Teamsters Southern Region and UPS Cartage Services, Inc. (C.S.I.) **Master Southern** Region Addenda (M.S.R.A.) to the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

For The Period August 1, 2018 through July 31, 2023

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NOTE TO PARTIES

To: Members of CSI Master Southern Region Addenda

Dear Brothers and Sisters:

As you know, we have a tentative agreement for the UPS Cartage Services, Inc. Supplemental Agreement. Article 2 of the re-negotiated CSI Supplement outlines the National Master UPS Agreement (NMA) Articles that may be applied to your Addendum. You will note that several NMA articles are not applicable. These are subjects that are either addressed in the CSI Supplement or are not operationally applicable to CSI.

(NMA) Supplement Article 2: Applicable NMA Articles

The parties agree that the elections each Local Union made pursuant to Article 2 of the 2008-2013 CSI Supplement shall remain in effect for the duration of this NMA. With respect to its prior elections, a Local cannot elect to apply one or more Sections from an Article in its Addenda and also select portions of the NMA Article covering the same subject. Further the parties agree that the following Articles within the NMA shall continue to not be applicable to operations covered by this CSI Supplement:

Article 1 Section 4; 2; 3 Section 7; 6 Section 5; 10; 18; 26; 32; 37 Section 1(b) and (c); 39; 40; 43; and 44. Articles 22, 34 and 41 of the NMA will apply only to the extent they contain provisions specifically addressing CSI employees.

Where there are two provisions covering the same subject, one in the Local Addendum and one in the National Master UPS Agreement, the following provisions of the National Master UPS Agreement shall apply:

Article 3.1 thru 3.6 Recognition, Union Shop & Checkoff Article 5 Sanitary Conditions Article 6.1 thru 6.4 Extra Contract Agreements/Workweek Reduction/New Equipment/Technological Change Article 7 Local and Area Grievance Machinery Article 8 National Grievance Procedure Article 9 Protection of Rights Article 12 Polygraph/Timeclocks Article 14 Compensation Claims Article 15., 16.2, 16.4, 16.6 Leave of Absence Article 16 1, 16.2, 16.4, 16.6 Article 19 Posting Article 20 Examination and Identification Fees Article 21 Union Activity Article 23 Separation of Employment Article 24 Inspection Privileges Article 25 Separability and Savings Article 29.1 Jury Duty Article 29.3 Tax Deferred Savings Plan 401(k) Article 30 Jurisdictional Disputes Article 33 Cost-Of-Living (COLA) Article 37.1(a) Management Employee Relations Article 37.2 (Section 2 and 3 involves excessive OJS rides) Article 38	Article 1.1 thru 1.3	Parties to the Agreement
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AGREEMENT

UPS CARTAGE SERVICES INC. (C.S.I.) FREIGHT PICKUP & DELIVERY Master Southern Region Addenda

FOR THE PERIOD

August 1, 2018, through July 31, 2023

Covering operations of the Employer, in and between the states and areas designated by the parties to be within the scope of the Southern Region. which include but is not limited to, Texas, Oklahoma, Louisiana, Florida, Arkansas, Tennessee, Alabama, Mississippi, Georgia, North Carolina, South Carolina, and Virginia). Cartage Services, Inc. (C.S.I.), which as discussed in negotiations is simply a name change and is to replace the names of Menlo Worldwide Forwarding and Emery Worldwide, a CNF Company, to advance the company's market strategy and not to change or exclude anything within this agreement (hereinafter referred to as the "Employer" or "Company"), and the Teamsters UPS Cartage Services, Inc. (C.S.I.) Master Southern Region Addenda Negotiating Committee representing local unions affiliated with the International Brotherhood of Teamsters, (hereinafter referred to as the "Union," "Unions" or "Local Union") agree to be bound by the terms and conditions of this UPS Cartage Services, Inc. (C.S.I.) Master Southern Region Addenda ("Agreement") and the UPS Cartage Services, Inc. Supplemental Agreement. Article 2 of the re-negotiated CSI Supplement outlines the National Master UPS Agreement (NMA) Articles that may be applied to your Addendum. You will note that several NMA articles are not applicable. These are subjects that are either addressed in the CSI Supplement or are not operationally applicable to CSI.

PREAMBLE

The Teamsters United Parcel Service National Negotiating Committee on behalf of the following affiliated Locals: 17, 25, 70, 71, 100, 107, 135, 162, 174, 222, 243, 294, 295, 317, 344, 385, 391,406, 407, 413, 480, 500, 509, 516, 519, 542, 560, 592, 600, 633, 638, 657, 667, 671, 688, 710, 728, 745, 769, 776, 901, 986 and 988 (hereinafter collectively referred to as the "Union") and United Parcel Service, Inc. (an Ohio Corporation) and its subsidiary UPS Cartage Services, Inc. ("CSI") (hereinafter collectively referred to, in this Supplement, as the "Employer") agree that the following provisions shall constitute the UPS Cartage Services, Inc., Supplement (hereinafter "CSI Supplement") to the National Master United Parcel Service Agreement (hereinafter "NMA").

Section 1

Any lesser conditions contained in any Rider or Addendum shall be superseded by the conditions contained in this Agreement. However, except where specifically stated otherwise in this Agreement, nothing in this Agreement shall deprive any employee of any superior benefit contained in his/her Rider or Addendum.

Section 2

It is the parties' intent that this Agreement shall not be a basis for the Union to expand its work by claiming that the work performed by affiliates of the Employer is covered by this Agreement. Likewise, the Employer agrees that it will not use this Agreement to diminish the work performed by bargaining unit employees under the existing Addendum.

Section 3

For the purpose of preserving work for the employees covered by this CSI Supplement, the Employer agrees that it will continue to provide the guaranteed work hours set forth in the applicable Addenda. The work to be performed by these employees shall be any combination of dock work, driving or other freight-related duties, as described in the Addenda. However, no employee covered by this Supplement shall pick-up, deliver or otherwise progress parcels or packages, or perform any other work described in Article 1, Section 1 of the NMA. In the event a grievance is brought alleging that Article 1, Section 1 work is being, or has been, performed by employees covered by this Supplement, the grievance shall immediately be referred to the next scheduled meeting of the National Grievance Committee. In the event the grievance is dead locked, either party shall have the right to request the grievance be scheduled for expedited arbitration. The grievance shall be scheduled for arbitration within thirty (30) days. The parties shall jointly contact the arbitrators on the National Panel in alphabetical order until they find an arbitrator who can offer a date within the thirty (30) day period. If no arbitrator is available from the National Panel, the parties shall jointly request the American Arbitration Association to appoint an arbitrator to hear the case within the thirty (30) day period.

ARTICLE 1 - RECOGNITION

See Article 1: Recognition of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

SECTION 1. Recognition

The Employer will continue to recognize the Union as the sole and exclusive bargaining agent for all its Driver/Dockworkers and Dockworkers employed at its North American facilities and will also continue to recognize employees it may have in other job classifications, to the extent such employees are already represented by the Union.

ARTICLE 2 - UNION SECURITY AND CHECK-OFF

See Article 3.1 thru 3.6: RECOGNITION, UNION SHOP AND CHECKOFF of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 1. Union Membership - The Employer agrees, where not precluded by state statute, that as a condition of continued employment all employees covered by this Agreement shall remain members of the applicable local Union or become members of their applicable local Union within thirty-one (31) days after the execution of this Agreement or within thirty-one (31) days after their hire, as the case may be.

SECTION 2. Notice of Employee Removal - The local Unions agree that written notice shall be given to the Employer and employee at least ten (10) working days before any regular employee is to be removed from his/her employment by reason of his/her failure to maintain membership in good standing within the local Union.

SECTION 3. No Discrimination - Any employee member of a local Union, acting in any official capacity on behalf of the local Union shall not be discriminated against for his/her acts as such representative or officer of the local Union, so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of his/her Union membership or activities. Likewise, the Employer and the Union shall not discriminate against any person with regard to employment or Union membership because of their race, religion, color, sex, age, national origin, qualified handicap, veteran status, or ancestry.

SECTION 4. Dues Deductions - The Employer agrees to deduct from the pay of all Union members covered by this Agreement the dues and initiation fees of the local Union having jurisdiction over any such employee and agree to remit to said local Union all such deductions prior to the end of the month for which

the deduction is made. Where legally required, written authorization by the employee will be furnished on a proper form provided by the local Union.

SECTION 5. Union Certification and Authorization - The local Union shall certify to the Employer in writing each month a list of its members working for the Employer, who have furnished to the Employer the required authorization, together with an itemized statement of dues and initiation fees (full or installment) owed and to be deducted for such month from the pay of such member, and the Employer shall deduct such amount from the first paycheck following receipt of statement of certification of the member, and remit to the Union in one lump sum. The Employer shall add to the list submitted by the local Union the names of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed.

SECTION 6. Dues Check-Off for Periods of Absence - Where an employee who is on check-off is not on the payroll during the week in which the deduction is to be made or has no earnings or insufficient earnings during the week or is on leave of absence, the deductions shall be from the next pay period during which earnings are sufficient to cover required dues payments.

SECTION 7. Indemnification of Employer - The Union hereby indemnifies and defends the Employer and holds it harmless against any and all suits, claims, demands and liability that may arise out of, or by reason of, any action that shall be taken by the Employer for the purpose of complying with the foregoing provisions of this Article or in reliance on any list or certificate which shall have been furnished to the Employer under any of such provisions.

SECTION 8. DRIVE - 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 its actual cost for the expenses incurred in administering the weekly payroll deduction plan.

SECTION 9. Direct Deposit – The Employer will provide for Direct Deposit of payroll checks for all Bargaining Unit Employees at no cost to the Employees. The local union will recommend to the bargaining unit employee they should participate in the Direct Deposit program. Each employee will be given a copy of their pay stub and all deposits will be no later than the regular payday under this agreement.

ARTICLE 3 - CONTINUITY OF OPERATIONS

SECTION 1. No Strike - The Union agrees that there shall be no strike, picketing, concerted stoppage, concerted retarding of work or concerted cessation of service or work interference of any form or kind for any reason during the continuance of this contract for any reason whatsoever, except as provided for elsewhere in this Agreement.

SECTION 2. No Lockout - The Employer agrees that it will not lock out any of their employees during the term of this Agreement.

SECTION 3. (A) Picket Lines - It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action 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 primary picket lines of Unions party to this Agreement, and including primary picket lines at the Employer's places of business.

SECTION 3. (B) Sympathetic Action

See Article 28: SYMPATHETIC ACTION of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

In the event of a labor dispute between the Employer, party to this Agreement, and any International Brotherhood of Teamsters' Union, parties to this or any other International Brotherhood of Teamsters' Agreement, during the course of which dispute such Union engages in lawful economic activities which are not in violation of this or such other agreement, then any other affiliate of the International Brotherhood of Teamsters, having an agreement with such Employer, shall have the right only if sanctioned pursuant to the procedures of the International Constitution, and only after receiving such sanctions, to engage in lawful economic activity against such Employer in support of the above first mentioned Union notwithstanding anything to the contrary in this Agreement or the International Brotherhood of Teamsters' Agreement between such Employer and such other affiliate.

SECTION 3. (C) Notice to Employer - The local Union shall be required to notify the Employer in writing within a minimum of seventy-two (72) hours prior to taking any such action.

SECTION 4. Union Responsibility in the Event of a Strike - Upon notification by the Employer that a violation of Section 1 of this Article exists, the Union hereby agrees that it will take positive measures to prevent and/or terminate any such violation by an employee or group of employees through, among other measures, the posting of notices and communication to the employees that the strike is not authorized, the Union does not support such violation, that it should be terminated immediately and directing them to return to work immediately. The Employer hereby reserves the right to discipline up to and including discharge, any employee violating the provisions of this Article.

ARTICLE 4 - MANAGEMENT RIGHTS

SECTION 1. Business Direction - Except to the extent expressly abridged by a specific provision of this Agreement, the management of the business of the Employer and the direction of its personnel, including size and composition of the work force, the scheduling and amount of work, the staffing of facilities, the services to be marketed and the maintenance and development of employee efficiency, and all other matters consistent with the economical and efficient operation of its business, are vested solely in the Employer.

ARTICLE 5 - PROBATIONARY EMPLOYEES

SECTION 1. Probationary Period - A new employee shall work under the provisions of this Agreement but shall be employed on a sixty (60) calendar day trial basis, during which period he/she may be discharged without recourse to the grievance and arbitration mechanism provided herein. The Employer may not discharge or discipline for the purposes of evading this Agreement or discriminating against Union members. After sixty (60) calendar days, the employee shall be placed on the regular seniority list with his/her hire date as his/her seniority date. The Company will notify the Union in writing and confer with them when considering the extension of a new employee's probationary period for an additional 30 calendar day period. The probationary employee shall sign a statement acknowledging that the probationary period has been extended. This provision will not apply retroactively to extend the probationary period of any individual hired by the Employer before the effective date of this Agreement, and any such individual will continue to be subject to the probationary period in effect at the time of such individual's hire date.

SECTION 2. <u>Additional Employees</u> - When the Employer needs additional employees, it shall give the local Union same opportunity with all other sources to provide qualified applicants, but the Employer shall not be required to hire those referred by the local Union.

SECTION 3. New Hires - Upon the hire of a new employee, the local union steward will be notified.

ARTICLE 6 - STEWARDS

SECTION 1. Steward Authority - The employer recognizes the right of the local Union to designate the job steward(s) and alternates from the Employer's seniority lists. The authority of job stewards and alternates selected by the local Union shall be limited to and shall not exceed the following duties and activities:

- the investigation and presentation of grievances with designated Employer representatives in accordance with the provisions of this Agreement, and
- 2. the transmission of such messages and information, which shall originate with and are authorized by the local Union or its officers provided such message and information:
 - a. has been reduced to writing, or
 - b. if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods or any other interference with the Employer's business.

SECTION 2. Limit of Authority - Job stewards and alternates have no authority to take strike action, or any other action interrupting the Employer's business, except as authorized in writing by official action of the local Union. In so recognizing these limitations upon the authority of job stewards and their alternates, the Employer shall have the authority to impose proper discipline up to and including discharge, in the event the shop steward has taken unauthorized strike, slowdown or work stoppage action in violation of this Agreement.

SECTION 3. Investigation of Grievances - Stewards shall be permitted reasonable time to investigate, present, and process grievances, on the property of the Employer, during their regular working hours without loss of time or pay, so long as such steward or alternate requests and receives the necessary time

away from his/her job from his/her supervisor. Failure to do so may result in disciplinary action against such steward or alternate for leaving his/her work assignment without proper authorization.

Unless waived in writing, there shall be a steward or available bargaining unit member of the employee's choice present whenever the employer meets with the employee about grievances or discipline (but not non-disciplinary counseling), or to conduct investigatory interviews. If a steward is unavailable, the employee may designate a bargaining unit member who is available at the terminal at the time of the meeting to represent him/her. An employee who does not want a union steward or 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, a copy of which will be furnished to the union on request.

ARTICLE 7 - SENIORITY

SECTION 1. Seniority rights shall prevail as provided in this Agreement.

SECTION 2. Definition - Seniority for all purposes shall be defined as the length of service in the employ of the Employer, from an employee's original date of hire with the Employer. Full-time and part-time employees shall have separate seniority and their seniority shall be the length of service with the Employer in a full or part-time capacity. A part-time employee who transfers to a full-time position shall have seniority as a full-time employee beginning with his/her first day of service in a full-time position. The length of service of such employee shall be considered seniority for all purposes except bidding and layoff. In the event of a layoff affecting a full-time employee, he/she shall have priority for a remaining part-time position.

SECTION 3. General Application of Seniority - Full-time employees shall have the opportunity to bid their start times by seniority, and once the start times are chosen, they become fixed until the next bid. The Company and the Union acknowledge the need to serve customers efficiently and effectively. The Company also agrees to recognize the legitimate needs as well as the abilities of employees in making assignments. When two (2) or more employees are at the facility and extra, unassigned work becomes available, assignments will be offered by seniority unless qualifications or customer requirements otherwise mandate.

<u>SECTION 4.</u> Loss of Seniority - Seniority shall be lost if an employee:

1. Quits of his/her own accord, including retirement.

- 2. Is discharged for just cause and such discharge is not later reversed through the grievance procedures.
- 3. Is absent for four (4) consecutive working days without proper notification to supervision, unless a satisfactory reason for not notifying one's supervisor is given on the employee's return.

- 4. Fails to return to work from layoff in accordance with the following: In the event of a layoff, an employee so laid off shall have up to two (2) weeks to report to work following the date on which certified mail is sent to his/her last known address notifying him/her of his/her recall to work. However, such employees must notify the Employer of their intention to return within seven (7) days of the date on which certified mail is sent to their last known home address.
- 5. Is laid off for thirty-six (36) consecutive months.
- 6. Fails to strictly comply with the terms of a leave of absence.
- Any employee accepting a supervisory or non-bargaining unit position with the Employer will lose all seniority under this agreement.

SECTION 5. Operations of Seniority During Layoff

In the event of a layoff, the least senior employee shall be the first laid off, and the last employee laid off shall be the first employee recalled, provided that in each instance the remaining employee(s) is/are qualified to perform the necessary work.

SECTION 6. Seniority List - The Employer shall maintain a current seniority list, which will be posted at least every six (6) months in a place of easy access by the work force, with a copy sent to the Union <u>upon</u> request. Any protest to the seniority list must be made in writing, with a copy to the Employer and the Union, within thirty (30) calendar days from the date of posting of the seniority list. Controversies regarding seniority shall be settled by the Company and the Union. Failing a settlement by these parties, the controversy shall be processed under the grievance procedure.

In the event no protest is made, the seniority list, as posted, shall be considered as correct and final.

SECTION 7. Shift Bidding

SECTION 7. (A) All regular full-time start times shall be posted for bid, as operationally necessary, but no less frequently than every six (6) months. Posting shall be for seven (7) calendar days or less if

bidding is completed. If an employee is unavailable for the posting period, written proxy bids received in advance are acceptable. In the event seasonal concerns become an issue between bidding periods, the Union can request discussion of options of additional bids if additional bids are not disruptive to business needs.

SECTION 7. (B) The posting shall consist of the number of days, classification, days to be worked, start time, and start time schedules subject to both ninety percent (90%) and ten percent (10%) guarantees. Start time awards will be made effective for all six-month bids described above in Section 7(A) on the first day of the work week following the week in which the bid was removed. Start time awards will be made effective for all bids posted as operationally necessary as described above in Section 7(A) on the first day of the work week following the week in which the bid was removed unless operationally prohibited. The Employer has the right to adjust start times up to sixty (60) minutes subject to prior notification to the Union without the need for re-bidding. Temporary changes in established work schedules will not be made for the purpose of avoiding overtime.

SECTION 8. Job bidding

SECTION 8. (A) All full-time job openings will be posted for a seven (7) calendar day period. Any full-time opening will be filled by the senior, qualified part-time employee who bids.

SECTION 8. (B) In making the selections of employees from a part-time to a full-time position, the Employer will offer the position to the senior part-time employee who bids for the position and has appropriate license.

SECTION 8. (C) If an employee successfully completes the thirty (30) day trial period, the employee shall be considered a successful bidder and will remain in the position. This language pertains to part-time

employees qualifying for full-time positions only. In the event the part-time employee fails to qualify for the position, he/she will be returned to part-time status. Full-time employees who fail to qualify during the trial period shall receive additional training and thereafter shall be subject to disciplinary procedures.

SECTION 9. Part-Time Schedule Work hours for regular part-time employees will be posted on the Thursday prior to the week in which such hours are to be worked, with preference in the number of hours to be worked to the qualified senior employee available to work.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

SECTION 1. The Union recognizes the highly competitive nature of the air freight business and has, therefore, pledged to cooperate in the effort to provide the necessary flexibility in start times, work weeks, and shift structure required by the business.

SECTION 2. (A) Full-Time Schedule

- Ninety percent (90%) of full-time employees at service centers with six (6) or more employees covered under this Agreement shall be guaranteed a minimum of forty (40) hours of work or pay per week for five (5) consecutive workdays with a daily guarantee of eight (8) hours per day. The remaining ten percent (10%) (rounded up) of full-time employees shall be guaranteed a minimum of thirty-five (35) hours of work or pay per week for five (5) consecutive workdays.
- 2. Full-time employees at service centers with five (5) or fewer employees covered under this Agreement shall be guaranteed a minimum of thirty-five (35) hours of work or pay per week.
- 3. The Employer may establish a work week that consists of four (4) ten (10) hour days. Employees on such schedule shall receive up to three (3) days off, two (2) of which will be consecutive, with a minimum of one (1) day being Saturday or Sunday.
- 4. Any regular full-time employee called back to work after having completed his/her regular assignment for that day shall be guaranteed not less than four (4) hours of work at the applicable hourly rate of pay.

SECTION 2. (B) - Part-Time Schedule

- A part-time employee's normal work week will be a minimum of seventeen-and-one-half (17 ¹/₂) hours, but less than thirty-five (35) hours of work per week.
- 2. The Employer will create one (1) full-time position for every part-time employee_averaging more than thirty (30) hours per week in any consecutive three-month period. For purposes of determining whether a part-time employee has worked more than thirty (30) hours per work week under this section, hours

worked for replacement of vacation, sickness, disability, and the like will not be counted. The Employer will furnish the local Union monthly with a list of the part-time employees working more than thirty (30) hours per week in that particular month upon request.

- 3. When the absence of a full-time employee continues beyond three (3) consecutive months, a replacement employee shall not be used to fill that absence.
- 4. Hours required for benefit coverage shall be seventeen and one-half (17.5) hours per week.
- 5. Each part-time employee shall be guaranteed four (4) hours pay when called in or back to work.

SECTION 3. Overtime

- All work performed by regular employees in excess of eight hours in a day or forty (40) straight-time hours of work in a given week shall be paid for at time-and-a-half the applicable employee's straighttime hourly rate.
- In the event a full-time employee is scheduled to work four (4) ten (10) hour days as opposed to five
 (5) eight (8) hour days within a given week, daily overtime will begin after the completion of the tenth
 (10th) straight-time hour of work.
- 3. There shall be no duplication or pyramiding of overtime.
- 4. When an employee is called into work on a holiday or sixth (6th) or seventh (7th) workday, said employee will receive a minimum of four (4) hours of work at the applicable rate of pay.
- 5. If the Employer calls in an off-duty full-time employee on his/her off days, seniority shall prevail.
- 6. In the event of overtime, it shall not exceed ten (10) hours of forced overtime per week except for emergencies. Emergencies are defined as when more than 10 % of any shift are unable to work due to any reason, Acts of God, late aircraft, additional arrivals, or other situations beyond the company's control.

7. Time and one-half the applicable hourly rate of pay shall be paid for all work performed by employees on the sixth (6^{th}) day and two times the applicable hourly rate of pay shall be paid for all hours worked on the seventh (7^{th}) day of the employee's regular bid week.

SECTION 4. Hours of Work and Overtime Split Shifts -

See Local Addenda to the National CSI Supplement (Master Southern Region Addenda)

Split shifts may be performed by no more than thirty-five percent (35%) of full-time employees. A split shift will be considered any scheduled shift with a break of a minimum of one (1) hour and a maximum of three (3) hours.

ARTICLE 9 - GRIEVANCE PROCEDURE

See Article 6: Grievance Procedure of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

SECTION 1. Grievance Procedure

The provisions of this Article shall be substituted for the grievance procedure set forth in any Addenda. Should any dispute arise between the Employer and the employees,

or the Employer and the Union concerning the application or interpretation of any provision of this Agreement, or concerning any term or condition of employment set forth in this Agreement, it shall be handled in the following manner:

<u>STEP 1</u> The complaint shall be discussed with the aggrieved employee, the immediate supervisor, and the Shop Steward, within five (5) working days of the known occurrence giving rise to the complaint.

<u>STEP 2</u> If the complaint is not resolved in Step one (1), then the employee, Shop Steward or Local Union representative shall submit a grievance in writing to the designated Company representative on the designated grievance form within ten (10) working days after the known occurrence giving rise to the grievance.

<u>STEP 3</u> If an agreement cannot be reached in the second step, the matter shall then be referred to the Local Union Business Agent within ten (10) working days after receipt of the response of the Company Representative. The Company Representative shall meet promptly with the Local Union Business Agent, the Shop Steward and the grievant within ten (10) working days in order to reach an adjustment to the grievance. The Company Representative shall respond in writing to this third step meeting within three (3) working days of the meeting.

<u>STEP 4</u> Any grievance not resolved in Step three (3) shall proceed to the established local area Cartage Services or regional Cartage Services Grievance Panel. Cases deadlocked will be forwarded as follows: UPS National Master Agreement (NMA) language will be docketed to the next National Grievance Committee; Cartage Services Supplemental language will be docketed to the next Joint National Cartage Services Grievance Committee; Discipline and Addenda/ Rider language will be submitted to arbitration.

STEP 5 If the parties fail to reach a decision or agree upon a settlement of any grievance in Step four (4), the grievance may be submitted to arbitration. If the parties cannot agree upon an impartial arbitrator within ten (10) working days from the date arbitration is invoked, then the parties shall jointly request the AAA or FMCS, in accordance with area practices, to supply both parties with a list of seven (7) impartial arbitrators. Each party shall alternately strike one (1) name from the list and the name of the person last remaining on the list shall be designated as the arbitrator and his appointment shall be binding on both parties. The arbitrator shall deal only with the matter which occasioned his appointment, and his decision shall be final and binding upon both parties. In no case, however, may the arbitrator make a decision which will in any way add to, subtract from, or alter the terms of this Agreement. The fee of the arbitrator will be shared equally by the Company and the Union. Notwithstanding the above, any grievance involving language in the NMA will be resolved in accordance with Article 8 of the NMA.

SECTION 3. Limited Authority

The committee and/or the arbitrator shall have no power to add to, subtract from, or to disregard, modify, or otherwise alter any terms of this Agreement between the Company and the Union. The Committee's and Arbitrator's powers are limited to interpretation of and a decision concerning appropriate application of the terms of the agreement.

SECTION 4. Correspondence

General correspondence, inclusive of warning letters, as outlined in Article #10, may be faxed to the local union, with a fax confirmation kept on file as proof of delivery.

The parties agree that all warning letters issued under this agreement will be considered automatically protested by the Local Union and its members. Any other correspondence including discharge or suspension letters must be by proper written notice and will be sent by return receipt, certified mail.

ARTICLE 10 - DISCHARGE OR SUSPENSION

See Article 7: Local Area and Grievance Machinery of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 1. (A) The Employer shall not discharge nor suspend any employee without just cause, but with respect to discharge or suspension shall give at least one (1) warning notice of the complaint against such employee to the employee, in writing, and a copy of the same to the local Union, except that no warning notice need be given to an employee before discharge if the cause of such discharge is dishonesty, drinking alcoholic beverages or narcotics, as defined by DOT regulations, including hallucinogens while on duty, carrying of drugs or narcotics on his/her person, or equipment, that is prohibited by State or Federal law (including meal period), the carrying of firearms, recklessness resulting in a serious accident while on duty, an avoidable runaway accident, failure to report an accident, carrying of unauthorized passengers while on the job, or engaging in unprovoked physical violence on Employer or Customer property or while on duty.

SECTION 1. (B) Sobriety - Drug Test - The refusal to take a drug and/or alcohol test where there is reasonable cause to believe an employee is under the influence of either illegal drugs and/or alcohol may result in disciplinary action up to and including discharge.

SECTION 1. (C) Warning Notices - The warning notices as herein provided shall be given to the employee by hand or certified mail with a fax copy to the local Union within ten (10) working days of said complaint or within ten (10) working days of knowledge of said complaint and shall not remain in effect for a period of more than six (6) months from date of said warning notice. Warning notices are deemed to be automatically grieved and protested and will only be used at the time of suspension or

discharge. Discharge or suspension must be by proper written notice to the employee and local Union affected within ten (10) working days. Any employee may request an investigation as to said discharge or suspension. Should such investigation prove that an injustice has been done to an employee, the employee shall be reinstated. The **S.R.A.P.G.C (C.S.I. Southern Region Area Parcel Grievance Committee)** or the impartial arbitrator, as the case may be, shall have the authority to order full, partial, or no compensation for time lost. Appeals from discharge or suspension, must be taken within ten (10) working days, by means of written notice.

ARTICLE 11 - UNION COOPERATION AND MANAGEMENT - EMPLOYEE RELATIONS

<u>SECTION 1.</u> <u>**Union Cooperation**</u> - The Union, as well as its members, agree at all times as fully as it may be within their power to further the interest of the Employer.

SECTION 2. Management-Employee Relations - The parties agree that the principle of a fair day's work for a fair day's pay will be observed at all times and employees shall perform their duties in a manner that best represents the Employer's interests. It is understood that the Employer will not overly supervise or unfairly coerce employees in the performance of their duties.

ARTICLE 12 - BONDS

Employees who must be bonded shall not be required to give cash bond, and any premium involved shall be paid by the Employer. The primary obligation to procure the bond shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. The employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements, standard premiums only on said bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all of the other of its employees in similar classifications. Any excess premium is to be paid by the employee. If the employee is unable to obtain the required bond, he/she shall be terminated, without recourse to the grievance mechanism of this Agreement.

ARTICLE 13 – UNIFORMS

See Article 14: UNIFORMS of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

Section 1

a) The Employer agrees that when employees are required to wear any kind of uniform as a condition of employment, they shall furnish, repair, and replace the uniforms free of charge. The Employer will furnish a minimum of six (6) uniforms (shirts, pants, shorts). In addition, the Employer will furnish a hat, jacket or coat and a belt.

b) Employer-issued uniforms must be worn while engaged in the work of the Employer and may be worn in travel to and from work, and between split shifts, but not otherwise. Employer-issued uniforms shall not be worn for any purpose other than in the performance of the employee's normal job functions. The responsibility for cleaning of the Employer-issued uniforms will be determined by current area practice. The Employer has the right to establish and maintain reasonable appearance standards for all employees. The appearance standards will be posted in each center.

Section 2

Each employee is required to be in full dress uniform prior to and through the duration of his/her route. Only Employer provided clothing, on route, will be acceptable. Employees performing sort functions, or any other required dock work will be allowed to wear tee-shirts.

Section 3

Any Employee wearing a beard as of the effective date of this Agreement is required to keep it neatly trimmed in accordance with Employer's appearance Guidelines. All employees not wearing beards as of the effective date of this Agreement are required to be clean shaven. Any employee that has a beard as of

the effective date of this agreement and shaves it off will be expected to remain clean shaven. Employees may wear neatly trimmed mustaches.

Section 4

While performing sort functions or any other required dock work, the Employer will furnish tee-shirts, etc., to be worn to prevent soiling of actual uniform prior to leaving on route. Each employee will be required to be in full dress uniform prior to and leaving on route and duration of route. Only company-provided clothing, both on dock and on route, will be acceptable.

ARTICLE 14 - POSTINGS

See Article 19: POSTING of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

The Employer agrees to supply and provide suitable space for the Union bulletin board in each center, hub, or place of work. Postings by the Union on such board are to be confined to official business of the Union and on the Union's official letterhead or TITANS. In each package center there shall be a covered bulletin board. Union Stewards shall have a key for the Union bulletin boards. The Employer shall not remove, tamper with, or alter any notice posted by the Union unless such notice is harmful to the Employer. Any such notice removed by the Employer shall be re-posted if the Union's position is sustained through the grievance procedure.

ARTICLE 15 - SUPERVISORY PERSONNEL

See Article 9: SUPERVISORS WORKING of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

This Article is being negotiated and included in this Supplement with the intent that it is a substitute for Article 3 Section 7 of the National Master Agreement and that the latter Article will have no applicability to the employees in CSI's operations. Furthermore, it is understood that existing supervisors working language in any Addenda or Rider shall be applicable and any lesser conditions contained in any Rider or Addendum shall be superseded by the conditions contained in this Article.

The Employer agrees that the function of supervisors is the supervision of employees and not the performance of work of the employees they supervise. Accordingly, the Employer agrees that supervisors or other employees of the Employer who are not members of the bargaining unit shall not perform any bargaining unit work, except while training, in instances of Acts of God, or to meet immediate customer requirements in a timely manner when employees in the unit are not available. In performing such work, supervisory personnel will not cause bargaining unit employees to be laid off. In addition, the Employer shall make every reasonable effort to maintain a sufficient workforce to staff its operations with bargaining unit employees and to have the work performed by bargaining unit employees in accordance with current accepted local practices.

If it is determined at any step of the grievance and/or arbitration procedure that this Section, or a "supervisor working" provision in an Addendum or Rider has been violated, the aggrieved employee will be paid for the actual hours worked by the supervisor, at the appropriate rate of pay. If no aggrieved employee can be identified, the payment will be made to the grievant.

ARTICLE 16 - SAFETY

See Article 8: SAFETY AND HEALTH of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

And

See Article 5: SANITARY CONDITIONS of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 1. General Provisions - The parties hereto recognize the importance of safety provisions in the service center for the welfare of the employees and the protection of the Employer's property. The Employer agrees to make reasonable provisions for the safety and health of its employees during the hours of their employment, and to establish reasonable rules and procedures in pursuit of this objective. The Employer shall maintain a clean, sanitary restroom. The Employer and Union acknowledge the need for the Employer and the employees to comply with all prevailing OSHA regulations.

SECTION 2. Modified Work Program -

See Article 14 Section 2 : TEMPORARY ALTERNATE WORK of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 3. Compensation Claims

<u>See Article 14 : COMPENSATION CLAIMS of the</u> NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT
ARTICLE 17 - SEPARABILITY AND SAVINGS

See Article 25: SEPARABILITY AND SAVINGS of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

ARTICLE 18 - PASSENGERS

No driver/dockworkers shall allow anyone, other than employees of the Employer who are on duty, to ride on his/her truck except by written authorization of the Employer, except in cases of emergency arising out of disabled commercial equipment or an Act of God. This shall not prohibit a driver/dockworker from picking up other driver/dockworkers, helpers, or others in wrecked or broken-down motor equipment and transporting them to the first available point of communication, repair, lodging, or available medical attention. Nor shall this prohibit a driver/dockworker at a delivery point or service center from driving to a restaurant for meals.

ARTICLE 19 - SUSPENSION OR REVOCATION OF LICENSE

See Article 20 Section 4 : DISQUALIFIED DRIVER -ALTERNATE WORK of the <u>NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT</u>

SECTION 1. In the event an employee has received official state notice that he/she suffered a suspension or revocation of the right to drive the Employer's equipment for any reason, the employee must notify the Employer in writing before their next report to work. Failure to comply will subject the employee to disciplinary action up to and including discharge. If such suspension or revocation comes as a result of the employee complying with his/her Employer's instructions, which results in a succession of size and weight penalties or because the employee complies with his/her Employer's instructions to drive Employer's equipment which is in violation of the Department of Transportation regulations relating to equipment or because the Employee has notified his/her Employer of the citation for such violation as above mentioned, the Employer shall provide employment to such employee at not less than the employee's regular earnings at the time of such suspension for the entire period thereof.

SECTION 2. When a driver's operating privilege or license has been suspended or revoked for reasons other than those for which the employee can be discharged by the Employer, leave without loss of seniority, not to exceed three (3) years, shall be granted for such time as the employee's operating privilege or license has been suspended or revoked, provided that such suspension or revocation was not the result of driving under the influence of alcohol or narcotics and further provided that the driver whose operating privilege or license has been suspended or revoked, notified the employee's immediate supervisor before the employee's next report to work of such suspension or revocation.

ARTICLE 20 - EMPLOYEE'S BAIL

Employees will be bailed out of jail if accused of any offense in connection with the faithful discharge of their duties, and any employee forced to spend time in jail or in courts shall be compensated at his/her regular rate of pay. In addition, he/she shall be entitled to reimbursement for meals, transportation, court costs, etc., provided however, that faithful discharge of duties shall in no case include conviction of a felony. In case an employee shall be subpoenaed as a witness for the Employer, he/she shall be reimbursed for all time lost and expenses incurred.

ARTICLE 21 - SEPARATION OF EMPLOYEES

See Article 23 : SEPARATION OF EMPLOYMENT of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

ARTICLE 22 - JURY DUTY

See Article 29 Section 1 : JURY DUTY of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

ARTICLE 23 - LEAVES OF ABSENCE

See Article 16 Sections 1, 2, 4 and 6 : LEAVE OF ABSENCE of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 1. Eligibility - Full-time and part-time employees may apply for time off from their jobs for limited periods of time. The approval of a personal leave of absence is at the sole discretion of the employee's supervisor and manager. The requesting employee must prepare a "Request for Leave of Absence" form and submit it to his/her immediate supervisor not less than two (2) weeks in advance of the requested leave. Final approval or disapproval will be provided, in writing, no later than seven (7) days after receipt of written request.

SECTION 2. (A) Layoff While on Leave - An employee on an approved leave of absence is subject to layoff as though he/she were actively employed.

SECTION 2. (B) Failure to Return from Leave - If an employee fails to return to work when an approved leave of absence is completed, unless an extension has been granted, the employee shall be considered to have resigned his/her position voluntarily.

SECTION 2. (C) Working While on Leave - Unless prior approval has been obtained, any fulltime employee who works for another employer during a leave of absence shall be considered to have resigned from his/her job without notice.

SECTION 3. (A) Personal Leave - During the first thirty-one (31) days of a personal leave, an employee covered by life, medical, dental, and accidental death and dismemberment insurance may

continue benefit coverage by paying his/her share of the cost, which is the same cost he/she paid while actively at work.

SECTION 3. (B) An employee on an extended personal leave may continue his/her group medical and life insurance by paying one hundred percent (100%) of the cost. Medical and life insurance ceases at the end of the leave (if employment terminates), but the employee may convert his/her medical and life insurance to an individual medical and/or life policy within the thirty-one (31) day period following termination.

SECTION 4. A bargaining unit employee who becomes ill or incurs a non-work-related injury requiring him/her to exceed his/her allotted five (5) days of sick leave shall be placed on medical leave of absence. The Employer may request statements from attending physicians explaining the need for leave.

An employee shall not lose his/her seniority rights due to sickness or disability. The Employer's obligation to such employee on medical leave is to return him/her to work upon release of the attending physician in accordance with his/her seniority.

The Employer retains the right to have the employee re-examined by an Employer-appointed physician. In the event the two physicians disagree, they shall select a third physician to examine the employee whose decision shall be final and binding. The cost of the third physician shall be borne equally by the parties.

SECTION 5. (A) An employee requesting a reserve military training leave of absence must submit written notification from the Commanding Officer of his/her unit of the requirement to serve and the mandatory attendance dates as soon as practicable after receiving notice. A full-time employee should submit the check stub from the military pay to his/her supervisor, and the Employer will pay the difference between the employee's base rate of pay and the military pay for a maximum of two (2) weeks each year. Part-time employees do not get paid for reserve military leave.

SECTION 5. (B) Reserve military training time shall not be charged against an employee's vacation time. Vacation time, however, is not to be taken two (2) weeks prior or subsequent to the period of time off for reserve training.

SECTION 6. (A) <u>Time Off for Union Activities</u> - The Employer agrees to grant the necessary time off, without discrimination or loss of seniority rights and without pay, to an employee designated by the Union to attend official Union business, providing forty-eight (48) hours written notice is given to the Employer by the Union, specifying length of time off. The Union agrees that in making its request for time off for the Union activities, due consideration will be given to the number of employees affected in order that there shall be no disruption of the Employers operations due to lack of available employees.

SECTION 6. (B) In the event an employee goes to work for the union, he/she shall be granted a leave of absence without loss of seniority for the duration of such duties for the union. Limit one (1) leave at any given time with thirty (30) day written notice.

<u>SECTION 7.</u> <u>**Continuation of Benefits**</u> - The employee must make suitable arrangements for continuation of health and welfare payments, if desired, before the leave may be approved.

SECTION 8. Vacation benefits are not accrued while employee is on a leave of absence.

SECTION 9. Family and Medical Leave Act (FMLA) / Federal & State Statutes.

The company and the union will comply with the provisions of the Family and Medical Leave Act (FMLA) and with all Federal and State statutes in accordance with company policy currently in effect.

ARTICLE 24 – FUNERAL LEAVE

In the event of a death in the employee's immediate family (father, mother, wife, husband, grandparents, grandchildren, brother, sister, son or daughter, spouse's mother, or father), and if the employee has completed his/her probationary period, he/she shall be entitled up to a maximum of three (3) consecutive scheduled workdays off. One of the days must be the date of the funeral which must be attended. In no event will compensated time off exceed three (3) scheduled workdays.

In the event of the death of the spouse's grandparents, brother or sister, the employee who has completed his/her probationary period shall be entitled to one (1) day off with pay to attend the funeral.

This is not an automatic three (3) paid days off. Proof of death may be required.

Full-time employees shall receive eight (8) or ten (10) hours pay, as applicable, times his/her regular hourly rate for the work missed on each qualifying funeral leave day. Regular part-time employees who average 17 ½ or more hours per week shall receive four (4) hours pay times his/her applicable rate for work missed to attend the funeral.

Funeral leave is not compensable when the employee is on Leave of Absence (LOA), vacation, bona fide layoff, sick leave, holiday, Workers' Compensation, or jury duty.

The relatives designated shall include brothers and sisters having one parent in common, and those relationships generally called "step" providing persons in such relationships have lived or have been raised in the family home and have continued an active family relationship. If requested by the company, an employee may be required to verify by a knowledgeable, non-relative third-party proof of such relationship.

In order to receive pay for time lost, the days involved must be days for which the employee would otherwise be compensated.

ARTICLE 25 - EXAMINATION AND IDENTIFICATION FEES

See Article 20 : EXAMINATION IDENTIFICATION FEES of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 1. (A) Commercial Driver's License - The requirements of the Commercial Motor Vehicle Act of 1986 and the associated drivers' requirements shall be considered as a condition of employment and the sole responsibility of the employee.

SECTION 1. (B) The employer shall make available to an employee, upon request, equipment required in order to qualify for and take the examination for Class A CDL license. Such equipment shall be provided during convenient, non-work hours and, except for the examination, must be operated on company property. The employee shall receive no pay from the employer for qualification / practice time.

The employer will not force an employee hired prior to November 30, 2002, to upgrade to a Class A CDL license except when business conditions require upgrades and there is no practical alternative.

SECTION 2. Provisional Hire. When necessary, the company may provisionally hire a driver/dockworker without a CDL, allowing up to, but no more than, a ninety (90) calendar day period to obtain said valid license, unless scheduled appointment with DOT is beyond employee's control. If, at ninety (90) days, the employee does not provide a valid CDL certification, the employee will be terminated, with no recourse through the grievance provision. Any training / testing time is not paid time. Employer will support training, up to three (3) driving tests.

This section (section $\underline{2}$), applies to only new hires after the ratification of this agreement.

ARTICLE 26 - EQUIPMENT, ACCIDENTS, REPORTS

See Article 8 : SAFETY AND HEALTH, EQUIPMENT, ACCIDENTS AND REPORTS of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

ARTICLE 27 - EXTRA CONTRACT AGREEMENTS

See Article 6.1 thru 6.4 : EXTRA CONTRACT AGREEMENTS of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

ARTICLE 28 - INSPECTION PRIVILEGES

See Article 24 : INSPECTION PRIVILEGES of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

ARTICLE 29 - EXAMINATION OF RECORDS

The local Union and/or steward(s) shall have the right to examine time sheets and any other records pertaining to the computation of compensation of any bargaining unit member or members whose pay is in dispute at reasonable times.

ARTICLE 30 - LOSS OR DAMAGE

Employees shall not be charged for loss or damage unless clear proof of gross negligence is shown. Any action taken under this Article is subject to the Grievance Procedure.

ARTICLE 31 – SUCCESSORSHIP

See Article 1 Section 3 : TRANSFER OF COMPANY TITLE OR INTEREST of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

SECTION 1. Transfer of Company Title or Interest - This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns. In the event an entire operation or any separable, independent segment thereof, or rights only, are sold, leased, transferred, or taken over by sale, transfer, lease assignment, receivership or bankruptcy proceedings, such operation or use of such rights shall continue to be subject to the terms and conditions of this Agreement. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement, or part thereof. The Union shall also be advised of the exact nature of this transaction. This Agreement shall apply to any extended operation of the Employer.

SECTION 2. In the event the Employer fails to require the purchaser, the transferee or lessee to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Union and to the employees covered for all damages sustained as a result of such failure to require assumption of the terms of this Agreement, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement.

ARTICLE 32 - BREAK TIME / LUNCH TIME

Employees will continue past practice as to taking breaks and lunch.

ARTICLE 33 - SUB-CONTRACTING

See Article 10: SUBCONTRACTING of the UPS CARTAGE SERVICES, INC. Supplemental Agreement

SECTION 1. 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 covered by, presently performed, or hereafter assigned to the collective bargaining unit will be contracted, transferred, leased, assigned, or conveyed in whole or in part to any other plant, person, or non-company employees, except as otherwise provided in this Agreement.

SECTION 2. The Employer may contract emergency pick-up and deliveries that cannot be handled by the normal pick-up and delivery pattern and may also contract as otherwise provided in Article 15 of this Agreement. However, the Employer will make every reasonable effort to utilize bargaining unit employees before contracting out such work.

SECTION 3. The Employer will not sub-contract work inside a fifty (50) mile radius of the affected service center, except for such emergency pick-up and delivery work permitted in Section 2 of this Article. Present locations within the described radius not being serviced by the bargaining unit will be exempt from this Agreement. If an area and/or location begins to be served by the bargaining unit, this area and/or location will become part of the described radius. Any exceptions to this section 3 will be cost justified to the local Union before implementation or be mutually agreed upon by the Employer and local Union.

SECTION 4. (A) The Employer may utilize sub-contractors outside the fifty (50) mile geographic area when volume of business is insufficient to justify the cost of operating the Employer's vehicle.

SECTION 4. (B) The Employer shall notify the local Union of its intent to sub-contract, except for work permitted in section 2 above. The Employer shall provide the Union with all cost and volume information related to sub-contracting upon reasonable request. If the volume of business for any sub-contracting work increases so that such work may be efficiently performed by bargaining unit employees, the Employer shall notify the Union and undertake a review of the sub-contract. If the cost of the sub-contract exceeds what the Employer's cost would be for performing such work, then such work shall be assigned to the bargaining unit.

SECTION 5. Failure to agree shall also allow either party to submit the dispute to the grievance procedure.

ARTICLE 34 - COMPANY RULES

See Article 15: COMPANY RULES of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

The Company may establish and post such rules as deemed necessary and reasonable, provided such rules are not in conflict with the terms and provisions of this Agreement. All new rules posted shall be provided to the job stewards and be sent to the Union by certified mail five (5) days prior to posting. All such rules shall be posted for a period of ten (10) working days. If no protest in the form of a written grievance is filed during the ten (10) working days period, the rules thereafter shall not be subject to a grievance. The provisions of this Article shall be substituted for any provision in any Addenda covering the same subject.

ARTICLE 35 ALCOHOL AND DRUG USE

See Article 35 : EMPLOYEE'S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

of the NATIONAL MASTER FREIGHT AGREEMENT

No employee shall be subjected to random drug/alcohol testing unless required by applicable law.

Section 1. Employee's Bail

Employees will be bailed out of jail if accused of any offense in connection with the faithful discharge of their duties, and any employee forced to spend time in jail or in courts shall be compensated at his/her regular rate of pay. In addition, he/she shall be entitled to reimbursement for his/her meals, transportation, court costs, etc.; provided, however, that faithful discharge of duties shall in no case include compliance with any order involving commission of a felony. In case an employee shall be subpoenaed as a company witness, he/she shall be reimbursed for all time lost and expenses incurred.

Section 2. Suspension or Revocation of License

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 promptly notify his/her Employer in writing. Failure to comply will subject the employee to disciplinary action up to and including discharge. If such suspension or revocation comes as a result of his/her complying with the Employer's instruction, which results in a succession of size and weight penalties or because he/she complied with his/her Employer's instruction to drive company equipment which is in violation of DOT regulations relating to equipment or because the company equipment did not have either a speedometer or a tachometer in proper working order and if the employee has notified the Employer of the citation for such violation as above mentioned, the Employer 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.

When an employee in any job classification requiring driving has his/her operating privilege or license suspended or revoked for reasons other than those for which the employee can be discharged by the Employer, a leave of absence without loss of seniority, not to exceed three (3) years, shall be granted for such time as the employee's operating license has been suspended or revoked. The employee will be given work opportunities ahead of casuals to perform non-CDL required job functions.

Section 3. Drug Testing

PREAMBLE

While abuse of alcohol and drugs among our members/employees is the exception rather than the rule, the Teamsters National Freight Industry Negotiating Committee and the Employers signatory to this Agreement share the concern expressed by many over the growth of substance abuse in American society.

The parties have agreed that the Drug and Alcohol Abuse Program will be modified in the event that

further federal legislation or Department of Transportation regulations provide for revised testing methodologies or requirements. The parties have incorporated the appropriate changes required by the applicable DOT drug testing rules under 49 CFR Parts 40 and 382 and agree that if new federally mandated changes are brought about, they too will become part of this Agreement. The drug testing procedure, agreed to by labor and management, incorporates state-of-the-art employee protections during specimen collection and laboratory testing to protect the innocent and ensures the Employer complies with all applicable DOT drug and alcohol testing regulations. In order to eliminate the safety risks which, result from alcohol or drugs, the parties have agreed to the following procedures:

NMFA UNIFORM TESTING PROCEDURE

A. Probable Suspicion Testing

In cases in which an employee is acting in an abnormal manner and at least one (1) supervisor, two (2) if available, have probable suspicion to believe that the employee is under the influence of controlled substances and/or alcohol, the Employer may require the employee (in the presence of a union shop steward, if possible) to undergo a urine specimen collection and a breath alcohol analysis as provided in Section 4B. The supervisor(s) must have received training in the signs of drug intoxication in a prescribed training program which is endorsed by the Employer. Probable suspicion means suspicion based on specific personal observations that the Employer representative(s) can describe concerning the appearance, behavior, speech, or breath odor of the employee. The observations may include the indication of chronic and withdrawal effects of controlled substances. The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. A copy must be provided to the shop steward or other union official after the employee is discharged. Suspicion is not probable and thus not a basis for testing if it is based solely on third (3rd) party observation and reports. The employee shall not be required to waive any claim or cause of action under the law. For all purposes herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

The following collection procedures shall apply to all types of testing:

A refusal to provide a urine specimen or undertake a breath analysis will constitute a presumption of intoxication and the employee will be subject to discharge without receipt of a prior warning letter. If the employee is unable to produce 45mL of urine, he/she shall be offered up to forty ounces of fluid to drink and shall remain at the collection site under observation until able to produce a 45mL specimen, for a period of up to three (3) hours from the first unsuccessful attempt to provide the urine specimen. If the employee is still unable to produce a 45mL specimen, the Employer shall direct the employee to undergo an evaluation which shall occur within five business days, by a licensed physician, acceptable to the MRO who has the expertise in the medical issues concerning the employee's inability to provide an adequate amount of urine. If the physician and MRO conclude that there is no medical condition that would preclude the employee from providing an adequate amount of urine, the MRO will issue a ruling that the employee refused the test. If an employee is unable to provide sufficient breath sample for analysis, the procedures outlined in the DOT regulations shall be followed for all employees. Such employees shall be evaluated by a licensed physician, acceptable to the Employer, who has the expertise in the medical issues concerning the employee's failure to provide an adequate amount of breath. Absent a medical condition, as determined by the licensed physician, said employee will be regarded as having refused to take the test. The Employer will adhere to DOT regulations for employees who are unable to provide a urine or breath specimen due to a permanent or long-term medical condition. Contractual time limits for disciplinary action, as set forth in the appropriate Supplemental Agreement, shall begin on the day on which specimens are taken. In the event the Employer alleges only that the employee is intoxicated on alcohol and not

drugs, previously agreed-to procedures under the appropriate Supplemental Agreement for determining alcohol intoxication shall apply.

In the event the Employer is unable to determine whether the abnormal behavior is due to drugs or alcohol, the drug testing procedure contained herein and the breath alcohol testing procedure contained in Section 4B shall be used. If the laboratory results are not known prior to the expiration of the contractual time period for disciplinary action, the cause for disciplinary action shall specify that the basis for such disciplinary action is for "alcohol and/or drug intoxication."

B. DOT Random Testing

It is agreed by the parties that random urine drug testing will be implemented only in accordance with the DOT rules under 49 CFR Part 382, Subpart C.

The method of selection for random urine drug testing will be neutral so that all employees subject to testing will have an equal chance to be randomly selected.

The term "employees subject to testing" under this agreement is meant to include any employee required to have a Commercial Drivers License (CDL) under the Department of Transportation regulations.

Employees out on long term injury or disability for any reason shall not be tested.

The provisions of Article 35, Section 3 F 3 (Split Sample Procedures), and Article 35, Section 3 J 1 (One-Time Rehabilitation), shall apply to random urine drug testing.

C. Non-Suspicion-Based Post-Accident Testing

Non-suspicion-based post-accident testing is defined as urine drug testing as a result of an accident which meets the definition of an accident as outlined in the Federal Motor Carrier Safety Regulations. Urine drug testing will be required after accidents meeting the following conditions and drivers are required to remain readily available for testing for thirty-two (32) hours following the accident or until tested.

Employees subject to non-suspicion-based post-accident drug testing shall be limited to those employees subject to DOT drug testing, who are involved in an accident where there is:

(1) a fatality, or

(2) a citation under State or local law is issued to the driver for a moving traffic violation arising from the accident in which:

(a) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or

(b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

The driver has the responsibility to make himself/herself available for urine drug testing within the thirtytwo (32) hour period in accordance with the procedures outlined in this Subsection. The driver is responsible to notify the Employer upon receipt of a citation and to note receipt thereof on the accident report. Failure to so notify the Employer shall subject the driver to disciplinary action.

If a driver receives a citation for a moving violation more than thirty- two (32) hours after a reportable accident, he/she shall not be required to submit to post-accident urine drug testing.

The Employer shall make available a urine drug testing kit and an appropriate collection site for the driver to provide specimens.

The provisions of Article 35, Section 3 F 3 (Split Sample Procedures), and Article 35, Section 3 J 1 (One-Time Rehabilitation), shall apply to non-suspicion-based post-accident urine drug testing.

D. Chain of Custody Procedures

Any specimens collected for drug testing shall follow the DHHS/DOT (Department of Health and Human Services/ Department of Transportation) specimen collection procedures. At the time specimens are collected for any drug testing, the employee shall be given a copy of the specimen collection procedures. In the presence of the employee, the specimens are to be sealed and labeled. As per DOT regulations, it is the employee's responsibility to initial the seals on the specimen bottles, additionally ensuring that the specimens tested by the laboratory are those of the employee.

The required procedure follows:

When urine specimens are to be provided, at least 45 mL of specimen shall be collected. At least 30 mL shall be placed in one (1) self-sealing, screw-capped, or snap-capped container. A urine specimen of at least 15mL shall be placed in a second (2nd) such container. They shall be sealed and labeled by the collector and initialed by the employee without the containers leaving the employee's presence. The employee has the responsibility to identify each container and initial same. Following collection, the specimens shall be placed in the transportation container together with the appropriate copies of the chain of custody form. The transportation container shall then be sealed in the employee's presence. The container shall be sent to the designated testing laboratory at the earliest possible time by the fastest available means.

In this urine collection procedure, the donor shall urinate into a collection container capable of holding at least 55 mL, which shall remain in full view of the employee until transferred to tamper resistant urine bottles, and sealed and labeled, and the employee has initialed the bottles.

It is recognized that the Specimen Collector is required to check for sufficiency of specimen, acceptable temperature range, and signs of tampering, provided that the employee's right to privacy is guaranteed and in no circumstances may observation take place while the employee is producing the urine specimens, unless required by DOT regulations. If it is established that the employee's specimen is outside of the acceptable temperature range or has been intentionally tampered with or substituted by the employee, the employee will be required to immediately submit an additional specimen under direct observation. Also, if it is established that the employee is subject to discipline as if the specimen tested positive. In order to deter adulteration of the urine specimen during the collection process, physiologic determinations for creatinine, specific gravity, pH, and any substances that may be used to adulterate the specimen shall be performed by the laboratory. If the laboratory suspects the presence of an interfering substance/ adulterant that could make a test result invalid, but the initial laboratory is unable to identify it, the specimen must

be sent to another HHS certified laboratory that has the capability of doing so.

Any findings by the laboratory that indicate that a specimen is adulterated as a result of the fact that it contains a substance that is not expected to be present in human urine; a substance that is expected to be present is identified at a concentration so high that it is not consistent with human urine; or has physical characteristics which are outside the normal expected range for human urine shall be immediately reported to the Company's Medical Review Officer (MRO). The parties recognize that the key to chain of custody integrity is the immediate sealing and labeling of the specimen bottles in the presence of the tested employee. If each container is received undamaged at the laboratory properly sealed, labeled, and initialed, consistent with DOT regulations as certified by the laboratory, the Employer may take disciplinary action based upon the MRO's ruling.

E. Urine Collection Kits and Forms

The contents of the urine collection kit shall be as follows:

1. The kit shall include a specimen collection container capable of holding at least fifty-five (55) mL of urine and contains a temperature reading device capable of registering the urine temperature specified in the DOT regulations.

2. Two (2) plastic bottles that are capable of holding at least thirty-five (35) mL, have screw-on or snapon caps, and markings clearly indicating the appropriate levels for the primary (30 mL) and split (15 mL) specimens.

3. A uniquely numbered (i.e., Specimen Identification Number) DOT approved chain of custody form with similarly numbered Bottle Custody Seals, and a transportation kit seal (e.g., Box Seal) shall be utilized during the urine collection process and completed by the collection site person. In the case of probable suspicion or other contractually required testing, a non-DOT chain of custody form will be used for the testing of non-DOT employees. The appropriate laboratory copies are to be placed into the transportation container with the urine specimens. The exterior of the transportation kit shall then be secured, e.g., by placing the tamper-proof Box Seal over the outlined area.

4. Shrink-wrapped or similarly protected kits shall be used in all instances.

F. Laboratory Requirements

1. Urine Testing

In testing urine samples, the testing laboratory shall test specifically for those drugs and classes of drugs and adulterants employing the test methodologies and cutoff levels covered in the DOT Regulations 49 CFR, Part 40.

2. Specimen Retention

All specimens deemed positive, adulterated, substituted, or invalid by the laboratory, according to the prescribed guidelines, must be retained at the laboratory for a period of one (1) year.

3. Split Sample Procedure

The split sample procedure is required for all employees selected for urine drug testing. When any test kit is received by the laboratory, the "primary" sealed urine specimen bottle shall be immediately removed for testing, and the remaining "split" sealed specimen bottle shall be placed in secured storage. Such specimen shall be placed in refrigerated storage if it is to be tested outside of the DOT mandated period of time.

The employee will be given a shrink-wrapped or similarly protected urine collection kit. After receiving the specimen, the collector shall pour at least 30 mL of urine into the specimen bottle and at least 15 mL into the second split specimen bottle. Both bottles shall be sealed in the employee's presence, initialed by the employee, then forwarded to an accredited laboratory for testing. If the employee is advised by the MRO that the first (1st) urine sample tested positive, adulterated, or substituted, in a random, return to duty, follow-up, probable suspicion or post-accident urine drug test, the employee may, within seventytwo (72) hours of receipt of the actual notice, request from the MRO that the second (2nd) urine specimen be forwarded by the first laboratory to another independent and unrelated accredited laboratory of the parties' choice for GC/MS confirmatory testing for the presence of the drug, or other confirmatory testing for adulterants, or to confirm that the specimen has been substituted as defined in 49 CFR Part 40. If the employee chooses to have the second (2nd) sample analyzed, he/she shall at that time execute a special check-off authorization form to ensure payment by the employee. Split specimen testing will conform to the regulations as defined in 49 CFR Part 40. If the employee chooses the optional split sample procedure, and so notifies his Employer, disciplinary action can only take place after the MRO reports a positive, adulterated, or substituted result on the primary test and the MRO reports that the testing of the split specimen confirmed the result. However, the employee may be taken out of service once the MRO reports a positive, adulterated, or substituted result based on the testing of the primary specimen while the testing of the split specimen is being performed. If the second (2nd) test confirms the findings of the first laboratory and the employee wishes to use the rehabilitation options of this Section, the employee shall reimburse the Employer for the cost of the second (2nd) sample's analysis before entering the rehabilitation program. If the second (2nd) laboratory report is negative, for drugs, adulterants, or substitution, the employee will be reimbursed for the cost of the second (2nd) test and for all lost time. It is also understood that if an employee opts for the split sample procedure, contractual time limits on disciplinary action in the Supplements are waived.

4. Laboratory Accreditation

All laboratories used to perform urine drug testing pursuant to this Agreement must be certified by Health and Human Services under the National Laboratory Certification Program (NLCP).

G. Laboratory Testing Methodology

1. Urine Testing

The initial testing shall be by immunoassay which meets the requirements of the Food and Drug Administration for commercial distribution. The initial cutoff levels used when screening urine specimens to determine whether they are negative or positive for various classes of drugs shall be those contained in the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HHS Guidelines).

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques. Quantitative GC/MS confirmatory procedures for drugs and confirmatory procedures for specimens that are initially identified as being adulterated or substituted shall comply with the testing protocols mandated by the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HHS Guidelines).

Validity testing shall be conducted on all specimens, pursuant to HHS requirements, to determine whether they have been adulterated or substituted. All specimens which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative, unless they are confirmed to be adulterated, substituted, or invalid. Only specimens which test positive on both the initial test and the GC/MS confirmation test shall be reported as positive. Specimens that are confirmed to be adulterated or substituted shall be reported as such.

When a grievance is filed as a result of a drug test that is ruled positive, adulterated, or substituted, the Employer shall provide a copy of the MRO ruling to the Union.

Where Schedule I and II drugs are detected, the laboratory is to report a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist and certified as accurate.

2. Prescription and Non-prescription Medications

If an employee is taking a prescription or non-prescription medication in the appropriate described manner, he/she will not be disciplined. Medications prescribed for another individual, not the employee, shall be considered to be illegally used and subject the employee to discipline.

3. Medical Review Officer (MRO)

The Medical Review Officer (MRO) shall be a licensed physician with the 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 shall review all urine drug test results from the laboratory and shall examine alternate medical explanations for tests reported as positive, adulterated, or substituted, as well as those results reported as invalid. Prior to the final decision to verify a urine drug test result, all employees shall have the opportunity to discuss the results with the MRO. If the employee declines to speak with the MRO, or the employee fails to contact the MRO within 72 hours of being notified to do so

by the Employer, or if the MRO is unable to contact the employee within ten (10) days of the receipt of the drug test result being reported to him by the laboratory, then the MRO may report the result to the Employer.

4. Substance Abuse Professional (SAP)

The Substance Abuse Professional (SAP), as provided in the regulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or a drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have 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 comply with the DOT qualification training and continuing education requirements.

H. Leave of Absence Prior to Testing

1. An employee shall be permitted to take leave of absence in accordance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action.

2. Employees requesting to return to work from a voluntary leave of absence for drug use or alcoholism shall be required to submit to testing as provided for in Part J of this Section. Failure to do so will subject the employee to discipline including discharge without the receipt of a prior warning letter.

The provisions of this Section shall not apply to probationary employees.

I. Disciplinary Action Based on Positive Adulterated, or Substituted Test Results

Consistent with past practice under this Agreement, and notwithstanding any other language in any Supplement, the Employer may take disciplinary action based on the test results as follows:

1. If the MRO reports that a urine drug test is positive, adulterated, or substituted, the employee shall be subject to discharge except as provided in Part J.

2. The following actions shall apply in probable suspicion testing based on DOT and contractual mandates.

a. If the urine drug test is positive, adulterated, or substituted, according to the procedures described in Part G, the employee shall be subject to discharge.

b. If the breath alcohol test results show a blood alcohol concentration equal to or above the level previously determined by the appropriate Supplemental Agreement for alcohol intoxication, the employee shall be subject to discharge pursuant to the Supplemental Agreement.

c. If the breath alcohol test is negative and the urine drug test is negative, the employee shall be immediately returned to work and made whole for all lost earnings.

J. Return to Employment After a Positive Urine Drug Test

1. Any employee with a positive, adulterated, or substituted urine drug test result (other than under probable suspicion testing), thereby subjecting the employee to discipline, shall be granted reinstatement on a one (1) - time lifetime basis if the employee successfully completes a course of education and/or treatment program as recommended by the Substance Abuse Professional (SAP). The SAP will recommend a course of education and/or treatment with which the employee must demonstrate successful compliance prior to returning to DOT safety-sensitive duty. The SAP will refer him/her to a treatment program which has been approved by the applicable Health and Welfare Fund, where such is the practice. Any cost of evaluation, education and/or treatment over and above that paid for by the applicable Health and Welfare Fund, must be borne by the employee.

2. Employees electing the one-time lifetime evaluation and/or rehabilitation must notify the Company within ten (10) days of being notified by the Company of a positive, adulterated, or substituted urine drug test. The evaluation process and education and/or treatment program must take a minimum of ten (10) days. The employee must begin the evaluation process and education and/or treatment program within fifteen (15) days after notifying the Company. The employee must request reinstatement promptly after successful completion of the education and/or treatment program. After the minimum ten (10) day period and re-evaluation by the SAP, the employee may request reinstatement, but must first provide a negative return to duty urine drug test, to be conducted by a clinic and laboratory of the Employer's choice, before the employee can be reinstated. Any employee choosing to protest the discharge must file a protest under the applicable Supplement. After the discharge is sustained, the employee must notify the Company within ten (10) days of the date of the decision, of the desire to enter the evaluation process and education and/or treatment program.

3. While undergoing treatment, the employee shall not receive any of the benefits provided by this Agreement or Supplements thereto except the continued accrual of seniority.

4. Before reinstatement after the minimum ten (10) day period, the employee must be re-evaluated by the Substance Abuse Professional to determine successful compliance with any recommended education and/or treatment program. The employee must then submit to the Employer's return-to-duty urine drug test (and alcohol test if so, prescribed by the SAP) with a negative result. The employee will be subject to at least six (6) unannounced follow-up urine drug tests in the first year, as determined by the SAP. If, at any time, the employee tests positive, provides an adulterated or substituted specimen, or refuses to submit to a test, the employee shall be subject to discharge.

(a) Return-to-duty drug test is a urine drug test which an employee must complete with a negative result, after having been reevaluated by a SAP to determine successful compliance with recommended education and/or treatment.

(b) Follow-up drug testing shall mean those unannounced urine drug tests required (minimum of six (6) in a twelve (12) month period) when an employee tests positive, provides an adulterated or substituted specimen, or refused to be tested and has been evaluated by the SAP, completed education and/or treatment, been re-evaluated by SAP and returned to work. The requirements of follow-up testing follow the employee through breaks in service (i.e., layoff, on-the-job injury, personal illness/injury, leave of absence, etc.). In addition, the requirements of follow-up testing follow the employee to subsequent employers. The SAP has the authority to order any number of follow-up urine drug and/or alcohol tests and to extend the twelve (12) month period up to sixty (60) months.

K. Special Grievance Procedure

1. The parties shall together create a Special Region Joint Area Committee consisting of an equal number of employer and union representatives to hear drug-related discipline disputes. All such disputes arising after the establishment of the Special Region Joint Area Committee shall be taken up between the Employer and Local Union involved. Failing adjustment by these parties, the dispute shall be heard by the Special Region Joint Area Committee within ninety (90) days of the Committee's receipt of the dispute. Where the Special Region Joint Area Committee, by majority vote, settles a dispute, such decision shall be final and binding on both parties with no further appeal. Where the Special Region Joint Area Committee is unable to agree on or come to a decision on a dispute, the dispute will be referred to the National Grievance Committee.

2. The procedures set forth herein may be invoked only by the authorized Union Representative or the Employer.

L. Paid-for Time

1. Training

Employees undergoing substance abuse training as required by the DOT will be paid for such time and the training will be scheduled in connection with the employee's normal work shift, where possible.

2. Testing

Employees subject to testing and selected by the random selection process for urine drug testing shall be compensated at the regular straight time hourly rate of pay in the following manner provided that the test is negative:

a. Random Drug Tests

(1) for all time at the collection site.

(2) (a) for travel time one way if the collection site is reasonably enroute between the employee's home and the terminal, and the employee is going to or from work; or

(b) for travel time both ways between the terminal and the collection site, only if the collection site is not reasonably enroute between the employee's home and the terminal.

(3) When an employee is on the clock and a random drug test is taken any time during the employee's

shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

(4) The Employer will not require the city employee to go for urine drug testing before the city employee's shift, provided the collection site is open during or immediately following the employee's shift.

(5) During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the collection site to take a random drug test.

(6) If a road driver is called at home to take a random drug test at a time when the road driver is not enroute to or from work, the driver shall be paid, in addition to all time at the collection site, travel time both ways between the driver's home and the collection site with no minimum guarantee.

b. Non-Suspicion-Based Post-Accident Testing

(1) In the event of a non-suspicion-based post-accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time [during the thirty-two (32) hour period], the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

(2) When the Employer takes a road driver out of service and directs the employee to be tested immediately, the Employer will make arrangements for the road driver to return to his/her home terminal in accordance with the Supplemental Agreement.

Section 4. Alcohol Testing

The parties agree that in the event of further federal legislation or DOT regulations providing for revised methodologies or requirements, those revisions shall, to the extent they impact this Agreement, unless mandated, be subject to mutual agreement by the parties.

A. Employees Who Must be Tested

There shall be random, non-suspicion-based post-accident and probable suspicion alcohol testing of all employees subject to DOT mandated alcohol testing. This includes all employees who, as a condition of their employment, are required to have a DOT physical, a CDL and are subject to testing for drugs under Article 35, Section 3 B.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT-mandated alcohol testing are only subject to probable suspicion testing as provided in Article 35, Section 3 of the NMFA or the appropriate article of the applicable Supplemental Agreement. The alcohol breath testing methodology outlined in this Section will be utilized for all employees required to undergo probable suspicion testing. (For test results and discipline, refer to NMFA, Article 35, Section 3 I 2.)

B. Alcohol Testing Procedure

All alcohol testing under this Section will be conducted in accordance with applicable DOT/FMCSA regulations. All equipment used for alcohol testing must be on the NHTSA Conforming Products List and

be used and maintained in compliance with DOT requirements. Breath samples will be collected by a Breath Alcohol Technician (BAT) who has successfully completed the necessary training course that is the equivalent of the DOT model course and who is knowledgeable of the alcohol testing procedures set forth in 49 CFR Part 40 and any current DOT Guidance. Law enforcement officers who have been certified by state or local governments to conduct breath alcohol testing are deemed to be qualified as Breath Alcohol Technicians. The training shall be specific to the type of Evidential Breath Testing (EBT) device being used for testing. The Employer shall provide the employees with material containing the information required by Section 382.601 of the Federal Motor Carrier Safety Regulations.

1. Screening Test

The initial screening test uses an Evidential Breath Testing (EBT) device, unless other testing methodologies or devices are mandated or agreed upon, to determine levels of alcohol. The following initial cutoff levels shall be used when screening breath samples to determine whether they are negative or positive for alcohol.

Breath Alcohol Levels:

Less than 0.02% BAC - Negative

0.02% BAC and above - Positive (Requires Confirmation Test)

2. Confirmatory Test

All samples identified as positive on the initial screening test, indicating an alcohol concentration of 0.02% BAC or higher, shall be confirmed using an EBT device that is capable of providing a printed result in triplicate; is capable of assigning a unique 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 unless other testing methodologies or devices are mandated or mutually agreed upon.

A confirmation test must be performed a minimum of fifteen (15) minutes after the screening test, but not more than thirty (30) minutes, unless otherwise provided by conditions set forth and defined in 49 CFR Part 40.

The following cutoff levels shall be used to confirm a positive test for alcohol:

Breath Alcohol Levels:

Less than 0.02% BAC - Negative

0.02% BAC to 0.039% BAC - Positive*

0.04% BAC and above - Positive*

*Refer to Section 4 L for Discipline Based on a Positive Test

C. Notification

All employees subject to DOT-mandated random alcohol testing will be notified of testing by the Employer, in person or by direct phone contact.

D. Pre-Qualification Testing for Non-DOT Personnel

Section has been deleted

E. Random Testing

The method used to randomly select employees for alcohol testing shall be neutral, scientifically valid and in compliance with DOT regulations.

The annual random testing rate for alcohol use shall be the rate established by the Administrator of the FMCSA.

In the event of a grievance or litigation, the Employer shall, upon written request from the employee, release to the employee and the Union (in its capacity as representative of the grievant and as a decision maker in the grievance process), information required to be maintained under the DOT alcohol testing regulations and arising from the results of an alcohol test which is subject to release under the regulations.

The parties agree that no effort will be made to cause the system and method of selection to be anything but a true random selection procedure ensuring that all affected employees are treated fairly and equally.

Employees subject to random alcohol testing shall be tested within one (1) hour prior to starting the tour of duty, during the tour of duty, or immediately after completing the tour of duty.

Employees who are on long-term illness or injury leave of absence, disability or vacation shall not be subject to testing during the period of time they are away from work.

F. Non-Suspicion-Based Post-Accident Testing

Employees subject to non-suspicion-based post-accident alcohol testing shall be limited to those employees subject to DOT alcohol testing, who are involved in an accident where there is:

(1) a fatality, or

(2) a citation under State or local law is issued to the driver for a moving traffic violation arising from the accident in which:

(a) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or

(b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

Alcohol testing will be required under the above conditions and employees are required to submit to such testing as soon as practicable. Under no circumstances shall this type of testing be conducted after eight

(8) hours from 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 employee to not use alcohol for eight (8) hours or until a DOT post-accident alcohol test is performed, whichever occurs first. It is not the intention of this language to require the delay of necessary medical attention or to prohibit the driver from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or necessary medical attention.

Prior to the effective date of the DOT alcohol testing regulations, the Employer agrees to give each employee subject to DOT non-suspicion based post-accident testing written notification of the procedures required by the DOT regulations in the event of an accident as defined by the DOT.

G. Substance Abuse Professional (SAP)

1. The Substance Abuse Professional (SAP), as provided in the regulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or a drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders, 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 comply with the DOT qualification training and continuing education requirements.

2. The Employer will provide the employee with a list of resources available to the driver in evaluating and resolving problems with the misuse of alcohol as soon as practicable but no later than thirty-six (36) hours after the Employer's receipt of notice from the BAT that the employee has a BAC of 0.04% or higher, exclusive of holidays and weekends. The SAP will be responsible for recommending the appropriate course of education and/or treatment required prior to the employee returning to work and is the only person responsible for determining, during the evaluation process, whether an employee will be directed to a rehabilitation program, and if so, for how long.

3. Follow-up and return-to-duty tests need not be confined to the substance involved in the violation. If the SAP determines that a driver needs assistance with an alcohol and drug abuse problem, the SAP may require drug tests to be performed along with any required alcohol follow-up and/or return-to-duty tests, if it has been determined that a driver has violated the drug testing prohibition.

4. Any cost of evaluation by the SAP and/or rehabilitation recommended by the SAP associated with the abuse of alcohol while performing or available to perform safety-sensitive functions under this Agreement, over and above that paid for by the applicable Health and Welfare Fund, must be borne by the employee. The Employer will pay for random, non-suspicion-based post-accident and probable suspicion alcohol testing. Return-to-duty and follow-up alcohol testing that is prescribed by the SAP, will be paid for by the Employer, provided the employee tests negative.

H. Probable Suspicion Testing

Employees subject to DOT probable suspicion alcohol testing under this Section shall be tested in

accordance with current, applicable DOT regulations.

For all purposes herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

Probable suspicion is defined as an employee's specific observable appearance, behavior, speech, or body odor that clearly indicates the need for probable suspicion alcohol testing.

In the event the Employer is unable to determine whether the abnormal behavior or appearance is due to alcohol or drugs, the Employer shall specify that the basis for any disciplinary action or testing is for alcohol and/or drug intoxication. In such cases, the employee shall be tested in accordance with Article 35, Section 3 A, and applicable DOT alcohol testing regulations.

In cases where an employee has specific, observable, abnormal indicators regarding appearance, behavior, speech or body odor, and at least one (1) supervisor, two (2) if available, have probable suspicion to believe that the employee is under the influence of alcohol, the Employer may require the employee, in the presence of a union shop steward or other employee requested by the employee under observation, to submit to a breath alcohol test. Suspicion is not probable and thus not a basis for testing if it is based solely on third party observation and reports.

The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. Upon request, a copy must be provided to the shop steward or other union official after the employee is discharged or suspended or taken out of service.

All supervisors and Employer representatives designated to determine whether probable suspicion exists to require an employee to undergo alcohol testing shall receive specific training on the physical, behavioral, speech and performance indicators of how to detect probable suspicion alcohol misuse and use of controlled substances as required by DOT regulations.

In the event the Employer requires a probable suspicion test, the Employer shall provide transportation to and from the testing location.

I. Preparation for Testing

All alcohol testing shall be conducted in conformity with the DOT alcohol regulations. Any alleged abuse by the Employer, such as proven harassment of any employee or deliberate violation of the regulations or the contract shall be subject to the grievance procedure to provide a reasonable remedy for the alleged violation.

Upon arrival at the testing site, an employee must provide the Breath Alcohol Technician (BAT) with proper identification. The employee shall not be required to waive any claim or cause of action under the law.

A standard DOT approved alcohol testing form will be used by all testing facilities. In the case of probable suspicion or other contractually required testing, a non-DOT chain of custody form will be used for the testing of non-DOT employees.

J. Specimen Testing Procedures
All procedures for alcohol testing will comply with Department of Transportation regulations.

No unauthorized personnel will be allowed in any area of the testing site. Only one alcohol testing procedure will be conducted by a BAT at the same time.

The employee will provide his or her breath sample 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 ensure that the entire process does nothing to demean, embarrass or offend the employee unnecessarily. Testing will be under the direct observation of a Breath Alcohol Technician (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 Evidential Breath Testing 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 an employee is unsuccessful in providing the requisite amount of breath, the Employer then must have the employee obtain, within five (5) days, an evaluation from a licensed physician selected by the Employer and the Local Union and who has the expertise in the medical issues concerning the employee's inability to provide an adequate amount of breath. If the physician is unable to determine 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 be regarded as a refusal to take the test and subject the employee to discharge.

K. Leave of Absence Prior to Testing

An employee shall be permitted to take leave of absence in accordance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action. This provision does not alter or amend the disciplinary provision (Article 35, Section 4 L) of this Section.

Before returning to work from a voluntary leave of absence, the employee must have completed any recommended treatment and taken a return to duty test, with a result of less than 0.02% BAC, and further be subject to six (6) unannounced follow-up alcohol tests in the first twelve (12) months following the employee's return to duty.

The Supplemental Agreements shall address the issue of an extra board driver who, while at his home terminal, has consumed alcohol, is then called for dispatch and requests additional time off. Requesting time off under this provision shall not be used as a subterfuge to avoid taking a random alcohol (and/or drug) test.

L. Disciplinary Action Based on Positive Test Results

1. First Positive Test

0.02% BAC-0.039% BAC

Out of Service for 24 hours

0.04% BAC-Less than State DWI/DUI Limit

Out of Service for the length of time determined by the SAP with a minimum of twenty-four (24) hours

State DWI/DUI Limit and Above

Subject to discharge

2. Second Positive Test

0.02% BAC-0.039% BAC

Out of Service for a five (5) calendar day suspension

0.04% BAC-Less than State DWI/DUI Limit

Out of Service for the length of time determined by the SAP with a minimum of a twenty (20) calendar day suspension

State DWI/DUI Limit and Above

Subject to discharge

3. Third Positive Test

0.02% BAC-0.039% BAC

Out of Service for a fifteen (15) calendar day suspension

0.04% BAC-Less than State DWI/DUI Limit

Out of Service for the length of time determined by the SAP with a minimum of a thirty (30) calendar day suspension

State DWI/DUI Limit and Above

Subject to discharge

4. Fourth Positive Test

0.02% BAC-0.039% BAC

Subject to discharge

0.04% BAC-Less than State DWI/DUI Limit

Subject to discharge

State DWI/DUI Limit and Above

Subject to discharge

5. An employee who is tested positive in a non-suspicion-based post-accident alcohol testing situation shall be subject to the following discipline for the positive alcohol test or the vehicular accident, whichever is greater:

First Non-Suspicion-Based Post-Accident Positive Test - 0.02% BAC - 0.039% BAC - Thirty (30) calendar day suspension. 0.04% BAC and higher - Subject to discharge.

Second Non-Suspicion-Based Post-Accident Positive Test - 0.02% BAC and higher - Subject to discharge.

6. An employee's refusal to submit to any alcohol test will subject the employee to discharge.

M. Return to Duty After a Positive (Greater than .04 to the State Limit) Alcohol Test

Before returning to work the employee must be evaluated by an SAP, comply with any education and/or treatment recommended by the SAP, be re-evaluated by the SAP to determine compliance with recommended education and/or treatment, and take a return-to-duty alcohol test, showing a result of less than 0.02% BAC. The employee will be subject to at least six (6) unannounced follow-up alcohol and/or drug tests as determined by the SAP. The requirements of follow- up testing follow the employee through breaks in service (i.e., layoff, on-the-job injury, personal illness/injury, leave of absence, etc.). In addition, the requirements of follow-up testing follow the employees. The SAP has the authority to order any number of follow-up alcohol and/or urine drug tests and to extend the twelve (12) month period up to sixty (60) months.

N. Paid-for-time -Testing

Employees subject to testing and selected by the random selection process for alcohol testing shall be compensated at the regular straight time hourly rate of pay provided that the test is negative:

- 1. Random Alcohol Tests
- a. Paid for all time at the collection site.

b. (1) for travel time one way if the collection site is reasonably enroute between the employee's home and the terminal, and the employee is going to or from work; or

(2) for travel time both ways between the terminal and the collection site, only if the collection site is not reasonably enroute between the employee's home and the terminal.

c. When an employee is on the clock and a random alcohol test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

d. The Employer will not require the city employee to go for alcohol testing before the city employee's shift, provided the collection site is open during or immediately following the employee's shift.

e. During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the collection site to take a random alcohol test.

f. If a road driver is called to take a random alcohol test at a time when the road driver is not enroute to or from work, the driver shall be paid, in addition to all time at the collection site, travel time both ways between the location of the driver when called and the collection site with no minimum guarantee.

2. Non-Suspicion-Based Post-Accident Testing

a. In the event of a non-suspicion-based post-accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time (during the eight (8) hour period), the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

b. When the Employer takes a driver out of service and directs the employee to be tested immediately, the Employer will make arrangements for the driver to return to his/her home terminal in accordance with the Supplemental Agreement.

O. 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 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 Program for each EBT it uses for alcohol testing; and

3. Records of the training and proficiency testing of each BAT used in employee testing.

The Employer must maintain for five years records pertaining to the calibration of each EBT used in alcohol testing, including records of the results of external calibration checks.

P. Special Grievance Procedure

1. The parties shall together create a Special Region Joint Area Committee consisting of an equal number of Employer and Union representatives to hear drug and alcohol related discipline disputes. All such disputes arising after the establishment of the Special Region Joint Area Committee shall be taken up between the Employer and Local Union involved. Failing adjustment by these parties, the dispute shall be heard by the Special Region Joint Area Committee within ninety (90) days of the Committee's receipt of the dispute. When the Special Region Joint Area Committee, by majority vote, settles a dispute, such decision shall be final and binding on both parties with no further appeal. Where the Special Region Joint Area Committee is unable to agree or come to a decision on a dispute, the dispute will be referred to the National Grievance Committee.

2. The Procedures set forth herein may be invoked only by the authorized Union representative or the Employer.

ARTICLE 36 - HOLIDAYS

SECTION 1. Full-Time Employees - Employees who have completed their probationary period shall be paid eight (8) hours compensation at their applicable straight-time rate for the following designated holidays, when such employees do not work said holidays:

New Year's Day Memorial Day Independence Day Labor Day Thanksgiving Day Christmas Day Four (4) Floating Holidays

SECTION 1. (B) Part-Time Employees - Part-time employees who have completed their probationary period shall be paid for the same holiday schedule as full-time employees. They shall be paid four (4) hours compensation at their applicable part-time rate.

SECTION 2. Work Requirements - Employees must work at least one (1) day within the holiday week. Employees must complete their scheduled shift on the day before the holiday and must report on the scheduled day after the holiday, unless excused by a doctor's certificate or unless absence is mutually agreed to, in order to remain eligible for holiday pay.

SECTION 3. (A) Payment for Holidays Worked - When an employee whose shift begins on a designated holiday, he/she will be paid two times the applicable hourly rate for all hours worked in addition to holiday pay, with a minimum of four (4) hours pay for each holiday worked.

SECTION 3 (B) In the event an employee's scheduled floating holiday is cancelled by the Company because of business necessity and he/she is required to work, he/she shall be paid time and one half for all hours worked, subject to a four (4) hour minimum. Employee may request re-scheduling of the floating holiday subject to management approval, or the employee can receive applicable holiday pay in lieu of re-

scheduling floating holiday. It is also understood there shall be at least ten (10) days notification by the employee that he/she would like to schedule one (1) or more floating holidays.

In the event there is more than one (1) employee affected, the day requested shall be by seniority order.

SECTION 4. Holiday Occurring During Vacation - When a holiday occurs during the vacation of a regular full-time or regular part-time employee, holiday pay will be paid in addition to vacation pay.

SECTION 5. Holiday Pay for Ten-Hour Schedules - In those cases where an employee is scheduled to work four (4) ten (10) hour days within a week and a holiday occurs on one (1) of those scheduled workdays, the employee will receive ten (10) hours of holiday pay. When a holiday occurs on a day when a four (4) day a week full-time employee is not scheduled to work, such an employee will be paid eight (8) hours of holiday pay.

<u>SECTION 6.</u> <u>Holiday Pay for Layoff</u> - A laid-off employee will be entitled to holiday pay for all holidays occurring within thirty (30) days of layoff.

ARTICLE 37 - VACATIONS

SECTION 1. (A) Full-Time and Part-Time Employee Vacation - Full-Time and regular part-time employees shall earn vacation according to the following schedule. A regular part-time employee must work an average of 17.5 hours per week to qualify for vacation.

Vacation pay for a part-time employee will be based upon the average of the twelve (12) month hours work history ending December 31st or the most recent work history (up to twelve (12) months) if a complete calendar year has not been worked.

<u>Length of Service</u> <u>in Years</u>	Vacation Allowance
Less than 1	One (1) day for each full month of continuous employment (maximum 10)
1 or more but less than 4	Ten (10) days (one day earned per month)
4 but less than 5	Ten (10) days plus one day for each two full months of service over four years (Maximum 15)
5 or more but less than 14	Fifteen (15) days (1.25 days earned per month)
14 but less than 15	Fifteen (15) days plus one day for each two full months of service over 14 years (Maximum 20).
15 or more	Twenty (20) days (1.66 days earned per month)
25 or more	Twenty-five (25) days (2.08 days earned per month

<u>SECTION 1. (B)</u> Taking Vacation - Seniority shall be applied to determine preference of vacation

times taken.

<u>SECTION 2. – Vacation Roster -</u> A vacation roster shall be posted for a period of thirty (30) days to be bid by January 2nd.

<u>SECTION 3. Vacation Bidding/Exceptions -</u> Seniority rights shall apply to bids received before January 2nd and shall become fixed for the year. Thereafter, vacation requests may be scheduled according to available dates on a first come, first-serve basis by October 1st. Employees who have not scheduled their vacation by October 1st of each year shall have any remaining unscheduled vacation scheduled by the company, by seniority. Employees who have scheduled vacations may change with ten (10) working days notice to any available and open dates.

SECTION 4. (A) Vacation cannot be taken in less than whole day increments.

SECTION 4. (B) Any employee eligible for vacation may take up to five (5) days in one-day increments.

<u>SECTION 5. Percent Allowed Off</u> - A maximum of ten percent (10%) of total employees in any one service center shall be allowed to take vacation at the same time, however, more than ten percent (10%) may be approved if business conditions permit.

<u>SECTION 6. Vacation Notice</u> - An employee shall be entitled to his/her vacation time off in accordance with his/her successful bid or upon approval following application of at least two (2) weeks prior notice provided employee did not bid all his/her individual vacation time.

<u>SECTION 7.</u> <u>Forfeiture of Vacation</u> - Employees who accrue vacation must take their vacation entitlement as scheduled or re-scheduled. Employees who do not take their vacation forfeit such vacation, effective January 1st of the following year unless they meet the criteria established in section 8 below.

Supervisors are responsible for maintaining schedules so that employees are given the opportunity to take vacation.

<u>SECTION 8.</u> Pay for Vacation Not Used - Employees may be given pay in lieu of accrued vacation in the following situations:

- 1. Employees who cannot be scheduled to take vacation because of business conditions.
- 2. Full-time employees at the time they convert to part-time status, and
- 3. All employees at the time they terminate employment.

Vacation pay is calculated at the wage rate in effect when it is paid.

<u>SECTION 9. Vacation Pay Advance -</u> Upon three (3) weeks prior notice by written request, an employee shall receive his/her vacation pay prior to commencement of vacation.

ARTICLE 38 - RATES OF PAY

See Article 5: RATES OF PAY of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

Section 1 –'Full-time CSI employees shall be eligible to receive the GWI as set forth in Article 41 Section 1 of the NMA. All Addenda shall modify their top wage rates to incorporate the GWI as well as the effective dates of wage increases, in accordance with Article 41 Section 1 of the NMA.

Section 2 –'The progression in NMA Article 41 Section 2(c) shall apply to full- time employees at UPS CSI, hired after July 31, 2013. The Local Addenda progression shall remain in effect for all employees in that progression as of July 31, 2013.

The top rate referenced in Article 41 Section 2(c) shall be the rate in effect on July 31, 2018, for those employees who have completed the progression, plus all subsequent General Wage Increases, including COLA, if applicable. This shall not affect any Addenda that have a higher "Top Rate."

Section 3 –Part-time CSI employees entitled to a General Wage Increase ("GWI") under the terms of their Addenda shall be eligible to receive the GWI as set forth in Article 22 of the NMA on the dates specified.

The hourly wage rates are as follows:

Full-Time Driver/Dockworkers

Wages at time of ratification: **§30.64**

Effective Date

<u>8-1-2018</u>	<u>seventy cents</u>	<u>(\$0.70)</u>
<u>8-1-2019</u>	seventy-five cents	<u>(\$0.75)</u>
<u>8-1-2020</u>	eighty cents	<u>(\$0.80)</u>
<u>8-1-2021</u>	ninety cents	<u>(\$0.90)</u>
8-1-2022	one dollar	(\$1.00)

Employees who are receiving an hourly rate higher than set forth above as a result of a Market Rate Adjustment, shall not have their hourly rate reduced.

Full-time Wage Progression as outlined in Article 41 Section 2 of the NMA

(a) Notwithstanding any provision in any Supplements, Riders or Addendum the progressions set forth in Sections 2(c) and 3 below will be controlling with regard to any employee entering a full-time job after August 1, 2018, covered by those Sections.

(b) No employee shall be required to complete a full-time progression more than one (1) time even if he or she transfers between full-time jobs except as set forth in this paragraph. The sole exception is when

an employee is awarded a package car or feeder driver job and has not previously held a full-time job which includes driving duties. In such event, the employee will have a break-in rate equal to the employee's current wage rate until six (6) months from the date the employee entered the job. The employee will then go to the prevailing top rate. A part-time air driver who has completed the Article 40 progression, bids a full-time inside job and then a driver job within two (2) years shall have the same break-in period.

(c) The progression for employees entering a package car driving, feeder, or other full-time job (other than an air driver, Article 43 jobs or a job covered by Sections 3, 4 or 6 below) after August 1, 2018, shall be as follows:

<u>Start</u>	21.00
Twelve (12) months	23.00
Twenty-four (24) months	24.00
Thirty-six (36) months	28.75
Forty-eight (48) months	Тор
	Rate

Part-time employees on the payroll as of July 31, 2018, who subsequently are promoted to full-time employment under this paragraph will be red circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

See NMA Article 22 Section 5(a). Wages Part-time Employees

(a) All part-time employees who have attained seniority as of August 1, 2018, will receive the following general wage increases for each contract year but will in no case receive less than the hourly start rate specified on August 1st 2018-2022 as set forth in (b) below. The total wage increase for each year will be as follows:

<u>8-1-2018</u>	<u>seventy cents</u>	<u>(\$0.70)</u>
<u>8-1-2019</u>	<u>seventy-five cents</u>	<u>(\$0.75)</u>
<u>8-1-2020</u>	<u>eighty cents</u>	<u>(\$0.80)</u>
<u>8-1-2021</u>	<u>ninety cents</u>	<u>(\$0.90)</u>
<u>8-1-2022</u>	<u>one dollar</u>	<u>(\$1.00)</u>

Part-Time Driver/Dockworkers

Wages at time of ratification

<u>24.27</u>

Effective Date (concurrent with beginning of payroll week)

<u>8-1-2018</u>	seventy cents	<u>(\$0.70)</u>
<u>8-1-2019</u>	seventy-five cents	<u>(\$0.75)</u>
<u>8-1-2020</u>	<u>eighty cents</u>	<u>(\$0.80)</u>
<u>8-1-2021</u>	<u>ninety cents</u>	<u>(\$0.90)</u>
<u>8-1-2022</u>	one dollar	<u>(\$1.00)</u>

Employees who are receiving an hourly rate higher than set forth above as a result of a Market Rate Adjustment, shall not have their hourly rate reduced.

SECTION 2. New Hire Rate of Pay/Wage Rate Progression

Date of Hire	80% of contract rate
1 st Anniversary	85% of contract rate
2 nd Anniversary	90% of contract rate
3 rd Anniversary	100% of contract rate

NOTE: New hire / wage rate progression applies if in either full-time or part- time category or promotion / conversion from part-time to full-time or vice versa. Therefore, any new hire after date of ratification will not reach 100% contract rate in either full-time or part-time category until their third (3rd) anniversary.

SECTION 2a. Part-Time Dockworkers See Article 18: Part-Time Dockworkers of the UPS CARTAGE SERVICES, INC. Supplemental Agreement and Article 22 Section 5 of the NMA.

(a) Part-time Employees

All part-time employees who have attained seniority as of August 1, 2018, will receive the following general wage increases for each contract year but will in no case receive less than the hourly start rate specified on August 1st 2018-2022 as set forth in (b) below. The total wage increase for each year will be as follows:

<u>8-1-2018</u>	seventy cents	<u>(\$0.70)</u>
8-1-2019	seventy-five cents	(\$0.75)
<u>8-1-2020</u>	<u>eighty cents</u>	<u>(\$0.80)</u>
<u>8-1-2021</u>	<u>ninety cents</u>	<u>(\$0.90)</u>
<u>8-1-2022</u>	<u>one dollar</u>	<u>(\$1.00)</u>

(b) Newly hired part-time employees

In recognition of the fact that all of the Company's part-time jobs require skills and to eliminate the two (2) tier progression existing in prior contracts, the parties have agreed to establish one uniform hourly rate for part-time employees who would have been subject to a progression. As such, all part-time employees, who are hired or reach seniority after August 1, 2018, will be paid according to the following wage schedules:

August 1, 2018	\$13.00
August 1, 2019	\$14.00
August 1, 2020	\$14.50
August 1, 2021	\$15.00
August 1, 2022	\$15.50

(c) The wage rates and increases provided in (a) and (b) shall be a minimum.

(d) All part-time employees governed by this Article shall be provided a minimum daily three and one-half (3-1/2) hour guarantee.

(e) Seniority part-time employees who are receiving an hourly rate higher than set forth above in Section (b), as a result of a Market Rate Adjustment, shall not have their hourly rate reduced due to the implementation of this Article.

SECTION 3. Overtime Hours

All hours worked in excess of eight (8) in a workday or over forty (40) in a work week shall be paid at time and one-half $(1 \frac{1}{2})$ of the applicable rate, except in the case of four (4) ten (10) hour shifts. Overtime shall be paid in excess of ten (10) straight hours worked per day.

Section 4. Split-Shift Pay – When and if split shifts are used in accordance with Article #8, Section 4, the

following will apply:

- (A) Split shift return to service center or home: no pay
- (B) Split shift: no return

Over one (1) hour up to two (2) hours = 6.00

Over two (2) hours to four (4) hours = \$12.00

ARTICLE 39 - HEALTH & WELFARE

See Article 3: HEALTH & WELFARE of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

ARTICLE #40 – PENSION COVERAGE

See Article 3: HEALTH & WELFARE and PENSION of the UPS CARTAGE SERVICES, INC.

Supplemental Agreement

UPS PENSION PLAN EARLY RETIREMENT REDUCTION FACTORS

AGE

EFFECTIVE DECEMBER 19, 2004

55	55%
55 56 57 58 59	58%
57	62%
58	66%
59	73%
60	80%
61	86%
62 63 64 65	100%
63	100%
64	100%
65	100%

UPS PENSION PLAN DEFERRED EARLY RETIREMENT REDUCTION FACTORS

AGE DEFFERED

55	38%
55 56 57 58 59 60 61 62 63 64 65	43%
57	48%
58	53%
59	58%
60	63%
61	68%
62	73%
63	82%
64	91%
65	100%

NOTE: The UPS Pension Plan benefit recognizes service earned with the prior plan "Emery Hourly Employee's Pension Plan" for purposes of meeting certain eligibility criteria, e.g., participation, vesting, etc. The benefits accrued prior to the acquisition are based on the service at the acquisition date and are based on the accrual rates established in the "Emery Hourly Employee's Pension Plan." All changes in the benefit accrual rates negotiated since the acquisition apply to the service years earned with UPS, which means the UPS Cartage accrual rates do not apply to years earned in the Emery plan. The Emery plan accrual rates remain the same for that plan and any vested benefits accrued in that p0lan will ultimately be paid by that plan.

ARTICLE 41 - SICK PAY / SHORT-TERM DISABILITY See Article 3: HEALTH & WELFARE AND PENSION of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

SECTION 1. Full-time and regular part-time employees become eligible for coverage under the Sick Pay / Short-Term disability after the completion of ninety (90) days of service. A regular part-time employee who qualifies for benefits shall be eligible for sick pay / short term disability benefits. Employees will be covered on the date they become eligible provided the employee is not away from work due to an illness or disability when the employee first became eligible.

SECTION 2.

- 1. Effective January 1, 2003, employees shall accumulate five (5) sick days per year.
- Sick leave not used by December 31st of any year will be paid no later than the regular pay period for the week of December 31st at the hourly rate then in existence.
- 3. Sick leave shall be paid on the first day of illness.
- 4. Employees must notify the Employer two (2) hours prior to his/her start time.
- Regular part-time employees who qualify for benefits shall be eligible for sick pay based on four (4) hours per day.
- 6.

SECTION 3. (A) Eligibility for Daily Sick Leave Benefits

- Employees must be listed on the seniority roster (active or inactive) at the commencement of each contract year (December 1st) and have remained continuously on such seniority roster at the time sick leave payments are claimed.
- 2. In order to be eligible for daily sick leave payments, the eligible employee must be on the active seniority roster at the time of illness or accident.

- Employees on the inactive seniority roster prior to the contract year due to layoff or long-term illness
 or injury are not eligible to receive sick leave. Once the employee returns to work, he/she shall be
 eligible for sick leave occurring after that date.
- 4. A newly hired full-time or regular part-time employee who has completed ninety (90) days of service will qualify for sick days the first year as follows:
 - a. If hired in the first quarter (January, February, March, employee shall be eligible for five (5) sick days.
 - b. If hired in the second quarter (April, May, June), employeeshall be eligible for four (4) sick days.
 - c. If hired in the third quarter (July, August, September),employee shall be eligible for three (3) sick days.
 - d. If hired in the fourth quarter (October, November, December),employee shall be eligible for two (2) sick days.

<u>SECTION 3. (B)</u> Eligibility for Payment of Unused Sick Leave

- Sick leave not used by December 31st of any calendar year will be calculated at the applicable hourly rate in existence on that date.
- 2. A laid-off employee is due sick leave benefits only if that employee meets the qualifications for payment of unused sick benefits at the end of the calendar year.

Section 4. (A) Short-Term Disability See Article 34 Section 2 TEAMCARE & Section 3 CSI Health and Pension Coverage: of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

Section 4. (B) Long – Term Disability (Full Time)

See Article 34 Section 1J Long Term Disability of the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

Section 4. (C) Elimination Period Bridge

If an employee is in the new plan and qualifies for short-term disability benefits as approved by the plan administrator, the first five (5) sick days identified in Section 2 (1) of this Article can be applied toward the first five (5) days of the elimination period. To bridge the gap, the 6-10th day elimination period will be paid once per calendar year at 66 2/3 percent, administered by the service center / unit, paid via payroll.

If the five (5) sick days identified in Section 2 (1) of this Article are used entirely or in part, prior to the commencement of a disability, any portion of the waiting period not otherwise covered will not be paid through the sick leave or STD plans.

(Refer to Article 39 - Health and Welfare, page 93, with regards to plan modifications)...

Section 4.(D). If an employee is on short-term disability through the end of a calendar year, the employee must return to work a minimum of one (1) full day in the following calendar year to be eligible for the annual five (5) sick day benefit and short-term disability benefit for that next calendar year.

SECTION 5. If employees fall below the hours required for eligibility of benefits, they will be notified in advance when their benefits will cease.

ARTICLE 42 - MAINTENANCE OF STANDARDS

See Article 7 : MAINTENANCE OF STANDARDS of the

UPS CARTAGE SERVICES, INC. Supplemental Agreement

The Employer agrees that all the conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at no less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be changed whenever specific provisions for change are made elsewhere in the Agreement. It is agreed that the provision of this section 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. Such bona fide errors may be corrected at any time. Any disagreement between the Local Union and the Employer with

respect to this matter shall be subject to the Grievance Procedure. This provision does not give the Employer the right to impose or continue wages, hours, and working conditions less than those contained in this Agreement.

ARTICLE 43 - SAFE DRIVING

SECTION 1. To promote and encourage safe driving behavior, thus minimizing the human and dollar losses associated with accidents.

SECTION 2. It is the Company's intention to recognize and award safe driving credit points to those eligible employees who have driven safely for a specific period of time. Conversely, those eligible employees who are involved in preventable accident situations will be assessed accident points based on the type of accident incurred.

SECTION 3. Procedures - For each 12-month period free of preventable accidents, employees will receive a credit of one and one quarter (1 ¹/₄) points, up to a maximum of eight (8) points.

Employees may not receive credit points while preventable accident points remain on their driving record. Points are credited on the 12-month anniversary of the clean driving record (e.g., if accident points are cleared from your record on June 1st, you will be credited one (1) point on June 1st on the subsequent year).

SECTION 4. Point Schedule

The point schedule is as follows:

TYPE OF ACCIDENT	POINT VALUE
Struck stationary aircraft (grounded)	Termination
Unreported accident	Termination
Head-on (our vehicle left of center)	7
Roll-away	7
Struck stationary aircraft (airworthy)	6
Hit pedestrian, bicyclist, or motorcyclist	6
Hit other vehicle in rear	5
Intersection	4
Upset or roll-over	4
Backing	3
Struck parked car	3
Sideswipe	3
Hit fixed object	3
Ran off roadway	3
Miscellaneous	2
Incident (limit 1 per year)	0

The following criteria must be met to allow the use of the incident category:

- A. No property damage involved or very minor damage such as a paint rub, minor dent, or ding on either vehicle.
- B. No bodily injury to either party may be involved.
- C. Every employee may only be allowed one (1) incident per calendar year without adverse effect on accident points or award program status. The second such occurrence rates as a preventable accident.
- D. An example of an incident would be if a vehicle brushed against a guard rail in our service center resulting in a small paint rub. A brush against an occupied automobile in the street producing the same paint rub injuring a person would be classified as a preventable accident.
- E. All incidents must be reported.

SECTION 5. Accidents During the Probationary Period - New employees charged with accidents totaling three (3) or more points during the probationary period (i.e., the first thirty (30) working days) will be discharged. During this probationary period, preventable accidents totaling less than three (3) points will

be carried forward and charged against the driving record in the normal manner. A probationary employee is not entitled to the appeal procedure.

SECTION 6. Discipline / Discharge for Accumulated Accident Points

Employees who accumulate four (4) points or more will be suspended for two (2) days. Employees who accumulate six (6) points or more will be suspended for three (3) days. Employees who accumulate eight (8) points or more will be discharged.

Notification of Accident Ruling

Employees involved in a preventable accident will be advised by the local Manager/Supervisor of the number of points charged against the employee's driving record. The employee will be advised and provided a written document by their local Manager/Supervisor with a copy to the local Union by certified mail or confirmed fax advising the number of points charged against their driving period. The employee must also be advised that any requests for an Accident review board hearing must be made in writing to the service center Manager within five (5) business days after receiving the notification.

SECTION 7. Reducing Points

Employees charged with a preventable accident are eligible for the following point reductions:

- No preventable accidents for the twelve (12) months following an accident ruled preventable will reduce the employees point total by fifty percent.
- No preventable accidents for twenty-four (24) months following the preventable accident will remove the remaining points and puts the employee's driving record at zero points.
- Fractions of points will be rounded down to the next whole number.

SECTION 8. Appeal Procedures

Accident Review Boards are established to provide employees an opportunity to appeal preventable ruling.

- It is the employee's responsibility to provide a thorough, clear, concise statement of facts on any accident report which will allow a ruling to be made. Incomplete / inaccurate reports are unacceptable.
- Employees must give their Service Center Manager a written request for a hearing within five (5) business days after receiving notification of the preventable ruling. This request must include new or additional facts, witnesses, or related evidence to justify the hearing. The local Service Center Manager may decide if a hearing is warranted after reviewing new evidence. If the Service Center Manager feels a hearing is not justifiable, he/she must notify the employee in writing. If sufficient new evidence is presented, the Service Center Manager should contact the Area Safety Manager and arrange for a hearing before the Review Board.
- The Accident Review Board will be chaired by the Area Safety Manager/Safety Supervisor and consist of the following voting members:

Local Service Center or Operations Manager One full-time driver One part-time driver

The Area Safety Manager should explain to the members the definition of a preventable accident. Voting will be secret. Members will place their votes in an envelope, seal it, and pass to the Area Safety Manager to open and count votes and announce the decision to the Board.

Review Board members will not be given access to the past offenses or point totals of the employee in question and will only judge the offense which initiated the hearing. Within one week after a hearing, employees will receive a decision from the accident review board. The employee may contest any suspension or discharge by using the grievance procedure.

NOTE: The point system outlined in this policy is not intended to address all possible circumstances occurring on the road. An employee whose job performance exhibits gross negligence or gross misconduct is subject to disciplinary actions separate and apart from this policy. Disciplinary action will be taken in accordance with existing contract provisions.

ARTICLE 44 - DURATION

See Article 45: DURATION of the

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

Section 1.

This Agreement shall be in full force and effect from August 1, 2018, to and including July 31, 2023, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty

(60) days prior to the date of expiration.

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to July 31, 2023 or July 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

Revisions agreed upon or ordered shall be effective as of August 1, 2018, unless otherwise specifically provided. The Employer or the National Negotiating Committee shall be permitted all legal or eco- nomic recourse to support their requests for revisions if the parties fail to agree therein.

Section 4.

In the event of an inadvertent failure by either party to give notice set forth in Sections 1 and 2 of the Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this agreement shall be the sixty-first (61st) day following such notice.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Discipline Resulting from Insubordination

The parties agree, in the event of discipline resulting from insubordination, the employee will be issued at least one warning letter prior to disciplinary action being taken.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Language That Remains the Same After Conclusion

The Union and the Company agree that any language that remains the same after conclusion of these negotiations shall continue to bear the same intent and interpretation as originally intended by the parties in the Master Southern Region Agreement that expired November 30, 2002.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Vehicle Air Conditioning

This will confirm our understanding that all newly leased or purchased vehicles assigned to the UPS Cartage Services, Inc. (C.S.I.) Master Southern Region Addenda locations will be equipped with air conditioning. If a vehicle is equipped with air conditioning, the air conditioning will be maintained.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Safe Driving Credit Points

It is understood and agreed by the parties that those employees covered under this Agreement who have remaining credit points from previous years, if applicable, (Article #43, Safe Driving, section 3), shall maintain same until used in accordance with the terms of the Safe Driving Article.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Banked Sick Days

It is understood and agreed by the parties that those employees covered under this Agreement who have "banked sick days" from previous years shall maintain those Days until exhausted. Current year eligibility shall be maintained according to Current language.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

<u>General Work Rules</u> <u>Applies to Nashville (BNA) and Nashville HUB (HBN) ONLY</u> Page 1 of 2

- 1. Employees shall follow the instruction of all supervisors unless it is an unsafe act.
- 2. Rudeness to customers will not be permitted.
- 3. Insubordination is not permitted.
- 4. Employees shall not discriminate or harass any other party while on duty, internal or external, on the basis of race, color, national origin, sex, age, religion, disability, marital, veteran or any other status, protected or otherwise, for any reason.
- 5. If unable to report to work at scheduled time because of illness or emergency, employees(s), must notify a supervisor on duty as soon as the employee is aware that they are unable to report.
- 6. Outside employment that is in conflict with an employee's work schedule is not permitted, for full-time employees.
- 7. Employees shall not receive or initiate personal telephone calls, except in an emergency situation or with supervisor approval while on duty.
- 8. Lunch periods will be taken in the designated eating area.
- 9. Punctuality and regularity of attendance is required of each employee.
- 10. Posting on company bulletin boards without authorization is not permitted.
- 11. Engaging in any horseplay or fighting is not permitted on company time.
- 12. Use of company time for other than company business without prior approval is not permitted
- 13. Beards shall be trimmed and neatly groomed.
- 14. A limit of one post earring per ear is allowed. No observable body piercing allowed.
- 15. No smoking allowed in designated no smoking areas.

<u>General Work Rules Cont.</u> <u>Applies to Nashville (BNA) and Nashville HUB (HBN) ONLY</u> Page 2 of 2

- 16. Care should be taken to ensure that company vehicles and cargo are secured.
- 17. Hair must be neatly trimmed and groomed.
- 18. Personal hygiene should be maintained.
- 19. Overtime must be authorized by a supervisor.
- 20. Eating on the dock is not permitted.
- 21. Use of personal cellular phones will not be allowed while engaged in official company business.
- 22. No-pay absences are unexcused, unless approved by Supervision.

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Union Pins

It is understood and agreed by the parties that Stewards shall have the right to wear union pins, identifying them as designated representative of the Local Union. The pins are not to be worn when involved with "on route" customer interactions

Between

UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery

And

Teamsters C.S.I. Master Southern Region Addenda "Agreement" Negotiating Committee

Correspondence

During negotiations, the parties discussed the use of E-Mail to improve both convenience and efficiencies of correspondence. Agreement was reached that; copies of all discipline shall be sent to the Local Union and the employee by certified mail.

Copies of all, bids, seniority list and vacation selections shall be sent to the Local Union by certified mail.

NEGOTIATING COMMITTEE

<u>Teamsters UPS Cartage Services, Inc. (C.S.I.) Freight Pickup & Delivery</u> <u>MASTER SOUTHERN REGION ADDENDA "AGREEMENT"</u>

For the Employees:

Timothy D. McDonald – Chairperson

For the Employer:

<u>Mike Caulfield – Chairperson</u>