imposition of mandatory economic controls, adoption of national health care, or any congressional or federal agency action which has a significantly adverse effect on the financial structure of the Employer, or adverse impact on the wages, benefits or job security of the employees, during the life of this Agreement, either party may reopen the same upon sixty (60) days' written notice and request renegotiation of the provisions of this Agreement directly affected by such action. There shall be no limitation of time for such written notice. If no agreement is reached within sixty (60) days from the notice, the issue(s) will be submitted to expedited interest arbitration. The arbitrator shall select the last offer made by either party and shall issue his/her decision within thirty (30) days of the hearing. The parties shall comply with the decision of the Arbitrator and the Company shall not make any changes in the Agreement except those approved by the Arbitrator.

If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law.

ARTICLE 36 GARNISHMENTS

In the event of notice to the Company of a garnishment or impending garnishment, the Company may take disciplinary action if the employee fails to satisfy such garnishment within a seventy-two (72) hour period (limited to working days) after notice to the employee. However, the Company may not discharge any employee by reason of the fact that his earnings have been subject to garnishment for any one (1) indebtedness. If the Company is notified of three (3) garnishments irrespective of whether satisfied by the employee within the seventy-two (72) hour period, the employee may be subject to discipline, including discharge.

ARTICLE 37 SUSPENSION OR REVOCATION OF LICENSE AND EMPLOYEE'S BAIL

Section 1. Employee Must Notify the Company of Violations

In the event an employee receives a traffic citation for a moving violation which would contribute to a suspension or revocation or suffers a suspension or revocation of his/her right to drive the Company's equipment for any reason, he/she must notify the Company before his/her next report to work. Failure to comply will subject the employee to disciplinary action up to and including discharge.

Section 2. Compliance with Company Instructions

If such suspension or revocation comes as a result of his/her complying with the Company's instruction, which results in a succession of size and weight penalties or because he/she complied with the Company's instruction to drive Company equipment which is in violation of DOT regulations, the Company shall provide employment to such employee at not less than his/her regular earnings at the time of such suspension for the entire period thereof. This paragraph shall not apply to an employee who knows that the Company

equipment is in violation of DOT regulations before he begins his run, but fails to notify the Company in writing of the defective equipment.

Section 3. Employee Bail

Employees will be bailed out of jail if accused of any offense in connection with a condition caused or created by the Company. If an employee is forced to spend time in jail or the courts because of a condition created by the Company, the employee shall be compensated at his/her regular rate of pay for work opportunities the employee would have received if not in jail or the courts and shall be reimbursed for court costs, if any.

ARTICLE 38 UNION AND COMPANY COOPERATION

Section 1. Joint Cooperation

The parties agree at all times as fully as it may be in their power to cooperate so as to protect the long range interests of the employees, the Company, the Union and the general public served by the parties to this Agreement.

Section 2. Work Stoppages

All grievances and/or questions of interpretation arising under the provisions of this Agreement shall be submitted to the grievance procedure for determination. Accordingly, no work stoppage, slow-down, walkout or lockout over such grievances and/or questions of interpretation shall be deemed to be permitted.

ARTICLE 39 SEPARABILITY AND SAVINGS CLAUSE

If any article or section of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to

which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations after receipt of written notice of the desired amendments by either Employer or Union for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. There shall be no limitation of time for such written notice. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after receipt of the stated written notice, the issue(s) will be submitted to expedited interest arbitration. The arbitrator shall select the last offer made by either party and shall issue his/her decision within thirty (30) days of the hearing. The parties shall comply with the decision of the Arbitrator and the Company shall not make any changes in the Agreement except those approved by the Arbitrator.

ARTICLE 40 CHANGE OF OPERATIONS

The parties agree that there must be a procedure to permit timely and efficient Change of Operations in order to meet marketplace demands and changing customer needs. The Employer agrees that service centers and facilities covered by this Agreement shall not be transferred, changed or modified without notification of and discussion with the Local Union in accordance with this Article.

(a) The Employer agrees that prior to any change in its operation that will result in a change of domicile and/or possible layoff of seniority employees, it shall notify the affected Local Union(s) in writing and then meet jointly with them to inform them of the proposed changes and to resolve questions raised in connection with the proposed change. During this joint meeting the Employer and the Union shall reduce to writing all agreed upon issues and both parties shall sign the written document in acknowledgement of such agreement. The parties shall also reduce to writing all unresolved issues, if any, and they shall be referred directly to the appropriate Regional Change of Operations Committee. This meeting shall be completed where prac-

tical at least thirty (30) days prior to the proposed change. The change may not be implemented until the thirty (30) days' notice is provided and the meeting is completed unless the operational change is dictated by emergency conditions. The Union shall not unreasonably delay the scheduling or completion of the requested meeting. Any unresolved issues reflected in Section (c) below, which have been reduced to writing, will be resolved pursuant to that Section.

(b) Any agreed to change of operations reached by the Local Union(s) and the Employer shall be reduced to writing and filed with the Joint National Change of Operations Committee. It is understood that a regional area representative of the affected region(s) shall sit on the Joint National Change of Operations Committee.

(c) A Joint Change of Operations Committee will be established in each of the four (4) Regional areas and will resolve issues arising out of the proposed change of operations. The Committee will resolve issues involving seniority application and layoff questions for employees who are involved in the change. All affected parties will convene and attend the Regional Joint Change of Operations Committee meeting prior to the scheduled implementation date to resolve these issues.

If the Regional Joint Change of Operations Committee is unable to resolve the issues, such issues shall be referred to the Joint National Change of Operations Committee for resolution. If the issues reflected in this Section are not resolved by the Joint National Change of Operations Committee, they shall be submitted to an expedited arbitration.

The Committee which decides the issues, as described above, shall retain jurisdiction for a period of twelve (12) months following the change of operations decision. The decision of the Committee shall be final and binding.

The following shall apply to the closing or transfer of covered work:

(1) Whenever a service center is closed and the work is transferred to or absorbed by another service center, the affected employees will be entitled to follow their work and their seniority shall be dovetailed at the new service center.

(2) Whenever a service center is partially closed and the work of city drivers and all other regular employees, excluding over-the-road drivers, is transferred to or absorbed by another service center, the affected employees may either follow their work and have their seniority dovetailed in the new service center or be allowed to exercise their seniority in their present service center and displace the least senior employee in their respective classifications. If any of the employees whose work is transferred elects not to follow his/her work, then he or she shall have the same rights as the remaining employees on the seniority list from which the work was transferred to bid the work being transferred. Those employees who follow the work shall have their seniority dovetailed in the new service center.

(3) In a Change of Operations affecting over-the-road drivers, the following language will apply: Whenever a service center is partially closed and the over-the-road work is transferred to or absorbed by another service center, all over-the-road drivers, in seniority order, will have the option of following the available work and have their seniority dovetailed in the new service center or be allowed to exercise their seniority in their present service center, and take whatever jobs become open as a result of other employees following the work or taking a layoff. If a senior over-the-road driver elects to take a job which has been transferred out, the displaced employee(s) will fill the vacated job(s) by seniority until the next bid.

(4) The parties will meet to determine how this Article shall be applied in the event either one of the two (2) service centers involved in a transfer of work has employees who are not represented by the Union.

(d) In the event the Employer moves an operation more than seventy-five (75) miles, the Employer shall pay reasonable moving expenses for all full-time employees who choose to move. In addition, to be entitled to a paid move, the employee's commute to work must be twice as many miles as before the relocation of the operation. The expense shall include the reasonable cost of packing and the moving of household goods or house-trailer (if used as his/her residence) including dismounting and mounting. However, it is understood that the cost of such move shall

not exceed six thousand dollars (\$6,000.00) per move. The employee(s) who transfer will have one (1) year from the date of the change to move.

ARTICLE 41 [RESERVED]

ARTICLE 42 INCLUSIVENESS OF CONTRACT

Section 1. Workweek Reduction

If either the Fair Labor Standards Act or the Hours of Service Regulations are subsequently amended so as to result in substantial penalties to either the employees or the Company, a written notice shall be sent by either party requesting negotiations to amend those provisions which are affected.

Section 2. New Equipment and Operations

Upon request, the Company and the Union shall meet and discuss rates of pay not previously established in this Agreement for new types of equipment and/or operations and/or changes in law affecting equipment or operations.

Section 3. Extra Contract Agreements

The Company agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreements shall be null and void.

ARTICLE 43 OTHER MODES OF TRANSPORTATION

The Employer's right to use other modes of transportation will not result in the lay off of a driver on the payroll as of the date of ratification. Use of ground carriers will be governed by Article 44.

ARTICLE 44

SUBCONTRACTING

(a) For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime, or to avoid filling existing, or creating additional bargaining unit positions. 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.

(b) 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.

(c) 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 Road Drivers.

The parties agree these freight loads and/or LTL freight 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.

(d) Line Haul Driver

i. In order to create full-time bargaining unit jobs, replace outside vendors utilized on one-way runs permitted under paragraph (c) above, and enhance the Company's ability to compete, 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. Any run assigned to an LHD pursuant to paragraph (c) above shall be assigned to a Road Driver once the LTL freight volume meets the criteria set forth in that paragraph for determining two-way runs.

ii. If a Road Driver's job is cut for the day, the Road Driver will have the option, in addition to those set forth in Article 5, Section 2(c), to displace any LHD provided he will be able to meet his next bid start time. If a Road Driver's job is cancelled more than five (5) days in a calendar month, then the Road Driver shall have the right, in addition to the other rights set forth in Article 5, to take the job of any junior LHD who is domiciled in that facility. In such event, the Road Driver shall maintain his regular rate of pay and benefits. The displacement rights in this paragraph do not in any way diminish the Road Drivers' seniority rights set forth in Article 5. If a Road Driver displaces a LHD pursuant to this paragraph, the displaced LHD shall be allowed to displace the junior LHD. If the facility is one 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.

iii. In order to ensure that Road Driver jobs are protected from the implementation of LHD positions, the following rules will apply in those terminals into or out of which a LHD operates:

The Company will guarantee at each such terminal the number of Road Driver positions in existence as of ratification. This number shall not be subject to reduction except for a demonstrated loss of volume, a change of operations pursuant to Article 40 or the equipment on a run being upsized. Any disputes regarding such reduction shall be subject to review and approval by the IBT/UPSF Competition Committee. No Road Driver position will be eliminated as a result of the creation of a LHD position.

1. The Company shall not use a LHD to perform work assigned to a Road Driver or to avoid creating an additional Road Driver posi-

tion at any terminal where the volume of freight increases sufficiently to require the creation of a full-time job.

2. The Joint UPSF/IBT Competition Committee will review and approve or reject any LHD runs that may be proposed by UPS Freight. A LHD run will not be approved unless it replaces a vendor. In the event the parties do not agree, the LHD run shall not be implemented.

3. The UPSF/IBT Competition Committee will review on a quarterly basis the use of LHDs to ensure they are not being used to perform work that contractually should be performed by Road Drivers. In the event the Committee finds that any LHD runs were created without eliminating subcontracting, those runs shall be bid as Road Driver runs pursuant to Article 5.

(e) 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 ratification 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. The Company will guarantee at each terminal that Road Drivers recalled pursuant to this paragraph shall not be subject to layoff except for a demonstrated loss of volume, a change of operations pursuant to Article 40 or the equipment on a run being upsized. Any disputes regarding such reduction shall be subject to review and approval by the IBT/UPSF Competition Committee. No recalled Road Driver position will be eliminated as a result of the creation of a LHD position.

(f) In addition to the protections set forth above, the Company agrees that it will provide to the Union Chair of the TNUPSFNC a monthly report in writing detailing the number of runs completed and loads pulled by outside vendors sorted based on the origination and destination terminals. These monthly reports will also include a system wide comparison of the total miles run by outside vendors

versus the Company's Road Drivers. Each report will include the described data for the prior calendar month and will be provided within fifteen (15) calendar days of the beginning of the following calendar month.

ARTICLE 45 AIR CONDITIONING

All newly manufactured road tractors regularly assigned to the fleet after the effective date of this Agreement shall be equipped with air conditioning.

ARTICLE 46 SUPERVISOR WORKING

The Employer agrees that the function of a supervisor is the supervision of employees and not the work of the employees they supervise. The Employer shall maintain a sufficient workforce to staff its operations with bargaining unit employees. Supervisors will not perform bargaining unit work until all reasonable efforts are exhausted to use bargaining unit employees.

ARTICLE 47 MILEAGE RATES

Section 1. Mileage Rates

Over-the-road drivers shall be paid the cents per mile shown below for all miles, as determined in Section 2.

	Single/ Double	Sleeper (per driver)	Triple	Sleeper Triple (per driver)
7/1/13	0.6601	0.3482	0.6701	0.3542
1/1/14	0.6727	0.3549	0.6829	0.3610
1/1/15	0.6854	0.3615	0.6957	0.3678
1/1/16	0.6980	0.3682	0.7085	0.3745
1/1/17	0.7042	0.3715	0.7149	0.3779
7/1/17	0.7106	0.3748	0.7214	0.3813
1/1/18	0.7169	0.3782	0.7278	0.3847
7/1/18	0.7232	0.3815	0.7342	0.3881

Section 2. Mileage Determination

Employees working under this Agreement shall be paid over routes designated by the Employer, for miles based on data provided by "Microsoft Streets and Trips" (or any future successor program). A driver shall not go off-route without advance Company approval. If approved, the driver shall document the additional miles driven.

ARTICLE 48 JOINT COMPETITION COMMITTEE

A joint UPSF/IBT Competition Committee shall be created with an equal number of Employer and Union representatives. The Committee shall meet upon written request by either party for the purpose of discussing and evaluating proposals which, if adopted by the Committee, could create additional bargaining unit jobs, enable the Employer to effectively compete with other companies, implement new services and products, or change existing services. Nothing within this provision or Agreement shall require the Employer to offer or maintain any particular service or product.

ARTICLE 49 DURATION

This Agreement shall be in full force and effect from August 1, 2013 to and including July 31, 2018, and shall continue from year to year thereafter, unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

Memorandum of Understanding

UPS Freight and the Teamsters UPS Freight Negotiating Committee agree that:

The Company will implement a program to provide assistance to its employees who wish to obtain a CDL.

Letter of Agreement

The parties agree that an employee who becomes aware of an opening in the same classification at another service center may choose

to transfer, at his or her own expense. If more than one employee expresses an interest in the position, seniority shall prevail. The employee shall endtail on the new seniority list, and shall maintain pre-transfer seniority for the purpose of determining benefits.

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

UPS Freight, hereinafter referred to as the "Employer" or "Company," and the Teamsters National Negotiating Committee, hereinafter referred to as "TNUPSFNC" or "Union," representing Teamster Local Unions affiliated with the International Brotherhood of Teamsters, agree the UPS Freight Agreement ("UPSFA") shall apply to the employees covered by this Addendum as specified below:

1. The following Articles of the UPSFA shall apply to employees covered by this Addendum, except as may be modified in other sections of this Addendum:

Articles 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 27, 28, 29, 32, 33, 34, 35, 36, 38, 39, 40, 42, 46, 48 and 49.

2. The following sections of Articles of the UPSFA shall apply to employees covered by this Addendum: Article 5, Sections 1(a), (b), (c), (f), and 3 and 5; Article 10, Section 1; Article 13(a), (c), (d), (e), (f) and (g); Article 18, Section 3; Article 23, Sections 1(b) and (d), 2 and 3; Article 30, Section 3; and Article 37, Section 3.

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 1, Section 1 shall be modified to add a second paragraph that reads:

"This Agreement shall also cover, where already recognized, those employees who are employed as a manifest clerk, OS&D clerk, dispatch clerk, appointment clerk, outbound clerk, inbound clerk, or billing clerk. A list of locations at which covered employees have been recognized is Attachment A to the Clerical Addendum."

5. Article 1, Section 2 shall be modified to add a second paragraph that reads:

"The execution of this Agreement on the part of the Employer shall also cover all employees described in the second paragraph of Article 1, Section 1 in the bargaining unit at any existing terminal at which the TNUPSFNC has been certified or designated to act as the collective bargaining representative. The following locals have been designated by the TNUPSFNC to represent covered employees and, as such, are parties to this Addendum: 25, 41, 63, 89, 107, 120, 135, 251, 299, 385, 431, 492, 523, 577, 612, 657, 667, 707, 710, 728, 745, 891, and..."

6. As a substitution for those Article 5 provisions which the parties agree will not apply to the employees covered by this Addendum, the following will apply:

Section 1.(d) For employees covered by this Addendum there shall be two (2) seniority lists, one (1) for full-time clerks and one (1) for casual clerks.

Section 1.(g) In developing the initial Clerks' seniority list referenced above, the Company shall use the employee's Company seniority date unless a particular employee transferred into his/her current service center from another service center. In such event, the employee's transfer date to the current service center shall be used to develop the seniority lists.

Section 2. When it becomes necessary to reduce the working force the last employee hired on the casual seniority list shall be laid off first. If a clerk job is eliminated, the affected employee may bump the most junior employee within the classification provided the bumping employee is qualified to do the job. If a full-time clerk displaces a casual clerk, he/she shall be governed by the four (4) hour

guarantee. The bumping employee goes to the bottom of the classification seniority list. If the employee exercises the right to bump and receives a recall notice, the employee must return to the position from which he/she was laid off. Company benefits will be provided in accordance with the terms of the applicable SPD.

Section 4.(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 clerical jobs that are posted. Bids shall remain posted for fourteen (14) calendar days. The most senior employee bidding on the job shall be awarded the job.

Section 4.(b) Available new or vacated bargaining unit jobs will be posted within seven (7) calendar days. The bid will remain posted for fourteen (14) calendar days on the Union bulletin board. Such postings shall include the start time and a description of the job. The most senior full-time employee bidding on the job shall be awarded the job, provided he or she is qualified. The resulting vacancy, or the initial vacancy, if no full-time employee is awarded it, shall be available for bid by part-time clerical employees, if any, in that service center. If there are no part-time clerical employees in the service center, the Company shall have the right to fill the resulting vacancy, or the initial vacancy if it is not awarded, by a new hire. If a part-time employee is awarded the full-time vacancy, the Company shall have the right to fill it with a new hire.

If an employee is going to be off work for more than forty-five (45) days, the job will go up for bid, provided however, when the employee returns he/she shall return to his/her original bid job. Any bidder must be available and qualified to perform the work.

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.

One-and-one-half (1 ½) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, except where the seventh (7th) day of work falls on Sunday, in which case double time shall be paid.

8. Any Article or Section of the UPSFA that is applicable to employees covered by this Addendum and references "casual" employees shall be deemed to cover part-time clerks.

9. As a substitution for Article 44 of the UPSFA, the parties agree that the following will apply to employees covered by this Addendum:

For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime, or to avoid filling existing, or creating additional bargaining unit positions. The Employer may not subcontract work in any classification if any employee who normally performs such work is on layoff.

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.

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.

12. The parties agree that the following provisions shall constitute a new Article 23, Section 4 applicable only to those employees covered by this Addendum:

Section 4. Technological change shall be defined as any significant change in equipment or materials which results in a significant change in the work of the bargaining unit or diminishes the number of workers in the bargaining unit.

(a). The Employer and the Union agree to establish a National Teamster/UPS Freight Committee for Technological Change, consisting of an equal number of representatives from the Union and UPS Freight. The Committee shall meet in conjunction with the National Grievance Panel as necessary to review any planned technological changes covered by this Section.

(b). The Employer will advise the National Teamster/UPS Freight Committee for Technological Change of any proposed technological changes at least six (6) months prior to the implementation of such change except where the change was later determined in which case the Employer shall provide as much notice as possible.

(c). The Employer shall be required to provide the National Teamster/UPS Freight Committee for Technological Change, upon written request, any relevant information to the extent available regarding the technological changes.

(d). The Employer will meet with if requested, the National Teamster/UPS Freight Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.

(e). If a technological change creates new work that replaces, enhances or modifies bargaining unit work, bargaining unit employees will perform that new or modified work. The Employer shall provide bargaining unit employees with training required to utilize the new technology, if necessary.

(f). In the event that the National Committee cannot reach agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for resolution in accordance with the provisions of Article 7 in order to determine if the Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.

13. The only part of any prior Letter or Memorandum of Understanding, Letter of Agreement, or settlement between the parties under the UPSFA that will apply to the employees covered by this Addendum are:

- (i) The Letter of Understanding on Article 8, Section 1; and
- (ii) Paragraphs 2, 3, 4, and 7 (except for the reference to the 90% employee) of the May 11, 2009 MOU.

National UPS Freight Agreement "Zone" Addendum

UPS Freight ("Employer" or "Company") and the Teamsters National UPS Freight Negotiating Committee ("Union") agree to the following as an Addendum to the UPS Freight Agreement ("NFA"):

1. This Addendum applies to those employees represented by the Union who have been hired to perform functions described in the NFA, in geographical areas which were previously serviced by a vendor. The employees and geographical zones covered by this Addendum are as described in Attachment A;

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;

(b) Employees whose pay rates are above the scale in Article 26, shall retain their current pay rates until such time as the pay rate is commensurate with the Agreement. At such time, the employee will receive contractual increases due beyond that date;

(c) In recognition of the fact that employees covered by this Addendum do not have a service center in their established zone, Articles 19 and 33 of the NFA shall not apply, but any established practices in that zone relating to what is made available to the employees will continue to be observed.

(d) In recognition of the fact that employees covered by this Addendum may be requested to perform business development ("BD") work in their assigned zones, the parties agree that such assignments shall not be a basis to claim that business development functions are covered bargaining unit work; and

(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.

3. This Addendum shall continue to apply to the zones listed in Attachment A until such time as the Company opens a service center in that zone. The terms of the existing NFA shall apply in full at that time.

4. Additional employees may become covered by this Addendum if the Union obtains representational rights to any "Zone" employees in the future.

5. This Addendum shall remain in effect for the duration of the underlying NFA.

Memorandum of Understanding

UPS Freight agrees that it will notify the TNUPSFNC in the event it intends to increase in any significant way the number(s) of runs that include a lay over in excess of fourteen (14) hours. If such notice is provided, the Employer, upon request, will meet with the TNUPSFNC to determine the terms on which the layovers on these runs will be implemented.

Letter of Understanding

The Parties agree that employees on the payroll on the date of ratification who possess a CDL and are classified as Dock Leadman or Jockey will continue to receive a twenty cents (\$0.20) per hour premium. Employees on the payroll on the date of ratification with a CDL and are classified as Dock Worker will continue to receive a thirty-five cents (\$0.35) per hour premium. Casual employees on the payroll on the date of ratification with a CDL shall continue to receive a twenty-five cents (\$0.25) per hour premium.

Letter of Understanding

The parties agree that Article 8, Section 1 (Picket Lines) shall not apply to secondary (as opposed to primary) picketing activities or to informational leafleting or any other picketing not intended to prevent UPS employees from performing their assignments, whether such activities occur at the Company's locations, en route, or at the locations of its customers. In the event the Company knows that it is dispatching employees to a customer at which picketing is occurring, or dispatching employees on routes on which employees will encounter such activities, it shall notify the Union prior to dispatch, if possible.

Article 8, Section 1 also shall not apply to activities against the Company by its employees which are in violation of this Agreement, or which have not been initiated or authorized by the Union.

Memorandum of Understanding

Teamsters National UPS Freight Negotiating Committee (Union) and UPS Freight ("UPS" or "Employer") agree to the following in connection with Article 5, Section 2 of their National Freight Agreement:

1. It is the parties' intent that the phrase "...last employee hired on the affected classification seniority list..." is a reference to the date an individual became a full-time employee with the Employer, not the date the employee entered the job classification in which the layoff may be occurring.

2. This Memorandum of Understanding (MOU) shall become effective on the date it is signed and will be applied prospectively. However, the parties agree that any pending grievances concerning the Company's use of classification seniority to identify employees for layoff, shall be considered settled on the basis of this MOU. The Company shall apply the language in paragraph 1 in those cases and take the steps necessary to notify those employees who need to be recalled. No monetary payments shall be made.

3. This MOU shall not apply to any provision of the contract other than Article 5, Section 2.

Memorandum of Understanding

1. The parties agree that the Company may continue its practice regarding 4 day /10 hour work schedules where they were in place at the time of ratification. This would also apply to locations where the parties have negotiated 4/10's since ratification. Overtime will be after 10 hours, and any future implementations would need to be agreed to locally. Additionally, if any of the nine (9) named Holidays in Article 25, Section 4 occur on the regular scheduled workday for a 4/10 employee, the employee shall receive 10 hours straight time pay for the Holiday. 4/10 drivers working on a holiday will be included in item # 4 below. Employees holding 4/10 job bids will be required to work 120 work reports as otherwise defined in Article 25, Section 5 to obtain vacation or 32 reports to obtain the partial vacation calculation.

2. The parties agree that the Company may continue its practice regarding Sunday through Thursday work week schedules as they existed at the time of ratification. This would also apply to locations where the parties negotiated Sun-Thur work schedules since ratification. Any future implementations would need to be agreed to locally.

3. The parties agree that Full-Time employees laid off and displacing casual employees shall not be reduced to the casual rate of pay; rather, they shall be paid the full-time rate for the job performed.

Full-Time employees laid off and in progression will slot to the same progression step in the job they are performing. The full-time employees that were paid the casual rate while on layoff shall receive back pay.

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.

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.

7. Extra work that is offered in seniority order on non-scheduled work days does not have an 8-hour guarantee for any 90% employee. The employee may choose to either (1) get paid actual hours worked for the day, or (2) ask for four (4) hours of work. If the employee asks for at least four (4) hours of work, then the Company shall provide at least four (4) hours provided that (a) the work is available, and (b) the employee is qualified to perform the work.

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 pro-

vided 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.

Memorandum of Understanding

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

(1) The parties agree that the following mileage rates will become applicable on the dates specified, to the movement of double 40's and 48's trailers within the state of Florida:

7-1-2013—.6651
1-1-2014—.6778
1-1-2015—.6906
1-1-2016—.7033
1-1-2017—.7096
7-1-2017—.7160
1-1-2018—.7224
7-1-2018—.7287

These rates will be applied in the same manner as the mileage rates in Article 47, Section 1 of the UPS Freight Agreement.

(2) The parties agree that this MOU will remain in effect until July 31, 2018.

(3) This MOU shall be non-precedent setting and shall not be cited for any purpose except enforcement of its terms.

Memorandum of Understanding

UPS Freight (UPS) and the Teamsters National UPS Freight Negotiating Committee (Union) agree to the following in connection with the former Teamster-represented UPS employees who are in a retired status as of December 31, 2013 and receiving retiree medical coverage through a UPS sponsored plan:

1) Retirees in UPS sponsored plans will have the following contribution rates:

Effective 1-1-2014:

Single-fifty dollars (\$50.00)/retiree plus-one hundred dollars (\$100.00)

Effective 1-1-2015:

Single-one hundred dollars (\$100.00)/retiree plus-two hundred dollars (\$200.00)

Effective 1-1-2016:

Single-one hundred and fifty dollars (\$150.00)/retiree plus-three hundred dollars (\$300.00)

2) Effective January 1, 2014, the current retiree medical plan will be modified to provide an 80/20 benefit in network; 70/30 benefit out-of-network, and an annual deductible of \$200/\$400.

3) Nothing within this paragraph is intended to alter UPS rights with regard to the retiree plans as specified in the associated Summary Plan Descriptions.

Memorandum of Understanding

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

(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.

(2) UPS will provide the benefits of the CS H&W Plan schedule MM200 as a no cost option for UPS Freight employees who elect not to make a monthly contribution.

(3) Nothing within this MOU is intended to change the powers or duties of the trustees of the CS H&W Plan.

Letter of Agreement

UPS Freight ("UPS" or "Company") and Teamsters National UPS Freight Negotiating Committee ("Union") agree to the following:

All full and casual clerical employees who received either of the general wage increases provided by the Addendum dated May 24, 2012, but as of April 25, 2013, were still below the rates provided in the new hire progression based upon his/her years of service, shall receive an increase of One Dollar and Forty-Three Cents (\$1.43) in two equal installments. The first increase of Seventy-One and One-Half Cents (\$0.715) shall be on August 1, 2013. The second equal increase shall be on August 1, 2014. This is in addition to the general wage increases.

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.

Memorandum of Understanding

The thirty (30) mile distance referenced in Article 44 shall include but not be limited to the following pairs of terminals:

FRM – BAY
HOU – HST
SAN – SDG

LOS – LAX
SCM – SAC
PRT – POR
FON – RIA
SAT – SEA
LAX – OCY
PEN – PHL
OCY – LOS
SOH – CGO
GAR – DAL
RFL – CLD
CRT – MOO
YOR – HRS
FWR – DAL
PAL – CGO

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, 25, 26, 41, 43, 44 and 47. Further, Article 21, Section 3 and Article 27, Section 3.3 shall apply to LHDs provided the employee has the seniority and is qualified to perform the available inside 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.

(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 become Participants in the UPS Pension Plan on the earliest January 1 or July 1 following the attainment of age 21 and the completion of not less than 750 Hours of Service with the Company in the twelve month period following his date of employment. All time in service as a LHD by any new employee shall count toward the vesting requirements in the UPS Pension Plan. After becoming a Participant, LHDs will earn a monthly accrued benefit payable at normal retirement age equal to fifty dollars (\$50.00) per year times years of UPS Freight Benefit Service. In years in which an employee has less than fifteen hundred (1500) hours, LHDs shall earn one month of UPS Freight Benefit Service for each 125 hours of work completed and thereby earning a prorated share of the annual fifty dollar (\$50.00) accrual rate. There shall be no limit on the number of years of UPS Freight Benefit Service which may be accrued. 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 IBT/UPS F Competition Committee shall have the authority to review LHD runs that may be proposed by UPS Freight to create a two-way run. UPS F 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.

