

Jack Cooper Transport
and
Teamsters National Automobile Transporter Industry Negotiating Committee
Agreement on Purchased Transportation

It is recognized that “Carhaul Work” under the National Automobile Transporters Agreement (“NMATA”) and Work Preservation Agreement includes the brokerage of vehicles tendered by an original equipment manufacturer (“OEM”) subject to a transportation contract between a signatory to the NMATA and the OEM. It shall be a violation of the NMATA and the Work Preservation Agreement for Ultimate Parent, Employer or a Controlled Affiliate (hereinafter collectively referred to as “Jack Cooper Transport” or “JCT”) to engage in brokerage of such OEM loads to non-NMATA bargaining unit operations, except as expressly authorized by Teamsters National Automobile Transporters Industry Negotiating Committee (“TNATINC”) under this Agreement.

The use by JCT of subcontracting under this Agreement, described as purchased transportation service (“PT”), is solely for the purpose of protecting JCT’s regular, contracted OEM traffic during times of excessive volumes due to plant holds or temporary increases in production. All Carhaul Work shall be offered by JCT and rejected by Employers with operational capacity that are signatories to the NMATA, prior to any brokerage or subcontract to non-NMATA operations under this Agreement. In locations where JCT services the release yard, units designated for PT will be moved to off-site locations to be loaded.

JCT shall not use PT at any location where drivers are laid off. JCT shall first recall laid off drivers. In the event of a recall from layoff for a period of thirty (30) days or less, such recall shall be voluntary to the employees. If such employee does not accept this voluntary recall, the employee will maintain seniority on layoff and such layoff will not be considered to prohibit use of PT at that location. JCT shall meet its obligations under Article 38, Section 5 and Article 48, Section 1 of the Central and Southern Areas Supplement, and comparable provisions of the Eastern Area Supplement, before it begins the use of PT. The use of PT by JCT shall not result in a layoff of drivers at such locations. The use of PT also will not result in a loss of earnings for active drivers at such locations. PT usage shall be engineered to the fullest extent possible to minimize PT use and to maximize the use of bargaining unit employees and to allow bargaining unit employees to perform preferential runs and maximize earning opportunity. All drivers at those locations where PT is used shall be protected from layoff directly caused by the use of PT.

The use of PT by JCT shall not restrict or prevent the hiring of new drivers at any JCT terminal. JCT shall maintain the appropriate number of drivers to service contracted regular volumes of OEM traffic at any location. JCT shall protect by red circle the number of drivers as that red circle number exists as of the date of ratification at each terminal location where PT is used. The affected Local Union and TNATINC shall be provided the red circle number in writing as of ratification. The number of drivers at a location shall not be reduced below the red circle number as a direct result of the use of PT. The red circle number itself shall not be

changed, other than, (a) as may be provided for in a National Joint Standing Seniority Committee decision under NMATA Article 5, or (b) to the extent JCT on a consistent, sustained basis utilizes more than the existing red circle number of drivers at a location where PT is utilized, in which case the red circle number shall be increased accordingly.

TNATINC IN ITS SOLE DISCRETION MAY LIMIT OR DISCONTINUE THE USE OF PURCHASED TRANSPORTATION SERVICE (PT) IN ANY GEOGRAPHIC AREA WHERE IT DEEMS APPROPRIATE UPON THIRTY (30) DAYS WRITTEN NOTICE TO JCT.

JCT shall provide to the Union an up-to-date list of purchased transportation providers utilized within thirty (30) days of the end of each calendar quarter. In the event a PT provider repeatedly violates the conditions established under this Agreement, the Union shall have the ability to remove the carrier from future PT utilization.

JCT agrees that an authorized representative of TNATINC (the "Auditor") will have the right to review on a quarterly basis the records of all operations (subject to a mutually acceptable confidentiality agreement) to verify that assignment of Carhaul Work is in compliance with this Agreement (the "Audit"). The Auditor shall provide JCT with notice in writing of the TNATINC request to Audit the specified records. Such records shall be produced at a place and time mutually agreed upon. The cost of the Audit shall be borne by the Union. Records shall include detailed information about loads, such as source, origin location and date, destination location and date, carrier name, load number, units per load or load factors, and length of haul.

In addition, JCT shall, on a monthly basis, unless otherwise required, send to the office of the IBT National Automobile Transporter Industry Division Director a report containing all of the above indicated information in addition to the total number of miles JCT utilized with purchased transportation, inclusive of the type of PTS utilized, including overflow or one-time business opportunities such as product launches.

The Auditor shall be permitted to inform the Union as to whether or not its review discloses that JCT is properly assigning Carhaul Work in compliance with this Agreement and the extent and nature of any non-compliance, if any. A finding of non-compliance with this Agreement disclosed by the review of the Auditor shall authorize a Board of Arbitration to assess a fifty percent (50%) penalty increase on any lost compensation found owing to NMATA bargaining unit employees in any award on grievances filed under Article 33 of the NMATA.

Jack Cooper Transport

Date: _____

TNATINC

Date: _____