

NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

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

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NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT

**For the Period:
August 1, 2013 through July 31, 2018**

covering:

operations in, between and over all of the states, territories, and possessions of the United States and operations into and out of all contiguous territory. The UNITED PARCEL SERVICE, INC., an Ohio Corporation, and a New York Corporation, in their Common Carrier Operations hereinafter referred to as the “Employer,” and the TEAMSTERS UNITED PARCEL SERVICE NATIONAL NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _____ which Local Union is affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement. United Parcel Service Cartage Services, Inc. (“CSI”) and UPS Latin America, Inc. are also a party to this Agreement as specified in the Freight Pickup & Delivery Supplemental Agreement (“P&D Supplement”) and Challenge Air Cargo Supplement, respectively.

ARTICLE 1. PARTIES TO THE AGREEMENT

The Employer and the Union adopt this Article and enter into this Agreement with a mutual intent of preserving and protecting work and job opportunities for the employees covered by this Agreement. No bargaining unit work will be subcontracted, transferred, leased, assigned or conveyed except as provided in this Agreement.

Section 1. Operations Covered

The execution of this Agreement on the part of the Employer shall cover all employees of the Employer in the bargaining unit at any existing centers, new centers, new trailer repair shops, new air hubs

ARTICLE 1

and gateway operations, new buildings, and any other new operations of the Employer within the jurisdiction of the Local Union signatory to this Agreement as determined or may be determined by the International Brotherhood of Teamsters, with regard to wages, hours and other conditions of employment.

Section 2. Employees Covered

Employees covered by this Agreement shall be construed to mean, where already recognized, feeder drivers, package drivers, sorters, loaders, unloaders, porters, office clerical, clerks, mechanics, maintenance personnel (building maintenance), car washers, United Parcel Service employees in the Employer's air operation, and to the extent allowed by law, employees in the export and import operations performing load and unload duties, and other employees of the Employer for whom a signatory Local Union is or may become the bargaining representative. Employees of CSI and UPS Latin America, Inc. are also covered by this Agreement as specified in the P&D Supplement and the Challenge Air Cargo Supplement, respectively.

In addition, effective August 1, 1987, the Employer recognized as bargaining unit members clerks who are assigned to package center operations, hub center operations, and/or air hub operations whose assignment involves the handling and progressing of merchandise, after it has been tendered to United Parcel Service to effectuate delivery. These jobs cover: package return clerks, bad address clerks, post card room clerks, damage clerks, rewrap clerks, and hub and air hub return clerks. This Agreement also governs the classifications covered in Article 39 - Trailer Repair Shop. Effective no later than February 1, 2003 the Employer recognizes as bargaining unit members FDC/ODC clerks, international auditors, "smart label" clerks and revenue auditors who work in the operations facilities.

Section 3. 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 portion 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

ARTICLE 1

shall continue to be subject to the terms and conditions of this Agreement, for the life thereof.

On the sale, transfer or lease of an individual run or runs, or rights only, the specific provisions of this Agreement shall prevail. It is understood by this Section that the parties hereto shall not sell, lease or transfer such run or runs or rights to a third (3rd) party to evade this Agreement.

In the event the Employer fails to require the purchaser, the transferee, or lessee to agree to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Local Union and to employees covered for all damages (including but not limited to monetary damages) sustained as a result of such failure to require assumption of the terms of this Agreement until its expiration date, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations 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 any part thereof, including rights only. Such notice shall be in writing with a copy to the Local Union, at the time the seller, transferor, or lessor executes a contract or transaction as herein described. The Teamsters United Parcel Service National Negotiating Committee and Local Unions involved shall also be advised of the exact nature of the transaction, not including financial details.

Section 4.

The Employer agrees that it will be a violation of this Section if it, any affiliate, or any other entity under its control enters into a business so as to duplicate the Employer's common carrier operations as defined in Article 1 in any area. Affiliate for purposes of this Section means any entity which is owned, managed or controlled by the Employer or its parent. This Section will also cover an entity if the Employer or its parent maintains the ultimate right to control or approve a decision by such entity.

The Employer will be financially responsible for all losses resulting from a violation of this Section.

ARTICLE 2

ARTICLE 2. SCOPE OF THE AGREEMENT

Section 1. Single Bargaining Unit

All employees covered by this Master Agreement and the various Supplements, Riders and Addenda thereto, shall constitute one (1) bargaining unit. The printing of this Master Agreement and the aforesaid Supplements, Riders and/or Addenda in separate agreements is for convenience only and is not intended to create separate bargaining units.

To the extent provided by law, this Agreement shall be applied to all subsequent additions to, and extensions of, current common carrier operations of the Employer and newly established operations of the Employer which are utilized as a part of such current operations of the Employer, without additional evidence of Union representation of the employees involved (provided that newly acquired operations of the Employer, which are not utilized as a part of such current common carrier operation of the Employer, shall not be deemed additions to, or extensions of, operations of the Employer). If the Employer purchases a related common carrier business, the Employer, to the extent allowed by law, recognizes the Teamsters UPS National Negotiating Committee as the bargaining representative and will meet to determine which applicable Supplement covers those employees, and negotiate a new Addendum covering economic terms if current Supplements do not cover the new job classifications, or, if a current collective bargaining agreement is in place for the acquired employees, then that agreement shall continue by its terms until expiration.

Section 2. Riders

Present Supplements, Riders and Addenda shall remain in effect. Any new Supplement, Rider or Addendum, or changes to Supplements, Riders or Addenda or in the contract affiliation of any Local Union covered by this Agreement must be submitted to the Joint National Negotiating Committee for review and approval. Failure to be approved by the Committee shall render said Supplement, Rider or Addendum null and void.

ARTICLE 2

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

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the National Union Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees of the Employer in covered classifications. The employees and Unions covered under this Master Agreement and the various Supplements, Riders and Addenda thereto shall constitute one (1) bargaining unit.

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

If employees are hired through an employment agency, the Employer shall pay the employment agency fee, if any, due from the employee. However, if the Union has been given equal opportunity to furnish employees, as provided herein, and if the employee is retained through the probationary period, this fee need not be paid until the thirty-first (31st) day of employment, except as otherwise provided in the Local Union Supplements, Riders and Addenda.

Business agents and/or a steward shall be permitted to attend new employee orientations in the right-to-work states. In states without right-to-work laws, business agents shall be permitted to attend new employee orientations to talk about the benefits of Union membership. The Employer agrees to provide the Local Union at least one week's notice of the date, time, and location of such orientation.

ARTICLE 3

The sole purpose of the business agent's or steward's attendance shall be to encourage new employees to join the Union. The steward shall remain on the clock for up to fifteen (15) minutes for that purpose if the orientation is held during his or her normal working hours at his or her normal place of work.

Section 2. Union Shop and Dues

(a) All present employees who are members of the Local Union on the effective date of this Subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union in good standing as a condition of employment. In order to assist the Local Unions in maintaining current and accurate membership records, the Employer will furnish the appropriate Local Union a list of new employees. The Employer agrees to notify the Local Union when a new employee attains seniority. This notification will be made in conjunction with the new employee listing. The list will include the name, address, social security number, date of hire, hub or center to which assigned, shift, and classification or position hired into. The Employer shall also notify the Local Union when the employee is promoted from part-time to full-time. The list will be provided on a monthly basis. All present employees who are not members of the Local Union and all employees who are hired hereafter, shall become and remain members in good standing of the Local Union as a condition of employment on and after the thirty-first (31st) day following the beginning of their employment, or on and after the thirty-first (31st) day following the effective date of this subsection, or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union, as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be offered to such employees on the same basis as all other members, and further that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provision of the National Labor Relations Act, but not retroactively.

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

Section 3. Dues Checkoff and Joint Dues Committee

The Union and the Employer will establish a Joint Dues Committee to review the deduction and remittance of union dues. This Committee is charged with the responsibility of ensuring that dues are accurately deducted and remitted in a timely manner to the Local Unions. It is anticipated that this Committee shall serve as a source of continuing study regarding the most efficient, accurate, and expeditious deduction and payment of dues, including exploring electronic solutions. The Union and the Employer will establish procedures for the operation of this Committee.

No existing bargaining unit employee currently performing work in the payroll department will be laid off or suffer a loss of their current payroll type position as a result of this Section.

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

The Employer shall make no deductions that are not listed on the Local Union's monthly or weekly checkoff statement in those loca-

ARTICLE 3

tions which send a checkoff statement to the Employer. In the event the Employer improperly deducts too much dues money, the amount improperly withheld shall be remitted to the involved employee(s) on the second (2nd) scheduled workday following notification to the Employer. The Local Union(s) shall return any overpayment(s) to the Employer within one (1) week following written notification from the Employer.

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

The Employer will provide a list of peak season employees to the Local Union. The Company agrees to honor the dues checkoff cards for peak season employees.

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

Any Local Union shall have the option of monthly deductions with monthly remittance on or before the fifteenth (15th) day of the same month.

On written request of the employee, payroll deductions will be made to purchase U.S. Savings Bonds for said employee.

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

ARTICLE 3

“weeks worked” excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee’s Social Security number and the amount deducted from that employee’s paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer’s actual cost for the expenses incurred in administering the weekly payroll deduction plan.

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

In the event the Employer has been determined to be in violation of this Article by a decision in the grievance procedure, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours’ written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof. Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Section 4. Work Assignments

The Employer agrees to respect the jurisdictional rules of the Union and, except as otherwise provided in this Master Agreement, Supplements, Riders, or Addenda, shall not direct or require their employees or persons, other than the employees in the bargaining units here involved, to perform work which is recognized as the work of the employees in said units. This is not to interfere with bona fide agreements with bona fide unions. The Employer further agrees not to combine into a single job work presently performed by

ARTICLE 3

members of one Teamster Local Union with work presently performed by members of another Teamster Local Union.

Section 5.

The term "Local Union" as used herein refers to the IBT Local Union which represents the employees of the Employer at the particular place or places of business to which this Agreement, and the Supplements, Riders or Addenda thereto are applicable, unless by agreement of the Local Unions involved or by directive issued pursuant to the IBT International Constitution.

Section 6.

Employees shall have the option of participating in the Employer's electronic funds transfer (EFT), the Employer's check card payment system, or a paper payroll check system. New employees, defined as employees who are not on the payroll on the date of ratification, shall designate either EFT or a check card, unless prohibited by applicable state law. New employees shall make this election during orientation. Recognizing the mutual benefits and advantages of these systems over a paper payroll check, the Union agrees to encourage all employees to select either EFT or a check card as a method of payment. No bargaining unit employee currently performing work in the payroll department will be laid off or suffer a loss of their current payroll type position as a result of this Section.

Section 7. Supervisors Working

(a) The Employer agrees that the function of supervisors is the supervision of Employees and not the performance of the 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 to train employees or demonstrate safety, or as otherwise provided in the applicable Supplement, Rider or Addendum. However, in the case of Acts of God, supervisors shall comply with the procedures in subsections (b) and (c) and may only perform bargaining unit work until bargaining unit employees are available. The Employer shall make every reasonable effort to

ARTICLE 3

maintain a sufficient workforce to staff its operations with bargaining unit employees. The Employer also agrees that supervisors or other employees of the Employer who are not members of the bargaining unit shall not perform bargaining unit work in preparing the work areas before the start of the Employer's hub, preload or reload operation, nor shall the Employer send any bargaining unit employee home and then have such employee's work performed by a supervisor or other employees of the Employer who are not a member of the bargaining unit.

(b) When additional employees are necessary to complete the Employer's operations on any shift or within any classification, the supervisor shall exhaust all established local practices to first use bargaining unit employees including where applicable, double shifting, early call-in, and overtime.

(c) If there is no established local practice, the following shall apply with regard to inside work. Within each building, each operation will maintain appropriate list(s), by seniority, of those part time employees requesting coverage work. It will be the employees' responsibility to sign up on the appropriate list. The Company shall post such lists and employees who are interested in adding their names to the lists shall do so on the first working day of each month. It will be the employee's responsibility to make sure his/her contact information is correct. Employees who are unavailable to work on three (3) separate occasions within a calendar month shall have their names removed from the coverage list. Those employees shall be eligible to re-sign the list the following month. When coverage work is available, the Company will use the appropriate list to fill the required positions, and such employees will work as assigned. The employee must be qualified for the available work and double shift employees shall have seniority among themselves. No employee is allowed to work more than two (2) shifts in any twenty-four (24) hour period. Local call verification practices and procedures shall remain in place.

Nothing contained in this Section shall change existing practices or procedures covering full-time work.

(d) If it is determined at any step of the grievance and/or arbitration procedure that this Section, or a "supervisor working" provision in a Supplement, Rider or Addendum, has been violated, the aggrieved

ARTICLE 3

employee will be paid as follows: (i) if the actual hours worked by the supervisor amounts to two (2) hours or less, the aggrieved employee will be paid for the actual hours worked by the supervisor at the rate of double time the employee's rate of pay at the time of the incident; or (ii) if the supervisor works more than two (2) hours, the aggrieved employee shall be paid four (4) hours at straight time or actual hours worked at double time the employee's rate of pay at the time of the incident, whichever is greater. If no aggrieved employee can be identified, the payment will be made to the grievant. Such remedy shall be in addition to any other remedies sought by the Union in the appropriate grievance procedure.

ARTICLE 4. STEWARDS

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

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

Job Stewards and alternates have no authority to take strike action or any other action interrupting the Employer's business, except as authorized by official action of the Local Union. The Employer recognize

ARTICLE 4

these limitations upon the authorized Job Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper, nondiscriminatory discipline, including discharge. However, in the event the Job Steward or the designated alternate has led, or instigated or encouraged unauthorized strike action, slowdown or work stoppages in violation of this Agreement he/she may be singled out for more serious discipline, up to and including discharge. Stewards and/or alternate stewards shall not be subject to discipline for performing any of the duties within the scope of their authority as defined in this Section, in the manner permitted by this Section.

Recognizing the importance of the role of the Union Steward in resolving problems or disputes between the Employer and its employees, the Employer reaffirms its commitment to the active involvement of union stewards in such processes in accordance with the terms of this Article.

The Job Steward or the designated alternate shall be permitted reasonable time to investigate, present and process grievances on the Company's property without interruption of the Employer's operation. Upon notification to his or her supervisor, a steward shall be afforded the right to leave his/her work area for a reasonable period of time to investigate, present and process grievances and to represent a fellow employee concerning grievances or discipline so long as such activity does not interrupt the Employer's operations. **This shall include the steward's right to represent an employee in connection with any grievance concerning safety issues.** The Employer will make a reasonable effort to insure that its operations are not interrupted by the steward's engaging in such activity. The Employer shall not use interruption of its operation as a subterfuge for denying such right to the steward.

Where mutually agreed to by the Local Union and Employer, stewards may investigate off the property or other than during their regular schedule, without loss of time or pay. Stewards will be paid for time spent in meetings under this Article which occur during the steward's regular working hours. Stewards shall also be paid for time spent in meetings which occur outside his or her working hours, or on days off, by mutual consent. Such time spent during the

ARTICLE 4

Job Steward's or the designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the Job Steward or the designated alternate.

The Employer recognizes the employee's right to be given requested representation by a Steward, or the designated alternate, at such time as the employee reasonably contemplates disciplinary action. The Employer also recognizes the steward's right to be given requested representation by another Steward, or the designated alternate, at such time as the Steward reasonably contemplates disciplinary action. When requested by the Union or the employee, there shall be a steward present whenever the Employer meets with an employee concerning grievances or discipline or investigatory interviews. In such cases, the meeting shall not be continued until the steward or alternate steward is present.

If an employee does not wish to have a Union Steward in any meeting where the employee has a right to Union representation under this Article, the employee shall sign a waiver of Union representation, a copy of which shall be furnished to the Union upon its request.

If requested by the Local Union, the designated Stewards will be provided with copies of all warning, suspension and discharge letters. If a supplement has no provision allowing a Local Union to request documents/information with regard to pending grievances, the following shall be incorporated into the Supplement: "The Employer shall, upon written request, provide the Local Union or the steward designated by the Local Union, with documents/information that is reasonably related (based on NLRA standards) to the pending grievance."

Job Stewards, or designated alternates, shall be allowed to wear an identifying steward's badge, provided by the Union, at all times while on the Employer's premises.

ARTICLE 5. SANITARY CONDITIONS

The Employer agrees to maintain a clean, sanitary washroom having hot and cold running water with toilet facilities in all present and

ARTICLE 5

future buildings. The Employer further agrees to provide separate toilet and changing facilities for male and female employees in all present and future UPS buildings which have more than fifteen (15) drivers.

The Employer shall implement procedures designed to ensure privacy for all employees when using facilities in UPS buildings with fifteen (15) or fewer drivers.

Such toilet facilities will be equipped with proper ventilation devices and shall be heated as climatic conditions shall warrant.

The Employer agrees to provide lockers for those employees who are required to change into a uniform or take a lunch period. All other employees will be provided a suitable area for keeping personal items and clothes. Assigned lockers will not be opened by the Employer unless either the employee or a Union representative is present.

Where the Employer and the Union agree that the local water is not suitable for drinking, the Employer will provide bottled drinking water.

ARTICLE 6.

Section 1. Extra Contract Agreements

Except as may be otherwise provided in this Agreement, the Employer agrees not to enter into, or attempt to enter into, any agreement or contract with its employees, either individually or collectively, or to require or attempt to require employees to sign any document, either individually or collectively, which in any way conflicts with the provisions of this Agreement. Any such Agreement or document shall be null and void. Any such agreement or document may not be placed in an employee's file or used by the Employer as a basis for discipline or used in connection with any disciplinary proceeding, nor may any such agreement or document nor the contents thereof be divulged to any person or entity.

In addition, the Company will not discipline an employee for refusing to sign any Company form related to the principle of a fair day's work unless the signing is required by law or by this Agreement.

ARTICLE 6

Section 2. Workweek Reduction

If either the Fair Labor Standards Act or the Hours of Service Regulations are subsequently amended so as to result in substantial penalties to either the employees or the Employer, a written notice shall be sent by either party requesting negotiations to amend those provisions which are affected. Thereafter the parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory solution. In the event the parties cannot agree on a solution within sixty (60) days, or mutually agreed extensions thereof after receipt of the stated written notice, either party shall be allowed economic recourse.

Section 3. New Equipment

Where new types of equipment and/or operations, for which rates of pay are not established by this Agreement, are put into use after the ratification date of this Agreement within operations covered by this Agreement, rates governing such operations shall be subject to negotiations between the parties. This paragraph shall apply to all new types of equipment including office and clerical equipment.

In the event agreement cannot be reached within sixty (60) days after the date such equipment is put into use, the matter may be submitted to the National Grievance Committee for final disposition. Rates agreed upon or awarded shall be effective as of the date equipment is put to use.

Section 4. Technological Change

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

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

ARTICLE 6

covered by this Section.

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

4. The Employer shall be required to provide the National Teamster/UPS Committee for Technological Change, any relevant information to the extent available regarding the technological changes.

5. The Employer will meet with the Local Union, or, if requested, the National Teamster/UPS Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.

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

6. In the event that the Local Union and Employer cannot reach an agreement on effects, the matter shall be referred to the National Teamster/UPS Committee for Technological Change.

7. In the event that the National Committee cannot reach agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for resolution in accordance with the provisions of Article 8 in order to determine if the Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.

Section 5. Hourly Training

1. It is agreed that Teamster represented employees, on a voluntary basis, may train other employees. UPS reserves the right to choose to use or not to use Teamster represented trainers to fulfill its training needs.

ARTICLE 6

2. Trainers shall be paid a fifty cents (\$.50) per hour training premium for each hour spent training.

3. Drivers training helpers, in accordance with Supplemental Agreements, and two (2) on the car rides for the purpose of route knowledge shall not be entitled to the training premium.

4. The parties shall establish a National Training Committee. The Committee shall be empowered to hear and resolve any disputes that may arise over these issues. Unresolved disputes will be subject to the National Master Grievance Committee.

5. Each Supplemental area shall meet and agree or continue existing agreements on the details of the application of this agreement in their area in accordance with Supplemental language. Other issues left for resolution at this level include, but are not limited to, the minimum qualifications for trainers, if any, the number of hours to be worked by the trainer, and the application of Supplemental language concerning compensation for work performed in higher classifications. Disputes shall be resolved in accordance with paragraph 3.

6. Trainer selection and assignments to on the job training will be done in accordance with supplemental seniority provisions, providing the trainers have the necessary qualifications and skills for the job.

7. The training records that a Teamster represented trainer can be required to complete for drivers, are those previously agreed to by the parties. If the Employer wishes to amend these forms, it will first meet and agree with the National Training Committee. Such agreement will not be unreasonably withheld. No training record or verbal report by the trainer will be relied upon to discipline any employee or to evaluate any seniority employee's performance.

8. If a trainer is removed from the qualified list by the Employer, that employee and the Local Union shall have access to the grievance procedure. If the Union establishes that the removal was not for just cause, the grievant shall be reinstated.

9. No trainer shall be required to train in any method which violates the Collective Bargaining Agreement.

ARTICLE 6

10. Teamster represented trainers will not be permitted to perform or recommend disciplinary action.

11. Teamster represented trainers will not be required to make decisions or recommendations regarding the attainment of seniority, by their trainees. The decision as to whether a trainee attains seniority will be made solely by UPS management.

12. Employees to be retrained, after qualifying in their classification, and seniority employees scheduled for safety rides, may request that a non-bargaining unit employee perform that training, in lieu of a Teamster represented trainer. Such requests will be honored.

13. Trainers will not be held liable for auto accidents incurred by the trainee.

Section 6. Technology and Discipline

No employee shall be discharged if such discharge is based solely upon information received from GPS or any successor system unless he/she engages in dishonesty (defined for the purposes of this paragraph as any intentional act or omission by an employee where he/she intends to defraud the Company). The Company must confirm by direct observation or other corroborating evidence any other violations warranting discharge. The degree of discipline dealing with off-area offenses shall not be changed because of the use of GPS.

The Company acknowledges that there have been problems with the utilization of technology in the past. Therefore, at the request of the Union's Joint National Negotiating Committee Co-Chair a meeting will be scheduled with the Company Co-Chair to discuss any alleged misuse of technology for disciplinary purposes and what steps are necessary to remedy any misuse.

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY

Except in cases involving cardinal infractions under the applicable Supplement, Rider or Addendum, an employee to be discharged or

ARTICLE 7

suspended shall be allowed to remain on the job, without loss of pay unless and until the discharge or suspension is sustained under the grievance procedure. Notwithstanding the foregoing, any superior provisions in Supplements, Riders or Addenda shall prevail. The Union agrees it will not unreasonably delay the processing of such cases.

If the Employer and the Union cannot agree locally on whether an arbitration case involving any suspension or discharge should be postponed, the issue shall be submitted for resolution to the Employer's Vice-President of Labor Relations and the Package Division Director, or their designees.

Provisions relating to local, state and area grievance machinery are set forth in the applicable Supplements, Riders or Addenda to this Agreement. Supplements shall provide for regular, scheduled meetings each quarter for the arbitration of points of order arising from discharge and suspension grievances, except those involving timeliness or discipline pursuant to Articles 16, 18 or 35 of this Agreement. These meetings may be cancelled by written mutual agreement. The procedures set forth in the local, state and area grievance procedure may be invoked only by the authorized Union representative or Employer.

All monetary grievance settlements shall be submitted by separate check payable to the grievant or grievant(s) and a copy of the same sent to the Local Union for their records. Such settlements shall be paid within ten (10) working days of the settlement. In addition, any monetary awards based on panel decisions will be made within ten (10) business days of receipt by the Company of the written panel decision.

Authorized representatives of the Union may file grievances alleging violation of this Agreement, under local grievance procedure, or as provided herein. Time limitations regarding the processing of grievances, if not set forth in the respective Supplemental Agreements, Riders or Addenda, must appear in the Rules of Procedures of the various grievance committees and shall apply equally to the Employer, the Union and the employees.

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1.

All grievances and/or questions of interpretation arising under the provisions of this National Master Agreement shall be resolved in the following manner:

Deadlocked cases involving only National Master language may be submitted to the National Master Panel for decisions. Those deadlocked cases which cannot be decided by a lower panel because of disagreement over the interpretation of National Master language may be submitted to the Master Panel for interpretation. Requests for interpretations with no factual case to be decided will be heard by the Master Panel by mutual agreement of the Co-Chairpersons. Interpretations rendered on factual cases by the National Grievance Committee will be sent back to the lower panel to be used to resolve the factual case.

The Committee shall be composed of an equal number of Employer and Union representatives. The National Grievance Committee shall meet upon call of the Chairman of either the Employer or Union representatives on the National Grievance Committee. The National Grievance Committee shall adopt rules of procedure which may include the reference of disputed matters to subcommittees for investigation and report with the final decision or approval, however, to be made by the National Grievance Committee. If the National Grievance Committee resolves any dispute by a majority vote of those present and voting, such decision shall be final and binding upon all parties.

When a case is docketed with the National Grievance Panel, a twenty-five dollar (\$25.00) docketing fee will be applied as specified in the National Master UPS Agreement Rules of Procedure.

Section 2. Work Stoppages

All grievances and/or questions of interpretation arising under the provisions of this National Master Agreement shall be submitted to the grievance procedure for determination.

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Accordingly, no work stoppage, slowdown, walkout or lockout over such grievances and/or questions of interpretation shall be deemed to be permitted or authorized by this Agreement except:

- (a) failure to comply with a duly adopted majority decision of the National Grievance Committee;
- (b) failure to make health & welfare and pension contributions in the manner required by the applicable Supplemental Agreements, Riders and/or Addenda; and,
- (c) nonpayment of established wage rates provided for in this Agreement, Supplements, Riders and/or Addenda.

Except as provided in subsections (b) and (c) of this Section, strikes, work stoppages, slowdowns, walkouts or lockouts over disputes, which do not arise under provisions of this National Master Agreement, shall be permitted or prohibited as provided in the applicable Supplement, Rider and/or Addendum. The Local Union shall give the Employer a seventy-two (72) hour prior written notice of the Local Union's authorization of strike action, which notice shall specify the majority National Grievance Committee decision or deadlocked National Grievance Committee decision providing the basis for such authorization. The Local Union shall comply with the provisions of the applicable Supplemental Agreement, Rider and Addendum relating to strike action resulting from delinquencies in the payment of health and welfare or pension contributions.

Section 3.

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

The National Grievance Committee may consider and review decisions raising an issue of interpretation of Master Agreement language which are submitted by the Union (either the Chair of the Teamsters National United Parcel Service Negotiating Committee or his designee) or the designated Employer representative. The committee shall have the authority to reverse and set aside the majority decision of any area, regional, local grievance committee,

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if, in its opinion, such decision is contrary to the language of the National Master Agreement. The decision of the National Grievance Committee shall be final and binding. The National Grievance Committee shall determine whether a decision submitted to it raises an issue of interpretation of Master Agreement language.

In order for such cases to be reviewed, the decision must interpret Master language. A decision raising an issue of interpretation of Master Agreement language is one in which (1) Master Agreement language was interpreted by a lower panel (2) the interpretation sets a precedent for future grievances; and (3) a reasonable case can be made that the lower panel interpretation was contrary to the true meaning of the Master Agreement. If the National Grievance Committee deadlocks on whether a decision meets these criteria, arbitration may be requested pursuant to Article 8, Section 4.

Prior to such cases being placed on the Master docket, the moving party (either the Chair of the Teamsters National United Parcel Service Negotiating Committee or his designee or the designated Employer representative) shall confer with his counter part and discuss the matter.

Cases that are docketed will be presented in the following manner:

- (1) The representatives of the moving party, as described above, present first.
- (2) The presenter will cite the specific Master language that the lower panel interpreted.
- (3) Any evidence to prove that the interpretation was contrary to the provisions set forth in the Master Agreement must be presented.
- (4) The representative of the responding party will present any responsive evidence he deems necessary.
- (5) If the Master Panel is unable to reach agreement, then either party may appeal the issue presented to final and binding arbitration.

Decisions made by lower panels that are properly submitted to the National Grievance Committee pursuant to this Article and Section

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shall be reviewed by the National Grievance Committee. A decision will be entered by the National Grievance Committee based upon its interpretation and the facts of that case. Such decision will be final and binding upon the parties.

Arbitration decisions under any Supplement, Rider or Addendum which interpret Master Agreement language may also be submitted to the National Grievance Committee provided the three above-referenced criteria are satisfied. If an arbitration decision is reviewed by the National Grievance Committee it shall be processed in accordance with this section except that the Committee will make a final and binding decision rather than refer the case back to the arbitrator. Article 8, Section 4 shall not apply if the National Grievance Committee deadlocks upon review of an arbitrator's decision.

Section 4.

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

Any provision in the grievance procedure of any Supplement, Rider, or Addendum hereto which would require deadlocked disputes to be determined by any arbitration process, shall be null and void as to any grievance and/or interpretation of the National Master Agreement. The decision of the National Grievance Committee as to whether a grievance and/or interpretation which is subject to this procedure shall be final and conclusive.

Section 5.

Any grievance that does not raise an issue of interpretation of a Master Agreement Article or Section shall be resolved pursuant to the provisions relating to the local, state and area grievance procedures

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set forth in the applicable Supplements, Riders and Addenda.

Prior to invoking the arbitration procedure the parties, by mutual agreement, may submit said case to the National Grievance Committee for resolution.

In the event of strikes, work stoppages, or other activities which are permitted in case of default or failure to comply with majority decisions under this Agreement, no decision and/or interpretation of this Agreement by any tribunal shall be binding upon the Union or affect the legality or lawfulness of the strikes unless the Union stipulates to be bound by such interpretation, it being the intention of the parties to resolve all grievances and/or questions of interpretation by mutual agreement.

In any Section of this Article where language refers to deadlocks, either party shall have the right to refer any unresolved case to arbitration, except as specified otherwise in Section 2 of this Article.

Section 6.

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

Any grievance that does not raise an issue of interpretation of a Master Agreement Article or Section shall be resolved pursuant to the provisions relating to the local, state and area grievance procedures set forth in the applicable Supplements, Riders and Addenda. The no-strike, work stoppage, slowdowns, walkout and lockout provisions of the Supplemental Agreements, Riders and Addenda shall apply to such grievances. Prior to invoking the arbitration procedure the parties, by mutual agreement, may submit said case to the National Grievance Committee for resolution.

Section 7.

Deadlocked cases referred from the National Grievance Committee to binding arbitration pursuant to this Article, will be governed by the following procedures:

ARTICLE 8

1. The arbitration process will be administered by the offices of the American Arbitration Association, whose offices located in the following cities administer deadlocked cases arising from the following corresponding geographical Regions of the International Brotherhood of Teamsters:

Somerset	Eastern
Chicago	Central
Fresno	Western
Atlanta	Southern

2. The current arbitrators will continue to serve until the parties jointly designate twenty-eight (28) arbitrators (which may include the incumbents). Cases will be assigned to arbitrators on a rotating alphabetical basis within each Region based upon the date of the original grievance that gave rise to the deadlocked case.

3. The panels will consist of the following number of arbitrators who hear American Arbitration Association administered cases in each Region of the IBT:

Eastern 11
Central 5
Southern 4
Western 8

4. The parties shall attempt to agree on the four (4) panels within thirty (30) days of the conclusion of negotiations. Failing agreement within that time, the parties shall exchange lists of two (2) times the remaining number of arbitrators to be assigned to each regional panel within fifteen (15) days thereafter and at the conclusion of an additional fifteen (15) days will alternatively strike from the lists until the correct number of arbitrators is left for each panel. Unless the parties mutually agree otherwise, any arbitrator proposed by the Employer or Union must be a member of the National Academy of Arbitrators and reside within the geographical area covered by the panel.

5. Each arbitrator shall offer one or more potential hearing date(s) within six (6) months of the assignment of the case by the AAA or within six (6) months of a cancellation by either party as outlined below. If the arbitrator fails to offer a timely date, or a timely rescheduled

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date after a cancellation, the case shall be reassigned to the next arbitrator to be assigned based on the rotating alphabetical list. If an arbitrator fails to offer a timely date on four (4) occasions in a twelve (12) month period, he/she shall be stricken from the panel of arbitrators at the written request of either party. The parties shall fill any vacancy pursuant to the procedures set forth in paragraph 4.

6. Once a case is assigned to an arbitrator it will remain with that arbitrator until it is concluded, except in the case of a reassignment specified in paragraph 5.

7. The parties may mutually agree in writing to remove any individual arbitrators from the panel at any time. Each party may unilaterally remove two (2) arbitrators during the month of June each year upon giving ten (10) calendar days notice specifying the arbitrator to be removed. The other party shall have the right to remove two (2) arbitrators within ten (10) calendar days from receiving the notice. The parties shall fill any vacancy pursuant to the procedures set forth in paragraph 4.

8. Except by mutual agreement, arbitrations will be scheduled for 10:00 a.m. until at least 5:00 p.m.

9. There shall be no more than one (1) cancellation of arbitration dates by either party in the hearing of any single arbitration case, except as permitted by the arbitrator with good cause.

10. The parties shall share equally the American Arbitration Association's and the arbitrator's fees and expenses for the arbitration or settlement (including rental of the hearing room). The party requesting a cancellation will pay any cancellation fees.

11. The location of the arbitration will be determined by mutual agreement, taking into account the travel requirements of witnesses, counsel, and the arbitrator. In the event that the parties are unable to agree on the location, the arbitrator will decide. All hearings will be held at the American Arbitration Association offices unless the parties mutually agree on an alternate site.

12. Any or all of the foregoing may be modified in writing by mutual agreement of the parties at any time.

ARTICLE 9. PROTECTION OF RIGHTS

Section 1. Picket Line

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

Section 2. Struck Goods

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

Section 3.

Subject to the appropriate subcontracting provisions of this Agreement, the Employer agrees that it will not cease or refrain from handling, using, transporting, or otherwise dealing in any of the products of any other employer or cease doing business with any other person, or fail in any obligation imposed by the Motor Carrier's Act or other applicable law, as a result of individual employees exercising their rights under this Agreement or under law, but the Employer shall, notwithstanding any other provision in this Agreement, when necessary, continue doing such business by other employees.

Section 4.

The layover provisions of the applicable Supplemental Agreement, Rider or Addendum shall apply when the Employer knowingly dispatches a road driver to a terminal at which a primary picket line has been posted as a result of the exhaustion of the grievance procedure,

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or after proper notification of a picket line permitted by the collective bargaining agreement, or economic strikes occurring after the expiration of a collective bargaining agreement or to achieve a collective bargaining agreement.

Section 5. Grievances

Within five (5) working days of filing a grievance claiming violation of this Article, the grievance shall be submitted directly to the National Grievance Committee without taking any intermediate steps, any other provision of this Agreement to the contrary notwithstanding.

ARTICLE 10. LOSS AND DAMAGE

Section 1.

No employee shall make any reimbursement or have monies deducted from his/her pay for loss or damage to parcels except as provided in this Section.

No employee shall be disciplined or required to make reimbursement for lost or damaged parcels unless the Employer demonstrates that the employee, without justification or mitigation, violated pertinent established rules or policies, the observance of which would have prevented the loss or damage. In no event shall a driver be subject to reimbursement for loss or damage to a Driver Release parcel valued at one hundred dollars (\$100.00) or less. The Employer will provide each driver a current list of all Driver Release Areas and all Non Driver Release Areas within that driver's area upon request.

An employee who is charged for loss or damage by the Employer shall not be subject to both discipline and reimbursement. The Employer will clearly notify the employee and the Union of its intent to either discipline or seek reimbursement. No employee shall be subject to discipline or reimbursement unless the Employer brings the loss or damage to the employee's attention within fifteen (15) business days after receiving a written shipper notice of claim. When an employee is subject to discipline, the employee shall not

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make any reimbursement for such loss or damage. When an employee is subject to reimbursement, the employee shall not be subject to discipline for such loss or damage.

Any employee who is found to be responsible for two (2) reimbursements in a twelve (12) month period may receive a warning letter in addition to being responsible for reimbursement should a third (3rd) loss occur in the same twelve (12) month period.

No action shall be taken by the Employer under this Section until the grievance procedure is invoked and concluded. In such grievance hearings the Employer shall present its case first.

If an employee is held liable for reimbursement for loss or damage under Article 10, Section 1 in regard to any package, he/she will be held liable for the value of the package, the amount paid by the Employer to the customer, or the insured value of the package, whichever is least.

Reimbursement schedules shall be reasonable and fair, based upon the circumstances of each case.

This Article is not to be construed as permitting charges for loss or damage to equipment. Nor is this Article to be construed as permitting charges for any loss or damage to merchandise as a result of a vehicular accident under any circumstances.

Section 2.

Employees handling money shall account for and remit the same to the Employer at the completion of each day's work. An employee's cash turn-in may be verified or audited by the Employer. If the Employer fails to verify and deposit an employee's cash turn-in, when requested, no deduction or disciplinary action shall be taken. Upon request by the Local Union, the Employer and the Local Union shall meet to review any problems relating to transportation of cash via feeders or cashier's check rules.

To ensure that the employee will not be held accountable when the Employer verifies and deposits or fails to verify and/or deposit the employee's cash turn-in the employee and Employer will sign a

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document, to be maintained by the Employer, showing whether the employee requested verification and deposit and whether the employee's cash turn-in has either been verified and deposited or not verified and/or deposited.

In cases of proven bona fide error (in addition or subtraction) of the cash turn-in, the employee will be responsible for making proper restitution for such shortage.

In such cases of bona fide error, the Employer and an employee, with the participation of the Local Union and where permitted by applicable law, shall execute a written document providing for an agreed upon amount and schedule of reimbursement and/or deduction. A copy of any such agreement will be provided to the Local Union.

The Employer will incorporate into the DIAD for packages shipped using Worldship and Maxiship within sixty (60) days of ratification (as well as other shipping systems when it is technologically feasible) a function that will prompt the driver when a specific type of fund is to be collected for each C.O.D. delivery (e.g., certified funds, cashiers check, money orders). The Employer will notify the Union prior to the installation of the prompts or as the system is expanded. If the driver collects an improper check, the Employer shall inform the driver of that acceptance.

The Employer shall make a reasonable effort to collect for losses due to bad checks, to include a driver follow-up, and an attempt by the manager or his designee to meet with the consignee and a letter to the consignee requesting payment, when appropriate. Should a driver who has been held liable for restitution choose to pursue legal recourse against the consignee, the Employer will provide any necessary documents to aid the driver in processing a claim through the courts. The employee shall not be held liable for restitution or disciplined if he/she accepts an irregular check if a reasonable person would have accepted the check. No employee shall be subject to restitution or discipline unless the Employer brings the bad check to the employee's attention within fifteen (15) business days after receiving a written shipper notice of claim.

No action shall be taken by the Employer under this section until the

ARTICLE 10

grievance procedure is invoked and concluded. In such grievance hearings the Employer shall present its case first.

Reimbursement schedules shall be reasonable and fair, based upon the circumstances of each case.

The Employer will not post or make available for viewing in the work place any employee's social security number or home telephone number. In areas where bidding systems require both a signature and a phone number, an employee will have the option of providing his/her phone number privately to the person controlling the bid.

Section 3.

The Employer shall reimburse employees for loss of personal money or personal property in a holdup or vehicular accident while on duty, up to a maximum of two hundred dollars (\$200.00) per employee, provided the employee promptly reports such holdup or vehicular accident to the Employer and the police, and cooperates in the investigation of such holdup or vehicular accident. Employees shall be paid for all time involved. However, reimbursement for cash loss shall be limited to one hundred dollars (\$100.00).

ARTICLE 11 [RESERVED]

ARTICLE 12. POLYGRAPH /TIMECLOCKS

No applicant for employment and no employee will be required to take any form of a lie detector test as a condition of employment.

Upon request, an employee or the Union may inspect the record of an employee's time recorded on the DIAD or other device for previous days' work. An employee will be permitted to examine the operation record for the current pay period for the purpose of ascertaining his/her hours worked. If an employee has an issue with his/her hours worked for a particular day, the Employer will provide the employ upon written request, with a print out of his/her hours worked.

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The Employer shall not alter the information from the DIAD board, or information recorded through the use of any other technology, so as to diminish an employee's compensable time, without the employee's knowledge. Further, the Employer shall post for an employee's review, a copy of the PTE edits for each day. No supervisor shall use a DIAD, or any other information recorded through the use of any other technology, under the name of an hourly employee unless the employee is present. This includes for the purpose of training and demonstration.

Employees will not be responsible for any work performed by another employee using any electronic device under their name.

The Employer agrees to provide forms for the employee to record his/her starting and ending times

When requested by the Union, time clocks will be left in place for employees to record their work hours for their own personal use.

ARTICLE 13. PASSENGERS

No driver shall allow anyone, other than employees of the Employer who are on duty, to ride on their truck except by written authorization of the Employer, except in cases of emergency arising out of disabled commercial equipment, accidents, or an Act of God, in accordance with Department of Transportation regulations.

ARTICLE 14. COMPENSATION CLAIMS

Section 1.

When an injury is reported the reference number will be given to the employee and when requested, a copy of the injury report will be furnished to the employee within two (2) working days of such request. A copy of the injury report will also be furnished to the Local Union if requested by a Local Union official.

The Employer agrees to cooperate toward the prompt disposition of

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employee on-the-job injury claims. No employee will be discipline or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, without his/her consent.

The Employer shall provide the Union Co-chair of the National Safety and Health Committee with current summaries of the essential functions of all positions covered by this Agreement. The Union shall have the right to challenge any such summary through the applicable grievance procedure. Any employee who is adversely affected by any such summary shall have the right to challenge such summary through the applicable grievance procedure.

Any such decisions or settlements rendered through the grievance procedure, including but not limited to, at arbitration, shall be based solely upon, and applicable to, the facts present in that individual case and shall have no precedential effect beyond that case. This stipulation is limited to cases involving or referencing essential job functions.

The Employer shall provide Worker's Compensation protection for all employees even though not required by state law or the equivalent thereof if the injury arose out of or in the course of employment.

An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. Upon receiving an employee's timely report of injury, the Employer shall not pressure an employee to continue to work. When, because of such pressure, an employee spends time in a clinic after his or her normal finish time, the time spent shall be the subject of a pay claim through the grievance procedure.

An employee who has returned to regular duties after sustaining a compensable injury, and who is required by the Worker's Compensation doctor to receive additional medical treatment during the employee's regularly scheduled working hours, shall receive the employee's regular hourly rate of pay for such time.

The Employer agrees to provide any employee injured locally immediate transportation, at the time of injury, from the job to the

ARTICLE 14

nearest appropriate medical facility and return to the job, or to the employee's home, if required. In such cases, no representative of the Employer shall be permitted to accompany the injured worker while he/she is receiving medical treatment and/or being examined by the medical provider, without the employee's consent. In the event that any employee sustains an occupational illness or injury while on a run away from the home terminal, the Employer shall obtain medical treatment for the employee, if necessary, and, thereafter, will provide transportation by bus, train, plane or automobile to the employee's home terminal, if and when directed by a doctor.

In the event of a fatality, arising in the course of employment while away from the home terminal, the Employer shall return the deceased to the home of the deceased at the point of domicile.

Section 2. Temporary Alternate Work

The Company may continue a modified work program on a nondiscriminatory basis. This program is designed to provide temporary work opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury. Employees shall be provided their guaranteed hours with a start time no more than two (2) hours earlier or two (2) hours later than their normal start time for the duration of TAW, provided the work is available. The Company will make reasonable efforts to ensure that the assignment is within this window. These guaranteed hours will be reduced as medical restrictions dictate. Pay rates for TAW assignments will be **at the employee's regular rate of pay.**

The Employer will develop a list of possible TAW assignments by location. It is understood that this list may not be all-inclusive and management maintains the right to determine the availability and designation of all TAW assignments. The Employer shall provide the names and assignments of employees on TAW upon the Local Union's request.

In areas that have existing TAW programs providing better employee benefits and protections than guaranteed by this Article, such protections and benefits will not be diminished by this Article.

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Any such program that has been, or is in effect, as of the effective date of this Agreement, shall be reduced to writing, a copy of which must be submitted to the National Safety and Health Committee and the affected Local Union. If either party wants to include non-work related injuries or illnesses under the TAW program the parties will meet and agree upon such amendment. The Employer shall also meet with the Local Union upon request to discuss any changes the Local Union may propose in the TAW program. Any unresolved issues will be referred to the National Safety and Health Grievance Committee for resolution.

Section 3. Permanently Disabled Employees

The Parties agree to abide by the provisions of the Americans with Disabilities Act. The Company shall be required to negotiate with the Local Union prior to providing a reasonable accommodation to a qualified bargaining unit employee.

The Company shall make a good faith effort to comply in a timely manner with requests for a reasonable accommodation because of a permanent disability. Any grievance concerning the accommodation not resolved at the center level hearing will be referred to the appropriate Union and Company co-chairs for the Local Area or to the Region Grievance Committee, if applicable. If not resolved at that level within ten (10) days, the grievance shall be submitted directly to the National Safety and Health Grievance Committee.

If the Company claims that the individual does not fall within the protections of the Americans with Disabilities Act, then the grievance must follow the normal grievance procedure in order to resolve that issue before it can be docketed with the National Safety and Health Committee.

Any claim in dispute concerning rights under this Section shall be addressed under the grievance and arbitration procedures of this Agreement. A grievance may be filed by an employee or the Union, notwithstanding any contrary provision in any Supplement, Rider or Addendum. The submission of a claim under this Section to the grievance and arbitration procedures of the Agreement shall not prohibit or impede an employee or the Union from pursuing their statutory rights under the Americans with Disabilities Act (ADA) or

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comparable state or local laws.

The parties agree that appropriate accommodations under this Section are to be determined on a case-by-case basis.

If a full-time employee cannot be reasonably accommodated in a full-time job, the Company may offer a part-time job as a reasonable accommodation if the employee is qualified and meets the essential functions of the job. If the employee accepts the part-time accommodation, the employee will be placed into the applicable part-time health & welfare and pension programs, will be paid the appropriate part-time rate for the job performed based on his company seniority, and will receive the part-time contractual entitlements as per the appropriate Supplement, Rider, or Addendum using his Company seniority date. This placement will not prohibit the employee from bidding on future full-time jobs for which he is qualified and meets the essential functions of the job. Should the employee not accept the part-time reasonable accommodation, he shall be allowed to be inactive for three (3) years. During those three (3) years, he shall have the ability to return to his job should he become able to perform the essential functions of the job with or without a reasonable accommodation; have the ability to bid on openings as his seniority allows, providing he can perform the essential functions of that job; and have the ability to accept the part-time accommodation referenced above. After three (3) years, his seniority shall be considered broken. Said employee shall be entitled to receive long term disability and workers' compensation in accordance with the terms of the applicable plan.

Section 3.1

Pursuant to Article 22.3 and Article 37 and notwithstanding language in the Supplements, Riders or Addenda, the Employer and the Union agree to meet and discuss certain full-time positions that may be filled by employees who can no longer perform their assigned job. When full-time openings occur, these employees will be given the opportunity to fill the opening prior to the Employer hiring from the outside. The employee must be physically fit and qualified to perform the new job. The employee placed in the opening will be

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paid the rate for the job based upon the employee's seniority.

ARTICLE 15. MILITARY CLAUSE

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

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

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

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

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<u>No. Wks</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
<u>6</u>	<u>6</u>	<u>4</u>	<u>3</u>	<u>1</u>
<u>5</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>4</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>
<u>3</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>
<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>

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

For the next contractual vacation period, the employee shall be credited with the vacation he would have accrued while he was on military leave. In no event shall the employee have less than he is entitled to based on total years of service under the applicable Supplement.

The treatment of unused vacation and the scheduling of the vacation shall be in accordance with the applicable Supplement, Rider or Addendum.

ARTICLE 16. LEAVE OF ABSENCE

Section 1.

The Employer agrees to grant the necessary time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or serve in any capacity on other official business, provided 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 Union activities, due consideration shall be given to the number of employees affected in order that there shall be no disruption of the Employer's operations due to lack of available employees.

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

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Section 2.

Any employee desiring leave of absence from employment shall secure written permission from both the Union and the Employer. The request for leave of absence shall be made in writing at least thirty (30) days before the day on which the leave is sought to commence. If the leave is not foreseeable, the employee shall submit the written request as soon as possible and shall include an explanation why the leave was not foreseeable. The Employer and Union shall respond to the request in writing within ten (10) days after receiving the request. The maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Permission for same must be secured from both the Union and the Employer. During the period of absence, the employee shall not engage in gainful employment, except as provided in Section 3 below.

Failure to comply with this provision shall result in the complete loss of seniority rights for the employees involved. Inability to work because of proven sickness or injury shall not result in the loss of seniority rights. The employee may make suitable arrangements for the continuation of health and welfare and pension payments before the leave may be approved by either the Local Union or the Employer.

Section 3. Loss of License

Section 3.1 Leave of Absence

When an employee, in any job classification requiring driving, loses his or her operating privilege or whose license has been suspended or revoked for reasons other than those for which the employee can be discharged by the Employer, leave shall be granted for such time as the employee's operating privilege or license had been suspended or revoked, but not for a period longer than **two (2) years**, provided the driver whose operating privilege or license has been suspended or revoked notifies the employee's immediate supervisor before the employee's next report to work of such suspension or revocation. The above provision need only apply to the first (1st) suspension or revocation except for suspension of commercial drivers license (CDL) of one (1) year or less duration.

Employees who take a leave of absence under this Section whose loss of operating privilege or license is the result of driving under the influence of drugs or alcohol will be allowed alternative work and to return to their job in accordance with Section 3.3 below.

Section 3.2 Alternative Work

When an employee, in any job classification requiring driving, has lost his/her license under this Article he/she shall be afforded the opportunity to displace junior, one (1) full-time or two (2) part-time, inside employees, until he/she can return to his/her driving job, not to exceed **two (2) years**, unless provided for otherwise in the Supplements, Riders or Addenda. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority. Coverage for benefits shall continue for the length of the leave of absence or for the job duration, up to **two (2) years**.

Section 3.3 Alternative Work (Alcohol/Controlled Substance)

When an employee, in any job classification requiring driving, has lost his/her license for driving under the influence of alcohol or a controlled substance he/she will be offered available inside work of one (1) full-time or two (2) part-time openings, not to exceed **two (2) years** provided that the employee is assessed by a Substance Abuse Professional (SAP) and is released to return to work by the SAP. The SAP shall establish the terms upon which the employee may return to work. The employee must also enter a rehabilitation program, if required by the SAP, within one (1) month of the SAP's assessment. The employee shall be returned to driving once he/she successfully completes the rehabilitation program, provided his/her driving privileges have been restored. The employee shall receive the appropriate rate of pay for the job performed based on his/her seniority. Coverage for benefits shall continue for the length of the leave of absence or for the job duration, up to **two (2) years**.

Any driver cited for Driving Under the Influence who does not have his/her license suspended, or who has limited driving privileges, shall be assessed by a SAP within five (5) working days of the citation.

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If the SAP determines the driver does not require rehabilitation, then he/she shall be allowed to return to driving. Until the assessment is completed, the driver shall be allowed to work inside **at his hourly wage and guarantee**. If rehabilitation is required, the above paragraph shall also be applicable. The right to rehabilitation provided in Article 35, Section 4.11 shall not be applicable to a driver who completes a rehabilitation program under this paragraph, unless, as a result of the DUI citation, the driver is convicted or loses his/her license for driving.

This Section does not apply to the employee that has lost his/her license for being disqualified for testing positive for controlled substances.

Section 3.4 CDL Qualification

This Article shall also apply in the event an employee is unable to successfully pass the DOT commercial drivers license (CDL) examination provided the employee makes a bona fide effort to pass the test each time the opportunity presents itself.

Section 4. Maternity and Paternity Leave

It is understood that maternity leave for female employees shall be granted with no loss of seniority for such period of time as her doctor shall determine that she is physically unable to return to her normal duties and maternity leave must comply with applicable state and federal laws.

A light duty request, certified in writing by a physician, shall be granted in compliance with state or federal laws, if applicable.

Paternity leave shall be granted in accordance with Section 6 of this Article with the exception of employees not able to meet the qualifications set out in Section 6, who shall be granted leave not to exceed one (1) week.

Notwithstanding any provision to the contrary in any Supplement, Rider, or Addenda, an employee shall be allowed to designate in any vacation year paid time off up to twenty (20) days, to be used in the next vacation year, in accordance with this paragraph. Any paid time

off that is provided on a weekly basis can only be banked in weekly increments. The accrued paid time off may be used in the next vacation year to cover any period of time that (1) the employee is determined to be unable to perform her job due to pregnancy (for the father, time off is requested due to the birth) and (2) is not covered by the FMLA, existing disability plans or other paid time off. If the accrued time off is not used in that year, it will be paid to the employee within two (2) weeks of the request. If the vacation is not used as part of the leave, and it would have originally been taken in that vacation year, the employee shall also have the option of rescheduling the unused vacation as time off in accordance with local practice.

Section 5. Rehabilitation Program - Leave of Absence

An employee shall be permitted to take a leave of absence for the purpose of undergoing treatment in an approved program for alcoholism or substance abuse. Employees may use the United Parcel Service Employee Assistance Program (EAP), a Union sponsored rehabilitation program, as well as any other referral service in choosing an approved program for treatment.

Employees shall be permitted to take advantage of a rehabilitation program once every five (5) years, three (3) times lifetime maximum, under all conditions of this Article.

The leave of absence must be requested prior to the commission of any act subject to disciplinary action except as provided in Article 35, Section 3 and Section 4. The leave of absence shall be for a maximum of ninety (90) days; additional time may be granted if it is mutually agreed between the Company and the Union, or requested by the Substance Abuse Professional (SAP). While on such leave, the employee shall not receive any of the benefits provided by this Agreement, Supplements, Riders and/or Addenda, except the continued accrual of seniority.

If an employee voluntarily enters such a rehabilitation program, under the provisions of the Article, the following shall apply:

1. Before returning to work, the Employer shall ensure that the employee is "alcohol/drug free". This requirement shall be satisfied

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when the employee has provided a negative drug test result, as per cutoff levels contained in Section 3.3 or Section 3.4 of Article 35, as applicable, and/or an alcohol test with an alcohol concentration less than .02. **The Employer will make all reasonable efforts to conduct all return-to-work testing, conference calls, and examinations within five (5) working days of completion of a rehabilitation program.**

2. Within one (1) year of the date on which an employee returns to work, the employee may be subject to unannounced alcohol/drug testing, as specified in the return to work agreement. The one (1) year period may be extended only by the SAP and must be substantiated by written verification of the SAP.

3. Unannounced alcohol/drug testing for the above-mentioned employee, if required shall be determined by the SAP as provided in this Article. The date, time and place of collection for alcohol/drug testing, if required, shall be determined by the SAP.

4. Failure to comply with the after-care treatment plan or a positive specimen as part of the after-care treatment plan will result in discipline pursuant to Article 35, Sections 3.13 and 4.11.

All alcohol/drug treatment agreements including pre-care, aftercare and return to work agreements entered into shall be confidential and signed by the employee and the SAP overseeing the treatment program and must have been approved by the Local Union business agent prior to the employee's signature. The post-care agreement shall comply with all provisions of this Article.

The Employer agrees to recognize the employee's rights to privacy and confidentiality while being party to such an agreement. The Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps taken to insure that the entire process does nothing to demean, embarrass or offend the employee unnecessarily.

Section 6. Family and Medical Leave Act (FMLA)

All employees who have worked for the Company for a minimum of twelve (12) months and worked at least 1250 hours during the

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past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months is eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one half (1/2) of the time provided by the FMLA.

Eligible employees are entitled up to a total of 12/6 weeks of unpaid leave during any twelve (12) month period for the following reasons:

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

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

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the 12/6 week leave period. The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense.

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

ARTICLE 17. PAID FOR TIME

All employees covered by this Agreement shall be paid for all time spent in service of the Employer. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work and registers in and until the employee is effectively released from duty. All time lost due to delays as a result of overloads or certificate violations involving federal, state or city regulations, which occur through no fault of the driver, shall be paid for by the Employer.

The Employer will not allow employees to work prior to their start time without appropriate compensation.

Wages for properly selected vacations, in all instances, will be paid to the employees no later than the workday prior to their vacation.

If the employee does not receive his/her vacation check, the Employer will make all reasonable efforts to provide the check the following day including delivery by Saturday or Next Day Air.

If the employee requests to see his vacation check on the Monday as permitted below and the Employer fails to make the vacation payment available by Saturday following the employee's regular scheduled pay day, the employee shall be paid an additional amount equal to one-half (1/2) of his or her daily guarantee at his or her regular hourly rate of pay for every subsequent pay period until the shortage is corrected. Other shortages involving more than **forty** dollars (**\$40.00**) for full time employees, and **fifteen** dollars (**\$20.00**) for part-time employees, will be corrected and the payment will be made available to the employee at his/her reporting location on his/her second scheduled workday after reporting the shortage. If the Employer fails to make the payment available on the employee's second scheduled workday and the shortage was the result of the Employer's error, the employee will be paid an additional amount equal to one-half (1/2) of his/her daily guarantee at his/her regular hourly rate for every full pay period in which the shortage is not paid after the second (2nd) scheduled work day, until corrected.

Errors of less than **forty** dollars (**\$40.00**) for full-time employees or **twenty** dollars (**\$20.00**) for part-time employees and overages will be corrected in the following weekly paycheck.

Any grievance settlement not paid within ten (10) working days of the settlement shall entitle the grievant(s) to a penalty payment as

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outlined above. The ten (10) working day period shall begin to run when the Labor Department representative agrees to the settlement, or is notified by the Union or management team of the settlement. The Employer shall pay a maximum of one penalty payment for a multi-grievant grievance, which shall be subject to the additional penalties set forth above for untimely payment, until corrected.

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

All employees must receive their vacation pay in a separate check before taking vacation. Vacation checks for an employee, who is taking a properly scheduled vacation in accordance with the applicable Supplement, Rider or Addendum, will be at the operating center on Monday of the week prior to the employee's vacation week(s). This is to ensure that the employee receives his/her pay prior to taking his/her vacation. The employee will be shown his/her check upon request, but will not receive the check until the regular scheduled pay day.

All green checks will be taxed at the employee's regular withholding tax rate.

Paycheck stubs will show the year-to-date vacation, sick and personal leave balances.

ARTICLE 18. SAFETY AND HEALTH EQUIPMENT, ACCIDENTS AND REPORTS

Preamble

The Employer and the Union agree that the safety of the employees and the general public is of utmost importance.

The Employer and the Union have developed the following Sections and Subsections of this Agreement to respond to that mutual concern for safety. The contract language responds to a variety of areas

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related to safety, health, ergonomics, climatic conditions as well as federal, state and local laws dedicated to providing a safe and healthy workplace.

To address safety and health issues, the Employer and the Union have developed the following:

- (a) A National UPS/IBT Safety and Health Committee;
- (b) A National UPS/IBT Safety and Health Grievance Committee to respond to safety, health, ergonomic and climatic issues and concerns; and
- (c) A Safety and Health Committee, chaired by the UPS Director of Health and Safety and the IBT Director of Safety and Health, will be formed to address present and future safety and health issues and solutions; and
- (d) Local area joint labor/management committees comprised of bargaining unit members and management to address job related safety and health concerns through the Comprehensive Health and Safety Process (CHSP).

Notwithstanding the employee's right to contact federal, state or local agencies, it is the recommendation of the committee that issues and concerns, regarding this Agreement, should first be brought before the National Safety and Health Committee.

Union requests to access Company vehicles and/or facilities for the purpose of investigating safety and health issues shall proceed as follows:

Upon request of a Local Union, and with the approval of the UPS/IBT National Safety and Health co-chairs, representatives of the Union, accompanied by Company representatives, will be provided reasonable and necessary access to the Company's vehicles and/or facilities for the purpose of investigating safety and health issues.

Should the UPS/IBT National Safety and Health co-chairs not reach agreement on an access request, the matter shall be referred to the

Employer's Vice President of Labor Relations and the Co-Chair of the Teamsters United Parcel Service Negotiating Committee for resolution.

Section 1. Employees' Rights - Equipment, Vehicles and Conditions

The Employer shall not require employees to take out on the streets or highways any vehicle, or use any type of equipment, that is not in a safe operating condition or equipped with the safety appliances prescribed by law. First line trailers will be swept on a daily basis. All package cars and tractors will be maintained in a clean and sanitary condition including mirrors and windows.

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

It shall not be a violation of this Agreement, or cause for disciplinary action, where employees refuse to operate equipment or a vehicle when such operation constitutes a violation of any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe conditions as set out in any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health to include Part 392.14 of the Federal Motor Carrier Regulations.

Section 2. Out of Service Equipment and Vehicle Reports

All equipment which is refused, or has been written up for repair, because not mechanically sound or properly equipped, shall be appropriately tagged, and placed out of service, so that it cannot be used by other drivers, or employees until the Automotive/Maintenance Department has adjusted the complaint.

Employees shall immediately, or at the end of their shifts, report all

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known defects of equipment on a suitable form furnished by the Employer. The Employer shall not ask or require any employee to utilize equipment that has been reported by any other employee as being in an unsafe condition. Such equipment will be red tagged, as necessary, by automotive/maintenance personnel. The tag must not be removed until the Automotive/Maintenance Department has determined that the vehicle/equipment is in a safe operating condition or, where no Automotive/Maintenance Department exists, qualified management will make the deciding determination.

Management not qualified to make such a determination, will consult with qualified automotive/maintenance personnel before removing a red tag. The person making the decision will sign off the car condition report or other form required by law. Any automotive/maintenance person consulted will be noted on this report.

When the occasion arises where an employee gives a written report on forms in use by the Employer of a vehicle/equipment being in unsafe working or operating condition and receives no consideration from the Employer, the employee shall take the matter up with an officer of the Union, who will take the matter up with the Employer. But in no event shall an employee be required to operate a vehicle/equipment that is unsafe or in violation of any federal, state or local, rules, regulations, standards or orders applicable to equipment or commercial motor vehicles.

Copies of the car-condition reports or Driver Vehicle Inspection Reports (DVIR) will be available in centers for review by drivers. Upon notification, drivers may make copies of said reports in facilities that have copy equipment. In facilities with no copy equipment, the employee will be provided a copy as soon as practical, when requested. In no case will the copy of the DVIR remain valid after the DOT retention requirement [ninety (90) days] or the original DVIR expires. The current DVIR will be maintained in each vehicle between completion of Preventative Maintenance Inspections (PMI). Other copies will be made available for review by drivers as required by the Federal Motor Carrier Safety Act (FMCS), 49 CFR 396, as applicable to the Employer.

Section 3. Accidents and Reports

Any employee involved in any accident shall immediately notify the Employer.

When required by the Employer, the employee, before the end of the employee's shift, shall complete a report of the accident including all available names and addresses of witnesses to the accident.

The reference number will be given to the employee, and when requested, a copy of the accident report will be furnished to the employee within two (2) working days of such request. A copy of the accident report will also be furnished to the Local Union if requested by a Local Union official. In cases of equipment accidents where a Driver's Report of Accident form is completed, the employee will be given a copy of the form the same day, when requested.

In facilities with no copy equipment the employee will be provided a copy as soon as practicable.

In the event of a vehicle accident, the Employer shall have twenty (20) days to complete its investigation, if warranted, and ten (10) days to take disciplinary action, if any, unless otherwise mutually agreed. Except for serious accidents, where the driver may be presumed to be at fault, a driver will not be removed from the payroll during an investigation of the accident.

A serious accident is defined as one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle, or;
4. Any vehicular contact with an aircraft which results in damage that grounds such aircraft, or;
5. There is an accident involving a motor vehicle on Company property, outside of any building, that results in a fatality or bodily

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injury to a person, who as a result of the injury receives medical treatment away from the scene of the accident.

The driver will be entitled to non-driving work during this period at his/her normal rate of pay.

The Employer and the Union mutually agree that the employee's rights to Union representation will be protected pursuant to Article 4 of the National Master UPS Agreement.

Section 4. Seats

The Employer will provide **high-back** air-ride seats in all new tractors and when replacing the driver seat in present tractor equipment. Such seats shall be maintained in a proper and reasonable condition.

When replacing the seat cushion in package cars where the seat is attached to a post, the Employer will use the new soft ride cushion agreed to. When replacing the seat back, the Employer agrees to provide the new seat back with the adjustable lumbar support feature. Seat backs will be replaced as needed subject to availability from the manufacturer. In all new P-32 through P-120 vehicles, the Employer agrees to provide multi-adjust seats.

Section 5. Sun Visors

Employer approved replacement sun visors will be provided upon request on all equipment.

Section 6. Building Heat

Centers will be heated, where practical.

On a facility-by-facility basis, the Employer will evaluate whether additional ventilation or heat is needed for purposes of safety and health. This will include clerical work areas outside of office structures in the UPS facilities. Should clerical employees have concerns with respect to these two (2) issues, they shall be addressed by the appropriate local CHSP Committee. Should the local CHSP Committee not satisfactorily address the issue, a grievance may be filed and would be sent directly to the National Safety and Health Grievance Committee.

Section 6.1 Indoor Air Pollution

Motor vehicles shall be physically connected to a local exhaust ventilation system when the operations in the shop require that the vehicle engine be idled or otherwise operated. Shop areas shall be designated as separate walled-in areas.

The Employer will instruct drivers of motor vehicles not to allow vehicles to unreasonably idle while indoors.

Section 7. Trailer Configuration

The Employer will make every effort to have the heaviest loaded trailer as the lead trailer. If the percent of load in one (1) trailer exceeds the other by twenty-five percent (25%) or more, such trailer shall be the lead trailer, except when state or federal regulations require otherwise. However, if the driver feels the percentage exceeds twenty-five percent (25%) in the rear trailer or the unit does not handle properly, he/she may contact management and will be authorized to switch the unit and be paid for such time.

Section 8. Radios

Radios will be allowed in package cars. Such radios shall not inhibit the driver's view, nor shall they be unsecured.

The use of Citizen Band (C.B.) Radios, not to exceed five (5) watts, shall be permitted in all feeder road equipment as follows:

- a. Operators of C.B. Radios must conform to FCC rules and regulations and be properly licensed and license be on record with the Employer.
- b. Head sets and earphones shall not be allowed.
- c. The Employer will not be responsible in any way for any damage or loss of C.B. Radio equipment.
- d. All power hookups and antenna brackets shall be provided and installed by the Employer.

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e. Antennas shall be so installed that they do not interfere with the operation of the wash rack or restrict the vision of the driver.

Section 8.1 Distracted Drivers

The Employer and Union recognize that there are various federal, state and local statutes, regulations and ordinances on the use of hand held devices while a commercial motor vehicle is in motion. In the interest of the safety of our drivers and the general public, drivers must comply with the applicable restrictions. The Employer will use its best efforts to educate drivers on the restrictions applicable in each geographic area.

Section 8.2 Non-Driving Employees

The use of hand held devices by non-driving employees will be with the approval of the Employer.

Section 9. Tires

Only first-line tires will be used on the steering axle of feeder road equipment, including P80's used as feeders. In case of breakdown a temporary replacement other than a first-line tire may be used to return to the home terminal. The Company agrees to not mix radials and bias ply tires on the same unit.

Section 10. Shocks

Where the manufacturer recommends and provides shock absorbers as standard equipment, properly maintained shocks on such equipment shall be considered as a necessary and integral part of that assembly.

Section 11. Mirrors

All vehicles shall be equipped with regular mirrors and a convex mirror.

New feeder road equipment shall be equipped with heated mirrors. Any feeder road equipment not presently equipped shall be

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equipped with heated minors when the mirrors require replacement. The Employer shall continue to install and maintain the agreed to camera monitor backing system devices in all package cars for the furtherance of safety while backing. If technological advances would allow a more effective system or enhancements in the current system, the Employer shall meet with the Union to discuss and review any potential changes.

Upon request, cab-over tractors with a lower window on the right side door will be equipped with a convex mirror on the door.

Section 12. Dollies

All new dollies placed into service shall be counter balanced (max 70 lb. lift weight) with handles on the tongue. All dollies in the system will be counter balanced for 70 lb. lift weight and have handles on the tongue.

Section 13. Exhaust Systems

All new diesel tractors added to the fleet after January 1, 1994, shall be equipped with a vertical exhaust stack. **Recognizing the advances made in the reduction of diesel emissions, the chairmen of the National UPS/IBT Safety and Health Committee shall meet to discuss a pilot program involving alternative tractor exhaust systems.** Package car exhaust systems, when replaced, shall exit to the side of the vehicle.

Section 14. Package Cars

All new package cars, P-32 and larger, added to the fleet shall be equipped with package compartment venting. Upon ratification of this Agreement, the Climatic Conditions Committee shall meet to evaluate and, if needed, recommend appropriate method(s) for venting the package compartments. The installation of cab compartment fans will be determined by individual districts.

All requests for door handle shields coverings will be complied with in a timely manner.

When requested, package cars larger than a P-32 will have grab

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handles located on the curb side of the package car and mounted on the inside, and will be equipped with mounting brackets to secure hand carts. The Employer will make every effort to require all new package car designs to have lower cab entry steps.

Gear shift extensions shall be addressed on a case-by-case basis. All new package cars placed into service shall be equipped with power steering.

The Employer will replace package cars at a rate no less than the percent replaced over the duration of the prior contract that expired July 31, 2008. The Union will be notified if the Employer cannot meet this schedule because of volume downturns.

A package car will be equipped with a hand cart at the driver's request.

Section 14.1 Driver Safety and Security

The bulk head door release in package cars must be accessible from the inside as well as the outside in order to enable exit from the package compartment.

Section 15. Heaters and Defrosters

The Employer shall install and maintain heaters and defrosters on all trucks and all safety equipment required by law. Complaints regarding heaters or defrosters not being in proper working order shall be addressed pursuant to the red-tagging procedures under Article 18, Section 2.

Section 16. Noise Abatement

All new package cars and feeders, will be ordered to comply with Federal Motor Carrier Safety Regulations (FMCSR), regarding in cab noise levels.

Section 17. Vehicle Integrity

The Employer agrees to maintain all door and engine compartment seals in order to eliminate, as much as possible, fumes, dust and

moisture in the package car.

Section 18. Vehicle and Personal Safety Equipment

All automotive vehicles shall be equipped with a manufacturer certified seat belt restraint system. Jump seats shall be equipped with a safety belt. Three-point shoulder harness safety belts shall be provided on the driver's side of all new vehicles, and on the jump seat for all new P-32 through P-120 vehicles and all new 24-foot vans. It shall be required that the driver's seat belt and the jump seat safety belt be worn at all times when the vehicle is moving.

Feeder tractor door locks, where provided as original equipment, shall be maintained in working order.

Golf cart usage will comply with applicable federal, state and local regulations.

Section 19. Qualification on Equipment

If the Employer or a government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with his/her Employer, the Employer shall allow such regular employee the use of the equipment so required in order to take the examination.

Section 19.1. Clerical Areas

Any issues that may arise with regard to anti-fatigue mats for clerical areas shall be referred to the appropriate local CHSP Committee for investigation. Should the local CHSP Committee not satisfactorily address the issue, a grievance may be filed and would be sent directly to the National Safety and Health Grievance Committee.

Section 20. National UPS/IBT Safety and Health Committee

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Section 20.1 National UPS/IBT Safety and Health Committee - Safety, Health and Equipment Issues

The Employer and the Union shall maintain a National UPS/IBT Safety and Health Committee. The Committee shall be governed by the terms of this Agreement and by an agreed to set of rules of procedure.

It is the responsibility of the Committee to provide guidance and recommendations on all factual issues, involving safety and health (including ergonomic issues) and equipment, affecting employees covered by the National Master United Parcel Service Agreement. The Committee is also charged with the responsibility to review and approve the development and implementation of the CHSP. At the discretion of the chairmen, it may also consider any subject pertaining to the safety and health of the employees covered by this Agreement which it deems significant. Such Committee shall convene on a regular basis, with an agenda to be agreed to by the respective chairmen.

As agreed by the chairmen, the Committee may establish such subcommittees as it deems necessary to address matters affecting safety and health.

Section 20.2 - National UPS/IBT Safety and Health Grievance Committee

The Committee shall also serve as the National UPS/IBT Safety and Health Grievance Committee. All interpretations and grievances, of a factual nature, arising under but not limited to Articles 18 and 35 of the National Master UPS Agreement shall be heard by the Committee, pursuant to Article 8, of the National Master UPS Agreement, and the rules of the National Grievance Committee.

Decisions of this Committee shall be final and binding on all parties. Cases that are deadlocked by the Committee, unless called to the National Grievance Committee by mutual agreement of the National Chairpersons, may proceed to arbitration.

The Committee shall meet in conjunction with the National Grievance Panel to resolve all cases on its agenda.

Section 20.3 Climatic Conditions Committee

The National UPS/IBT Safety and Health Committee is also responsible for the Climatic Conditions Committee, formulated to review severe climatic conditions that may seriously affect employees in different geographic areas.

The Committee shall have the authority to resolve factual issues before it and its decision will be final and binding. Cases that are deadlocked by the committee shall be referred to the National Grievance Committee.

Section 20.4 Safety and Health Committees

There shall be Safety and Health Committees to cover all full-time and part-time employees. There shall be one (1) committee per Center unless the number of employees and/or job classifications within a center dictate the establishment of more than one (1) committee. The respective committees will be comprised of a mutually agreed to number of bargaining unit representatives and up to an equal number of management representatives.

Recognizing the importance of the role of the Safety and Health Committees in resolving the issues of safety, the Employer and the Union reaffirm their commitment to the active involvement of the Committees in such processes, in accordance with the terms of this Article.

The Local Union shall approve the bargaining unit members who serve on these Committees. The Union co-chair of the committee(s) shall be selected by the bargaining unit members of the committee. In the event that a Local Union desires to cease participation in the safety committees, prior approval must be authorized by the Union Co-Chair of the Teamsters United Parcel Service National Negotiating Committee who shall also inform the Employer's President of Labor Relations of the request.

Bargaining unit members may not perform Safety Committee observations of fellow bargaining unit members that can be interpreted as being a management role. Safety Committee

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observations shall only be performed to further the purposes of that Committee as defined in this section and to promote a safer work environment. Activities will be reviewed with the Local Union. Under no circumstances can the results of a Safety Committee observation be used in any level of discipline, nor reference any individual bargaining unit member.

Each committee shall meet at least once each month at a mutually agreeable time and place. The Employer shall provide committee members with adequate time to perform committee functions, as described in paragraphs 1 through 7 below.

Each committee shall perform functions including, but not limited to:

1. Creating sub-committees, on an as needed basis, to investigate specific issues of safety and health concern. These committees shall report to the full committee.
2. Developing and maintaining minutes for all meetings, with copies to all committee members and posted on designated safety bulletin boards.
3. Conducting periodic inspections of the facility to ensure that there is a safe, healthful and sanitary working environment in each center.
4. Accompanying governmental, union, and/or Company health and safety professionals on facility inspection tours. The Employer may limit the number of bargaining unit members of the committee accompanying such an inspection tour.
5. Receiving information pertaining to lost workday injury/accident causes and review results of the investigation of such injuries/accidents.
6. Receiving copies of the center's OSHA Illness and Injury logs and the facility's man-hours.
7. Receiving the Company sponsored training to enable committee members to effectively perform their respective functions as safety and health committee members.

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Any information provided to a CHSP committee will not be shared outside the committee without the Employer's consent.

If the committee is unable to resolve a safety and health concern and all steps of the Comprehensive Health and Safety Process (CHSP) have been exhausted, the issue will be subject to the grievance procedure.

Section 21. Hazardous Materials Handling Program

The Employer and the Union in compliance with the Occupational Safety and Health Administration (OSHA) have developed a comprehensive program to deal with hazardous material spills, the UPS Damaged Package Response procedure. As a result of the Agreement, the Employer developed a training program for individuals who are responsible for responding to spills of hazardous materials.

The Employer agrees to:

1. Provide twelve (12) hours of training, and the proper equipment, to those employees involved in the clean-up of hazardous material spills. All designated responders, when positions become open, will be selected in seniority order. The Employer will allow first responders to resign their position with written notice given at least sixty (60) days prior to their annual certification. The resignation will become effective upon completion of training of a replacement. The Employer may disqualify such employees from holding the position of designated responder for a period of one (1) year.
2. Provide one (1) hour of awareness training to every employee who handles packages potentially containing hazardous materials.
3. Conduct training for new employees during orientations and for current employees during normal working hours, with all employees compensated at the appropriate rate of pay.
4. Provide the necessary medical examination for designated first responders at no cost to the employee.
5. Provide annual refresher training to all employees.

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6. Comply with all applicable state and federal OSHA regulations regarding hazardous materials.

7. Identify, process and store all hazardous type waste, resulting from spilled or leaking packages, in accordance with all applicable federal, state and local laws. Processing of hazardous material spills will be initiated and completed as soon as practicable, but in all events prior to the hazmat responder being assigned to other nonhazmat duties or completing his/her shift. The Employer designated processing area will be properly ventilated.

8. Conduct emergency evacuation drills on an annual basis.

9. The Employer will hold meetings, with the designated responders, on a scheduled basis, and when necessary will hold special meetings, to discuss and resolve problems or concerns related to hazardous material handling, clean-up and storage of hazardous materials. The Employer agrees to resolve any problems or concerns as expeditiously as possible.

The National UPS/IBT Safety and Health Committee is also responsible for an Occupational Safety and Health Subcommittee to provide training recommendations for handling hazardous materials, toxic and other harmful substances for appropriate bargaining unit employees.

This Committee shall function as part of the National UPS/IBT Safety and Health Committee and shall review UPS hazardous materials training programs and make recommendations for improvements in:

1. Training course content, material and frequency.

2. Equipment needed.

3. Other related issues deemed appropriate by the Committee. Failure of the subcommittee or the National UPS/IBT Safety and Health Committee to reach an agreement will result in the unresolved issue being processed under the National Grievance procedure rules.

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Section 22. Incompatible Package Handling

The Employer agrees that all irregular or incompatible packages such as bars, buckets, exposed metal parts, tire rims, etc., shall be given special handling in accordance with UPS handling methods and local conditions.

Section 23. Union Liability

Nothing in the Agreement or its Supplements relating to health, safety or training rules or regulations shall create or be construed to create any liability or responsibility on behalf of the Union for any injury or accident to any employee or any person or does the Union assume any such liability or responsibility.

The Employer will not commence legal action against the Union, on a subrogation theory, contribution theory, or otherwise, as a result of the Union's negotiation of safety standards contained in this Agreement or failure to properly investigate or follow-up Employer compliance with those safety standards.

ARTICLE 19. POSTING

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 20. EXAMINATION AND IDENTIFICATION FEES

Section 1. Required Examination

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Physical, mental or other examinations required by a government body or the Employer shall be promptly complied with by all employees; provided, however, the Employer shall not pay for any time spent in the case of applicants for jobs, but shall be responsible to other employees only for time spent at the place of examination or examinations where the time spent by the employee exceeds two (2) hours, and in that case only for those hours in excess of said two (2). Examinations are to be taken at the employee's home area and are not to exceed one (1) in any one (1) year, unless the employee has suffered serious injury or illness within the year. Employees will not be required to take examinations during their working hours, unless paid by the Employer for all time spent. Employees shall be given reasonable notice of dates of examinations.

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

Section 2. Return to Work Examination

It is understood by the Employer and the Union that once an employee notifies the Employer that he/she has been released to return to work by the employee's doctor, the Company doctor must examine the employee within three (3) working days from the time the employee brings the return-to-work slip to the Employer.

Section 3. Third Doctor Procedure

The Employer reserves the right to select its own medical examiner or doctor and the Union may, if it believes an injustice has been done an employee, have said employee re-examined at the employee's expense. If the two (2) doctors disagree, the Employer and the Union shall mutually agree upon a third (3rd) doctor within ten (10) working days, whose decision shall be final and binding on the Employer, the Union and the employee. Neither the Employer nor the Union will attempt to circumvent the decision of the third (3rd) doctor and the expense of the third doctor shall be equally divided between the Employer and the Union.

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

Section 4. Disqualified Driver - Alternative Work

Except as provided for in Article 16, a driver who is judged medically unqualified to drive, but is considered physically fit and qualified to perform other inside jobs, will be afforded the opportunity to displace the least senior full-time or part-time inside employee at such work until he/she can return to his/her driving job unless otherwise provided for in the Supplements, Riders or Addenda. While performing the inside work, the driver will be paid the highest part time rate as an employee with equivalent seniority or current area practice. If no full time inside position is available, the Employer will meet with the Local Union to develop a full-time position, if possible out of available work.

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

Section 5. Identification

Should the Employer find it necessary to require employees to carry or record full personal identification, such requirements shall be complied with by the employees. The cost of such personal identification shall be borne by the Employer.

All management personnel shall wear a name tag identifying them as supervision while on duty.

ARTICLE 21. UNION ACTIVITY

Any employee member of the Union acting in any official capacity whatsoever shall not be discriminated against for acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination

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against any employee because of union membership or activities. Any employee shall have the right to wear a Union pin where there is a practice affording such a right.

ARTICLE 22. PART-TIME EMPLOYEES

Section 1.

No part-time employee shall drive except:

- (a) when no full-time employee or combination full-time employee is on the premises;
- (b) to avoid delay in the work; or,
- (c) as provided for in Article 40 Air Operation.

Section 2.

The number of permanent full-time inside jobs in each Local Union area as of April 30, 1979, shall be guaranteed from replacement by part-time employees. In addition, the number of permanent full time inside jobs created after April 30, 1979, under the provisions of Section 3 will also be guaranteed from replacement by part-time employees. The exception to the above will be in cases of bona fide agreements prior to the ratification of this Agreement.

Section 3.

The parties agree that providing part-time employees the opportunity to become full-time employees is a priority of this Agreement. Accordingly, the Employer commits that during the life of this Agreement, it will offer part-time employees the opportunity to fill at least twenty thousand (20,000) permanent full-time job openings throughout its operations covered by this Agreement.

This commitment shall include the obligation to create at least twenty-three hundred and fifty (2350) new full-time jobs from existing part-time jobs during the first three (3) years of this Agreement throughout its operations covered by this Agreement;

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five hundred (500) in each of the first two contract years and thirteen hundred fifty (1350) in the third year of this Agreement. In creating these jobs, the Company shall be allowed up to one and one half (1.5) hour gap between jobs in a workday notwithstanding any provision in any Supplement, Rider or Addendum that is more limiting. Any disagreements will be referred to the Chairs of the National Negotiating Committee for resolution.

The number of full-time jobs created under Article 22, Section 3 of the 1997-2002 and the 2002-2008 Agreements shall not be reduced. Within sixty (60) days of the ratification of this Agreement the Employer shall provide the International Teamsters Union a report detailing and identifying the full-time jobs which will need to be maintained pursuant to this paragraph.

Section 4.

Part-time employees shall be given the opportunity to fill full-time jobs before hiring from the outside on a six-for-one basis (six (6) part-time to every one (1) outside hire).

The following will be incorporated into the job selection procedures in the applicable Supplement, Rider or Addendum:

The Employer will fill all vacancies and permanent new jobs for part-time employees from the part-time selection list in all months except November and December.

Part-time employees with six (6) months or more seniority shall have the right to place their name on the list of employees waiting to be moved to a preferred job within their building. Such preferred jobs shall include, but not be limited to: Preload, Sorter, Clerical, Irregular Train, Designated Responder, Carwasher, Loader and Unloader. Employees do not have the right to select any specific unit, load or workstation unless a prior past practice has been established.

Part-time employees with less than six (6) months seniority shall have the right to bid a preferred job prior to the Employer hiring from off-the-street.

A maximum of twenty-five percent (25%) of the employees on a

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shift shall be allowed to change shifts in any one (1) calendar year. The employee obtaining the new position shall remain on that shift for at least six (6) months.

Section 5. Wages

(a) Part time Employees

All part-time employees who have attained seniority as of August 1, 2013 will receive the following general wage increases for each contract year. In each of the years, the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for each year will be as follows:

2013	seventy cents (\$0.70)
2014	seventy cents (\$0.70)
2015	seventy cents (\$0.70)
2016	eighty cents (\$0.80)
2017	one dollar (\$1.00)

Part-time employees still in progression on August 1, 2013 shall receive the above contractual increases and will be paid no less than what they are entitled to in accordance with the wage schedules in Article 22, Section 5 (b) below. The progression set forth in (b) below shall be applied effective August 1, 2013.

(b) Newly hired part-time employees

All part-time employees, who are hired or reach seniority after August 1, 2013 will be paid according to the following wageschedules:

	Hourly Rate	
	Preloader Sorter	All Others
Start	\$11.00	\$10.00
Seniority plus one (1) year	\$11.50	\$10.50
Seniority plus two (2) years	\$12.00	\$11.00
Seniority plus three (3) years	\$13.00	\$12.00
Seniority plus four (4) years	\$13.50	\$12.50

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Employees working high volume direct or low volume direct shall receive the preloader/sorter rates.

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

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

Section 6. Part-Time Employee Transfer

Part-time employees who wish to transfer to another location for educational purposes may submit a written request to the Employer. If approved, the transfer shall be allowed subject to the following conditions:

- (a) A part-time opening exists at the desired location.
- (b) Employees must have attained seniority and been employed by the Employer for at least one (1) year.
- (c) Job Classification Seniority shall be end-tailed.
- (d) Company seniority shall be retained for the purpose of number of weeks of vacation, and number of holidays in accordance with the applicable Supplement at the new location.
- (e) Any expenses, including moving expenses associated with an approved transfer, shall be the responsibility of the employee.

Section 7. Benefit Entitlements

Part-time employees hired after August 1, 2008 will receive holidays, personal days and option days provided by any applicable Supplement, Rider, or Addendum no earlier than after one (1) year of active employment. This provision supersedes any provision on the same subject in any Supplement, Rider, or Addendum to the extent the provision makes holidays, personal days or option days available earlier than after one (1) year of service.

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Section 8. Part-Time UPS Cartage Services, Inc. (CSI) Employees

Part-time CSI employees shall continue to be paid in accordance with the appropriate Addenda. To the extent a part-time CSI employee has completed (or subsequently completes) any progression set forth in the applicable Addendum, he/she shall thereafter be entitled to the general wage increases set forth in Section 5(a) above.

ARTICLE 23. SEPARATION OF EMPLOYMENT

Upon discharge, the Employer shall pay all money due to the employee during the first (1st) payroll department working day. Upon quitting, the Employer shall pay all money due to the employee on the payday in the week following such quitting.

ARTICLE 24. INSPECTION PRIVILEGES

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that this Agreement is being adhered to, provided, however, that there is no interruption of the Employer's working schedule. The Employer agrees that in situations where a specific form of identification may be required by law to access a location, it will assist the Local Union in obtaining such identification so as to perform their duties consistent with this Article.

ARTICLE 25. SEPARABILITY AND SAVINGS

If any article or section of this Agreement or Supplements, Riders or Addenda, hereto, be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and Supplements, Riders or Addenda, hereto, or the application of such article or section to persons or circumstances other than those as to which it has been held invalid or as to which

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compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations after receipt of written notice of the desired amendments by either the Employer or the Union for the purpose of arriving at a mutually satisfactory replacement of such article or section during the period of invalidity or restraint. There shall be no limitations of time for such written notice. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after receipt of the stated written notice, either party shall be permitted all legal and economic recourse in support of its demands notwithstanding any provisions of this Agreement to the contrary.

ARTICLE 26. COMPETITION

The Union recognizes that the Employer is in direct competition with the United States Postal Service and other firms engaging in the distribution of express letter, parcel express, parcel delivery, and freight, both air and surface. In order to meet that competition and thereby protect and, if possible, increase the number of bargaining unit jobs, it is agreed that any provisions in this Agreement to the contrary notwithstanding, the Employer:

(a) may use substitute means of transportation (such as airplane, helicopter, ship or T.O.F.C.) in its operations; provided, however, that no feeder driver with more than three (3) years of seniority in the feeder driver classification will be laid off or displaced from a feeder classification as a result of a run being placed on the rail. However, the Employer shall not be required to remove loads from the rail to provide work for employees whose ground loads were eliminated or temporarily discontinued. Any claimed abuse of this Section by any of the Local Unions shall be subject to immediate review by the National Grievance Committee.

Merchandise that has been tendered by United Parcel Service to the railroad and moved by T.O.F.C. will not subsequently be moved by the railroad, on the ground, to its final destination. Any exception to

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the above language will be in cases of an emergency or cases where the railroad must ground the merchandise early to meet the company's service commitment. In these cases, every effort will be made to use UPS employees.

In order to expand the work opportunities for members of the bargaining unit, the Employer will consider removing additional loads from the railroad or the other substitute means of transportation specified in this Article. When the Employer removes loads on other than a temporary basis, it shall notify the Union of the number of new runs to be created as a result of moving such loads on the ground. The Employer and the Union shall agree on the most expeditious method to obtain additional personnel and/or equipment, if necessary, for the new runs to be operated by bargaining unit members. If the equipment or employees are not available, the Employer may use subcontractors for a reasonable start-up period, not to exceed thirty (30) days. The subcontracting can exceed thirty (30) days with the Union's agreement if there are problems obtaining additional personnel or equipment. Agreement under this paragraph will not be unreasonably denied by the Union. All feeder positions created as a result of returning loads to the ground shall be counted toward the Employer's obligation to create full-time jobs under Article 22.3 of this Agreement.

Bargaining unit employees will move scheduled T.O.F.C. loads from the rail yards to UPS locations except during peak season.

During peak season, the Employer will make every reasonable effort, in accordance with the appropriate Supplement, Rider or Addendum, to use current UPS employees and hire a sufficient number of employees to handle peak volume. After doing so, the Employer may use alternate means of transporting packages during peak season and will utilize union carriers whenever possible. Plans to utilize outside carriers will be reviewed and agreed with the Local Union. Such agreement will not be unreasonably withheld.

UPS shall provide its plan to the affected Local Union by October 15th of each year. This shall not preclude UPS from making subsequent alterations to the plan which shall also be reviewed with the Union.

(b) may drop loaded or empty trailers at locations designated by it,

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its customers or consignees for customer or consignee loading or unloading. It is understood that customers and consignees will not move trailers for loading and/or unloading other than on their premises. It is further understood that dropping and picking up these trailers shall be done by members of the bargaining unit.

(c) All loading and unloading of dropped shipments at UPS locations will be done by UPS bargaining unit employees.

Section 2.

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

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

Section 3.

Notwithstanding any other provision of the Agreement or any Supplement, Rider or Addendum, only the Local Union with jurisdiction in the geographic area in which a subcontracted feeder movement originates or the Teamsters United Parcel Service National Negotiating Committee in its own name shall have the right to file or pursue a grievance alleging that the movement is a contractual violation.

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Section 4 – Surepost

1) In order to retain existing commercial customers that are solicited by a competitor offering services similar to those described herein, or to attract new commercial customers, the Company may offer service contracts that include the delivery of packages by the USPS. Packages eligible for such delivery will normally be less than ten (10) pounds in weight and less than three (3) cubic feet in size, in accordance with paragraph (2) below. Further, UPS agrees that the Surepost will not be presented as a general service offering. This service will only be offered for shipping from a business to a residential customer. The Company agrees that it will not use Surepost as a basis to diminish the size of the bargaining unit.

2) The Company will continue to use and develop technology that identifies two or more Surepost packages to be delivered to the same address and/or any combination of Surepost package(s) and ground package(s) to be delivered to the same address. In such circumstances, all of the Surepost package(s) and ground package(s) will be delivered by package drivers. The Company will implement, when available, technology that identifies multiple addresses in close proximity to which any combination of Surepost and ground packages are to be delivered. Within 120 days of the effective date of this Agreement, the Company shall also develop technology that identifies oversized (greater than three (3) cubic feet) or overweight packages. Once such technology is operational, all Surepost packages exceeding ten (10) pounds or with dimensions greater than three (3) cubic feet, will be delivered by package drivers.

3) The Joint UPS/IBT Competition Committee will meet on a quarterly basis to review the progress of this service and discuss potential technological enhancements that will allow Surepost volume to be placed back in the UPS system for final mile delivery. Any issues or disputes related to the Surepost service that cannot be resolved by the Competition Committee shall be referred directly to the Chairs of the Union and the UPS National Negotiating Committees for discussion and resolution.

ARTICLE 27. EMERGENCY REOPENING

In the event of war, declaration of emergency, imposition of mandatory economic controls, the adoption of a National Health Program or any Congressional or Federal Agency action which has a significantly adverse effect on the financial structure of the Employer, during the life of this Agreement, either party may reopen the same upon sixty (60) days' written notice and request renegotiation of the provisions of this Agreement directly affected by such action. There shall be no limitation of time for such written notice. Upon the failure of the parties to agree in such negotiations, within sixty (60) days thereafter, either party shall be permitted all lawful economic recourse to support its request for revisions. If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

ARTICLE 28. SYMPATHETIC ACTION

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.

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Section 1. Jury Duty

When a seniority employee is called for jury duty service, he/she

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shall be excused from his/her regular duties on the days he/she is required to appear in court or comply with jury rules that prevent him/her from reporting for work. For any regularly scheduled workday in which time off for such jury service is granted, the full-time employee shall be paid his/her guarantee and the part-time employee shall receive four (4) hours' pay at his/her straight-time hourly rate, less any amount received as a jury duty fee if such fees are defined as wages under applicable laws. The employee shall be required, however, to turn over to the Employer adequate proof of his/her jury duty service and compensation, if any, in order to receive the compensation above provided.

Employees who are scheduled to work a day shift shall not be required to report for work on any day he/she is required to report for jury duty unless released from jury duty not less than six (6) hours prior to the end of his/her regularly scheduled shift, in which event he/she will be allowed two (2) hours from the time he/she is released from jury duty to report and work the remainder of his/her regularly scheduled shift.

Employees scheduled to work any shift other than the day shift shall not be required to report to work on any day he/she is required to report for jury duty unless he/she has been released from jury duty not less than four (4) hours prior to the start time of his/her regular shift and provided further he/she would complete such shift not less than ten (10) hours prior to the time he/she is required to report for jury duty the next/following day. Notwithstanding the above, no employee, working other than a day shift, will be required to report to work on a night if he or she has served jury duty that day and that service prevents him or her from reporting for work. **An employee's schedule will be adjusted by the Employer when possible to avoid a situation in which the employee otherwise misses more than one day of work for any day of jury duty.**

In the event an employee returns to work after being released from jury duty and works beyond his/her regularly scheduled work day such hours worked shall be compensated for at the applicable overtime rate of pay.

An employee who is required to report for jury duty during a week of previously scheduled vacation may select another available week of vacation.

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Time spent on jury duty service will be considered time worked for purposes of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements, Riders and Addenda.

The language contained in this Article will supersede any provision in any Supplement, Rider or Addendum.

Section 2. Funeral Leave

In the event of a death of a member of the employee's family, a seniority employee shall be allowed a reasonable time off to attend the funeral or other bereavement rite.

Members of the employee's family means spouse, child, or stepchild, grandchild, father, mother, brother, sister, grandparents, mother-in-law and father-in-law and step-parents.

A regular full-time employee shall be guaranteed two (2) days off to be taken between the day of death and two (2) working days following the funeral provided the employee attends the funeral or other bereavement rite. In cases involving the funeral of a relative listed in paragraph 2 above, an employee who attends the funeral or bereavement rite is guaranteed a minimum of two (2) days off.

An employee shall be allowed one (1) day off to attend the funeral or other bereavement rite of a sister-in-law or a brother-in-law. Reimbursement for this day shall be the same as provided below.

Time off shall not extend beyond the day of the funeral unless an additional day is required for travel, except as provided above. In no event will total compensated time off exceed four (4) scheduled work days. The employee will be reimbursed at eight (8) times the employee's straight-time hourly rate for each day lost from work for those employees whose regular scheduled workweek is five (5) days, and ten (10) times the straight-time hourly rate for those employees whose regular scheduled workweek is four (4) days. Part-time employees will receive the same benefits as above, paid at four (4) times the employee's hourly rate. Better conditions contained in Supplements, Riders or

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Addenda will be maintained by present employees. All employees hired after July 2, 1982 will be covered by the above language.

Section 3. Tax Deferred Savings Plan 401(k)

The Employer and the Union agree to continue the Teamster UPS National 401(k) Tax Deferred Savings Plan. The Employer shall pay the record-keeping expense for the Plan.

It is further agreed, by the Union and the Employer, that the Employer shall withhold from an employee's earnings, amounts mutually agreed between the Employer and the employee, and deposit such monies into a 401(k) account in the employee's name in compliance with the Internal Revenue Code and E.R.I.S.A. This Plan will be jointly administered by the Union and the Employer.

ARTICLE 30. JURISDICTIONAL DISPUTES

In the event that any dispute should arise between any Local Unions party to this Agreement or between any Local Union party to this Agreement and any other Union, relating to jurisdiction over employees or operations covered by this Agreement, the Employer agrees to accept and comply with the decision or settlement of the Unions or Union tribunals which have the authority to determine such dispute. The parties do not intend by this paragraph to take away the Employer's right to designate the home domicile of his employees; provided, however, that any employees adversely affected shall have recourse to the grievance procedure. The Employer further agrees that prior to the change of the domicile of any of its employees, it shall so notify the Unions directly involved.

ARTICLE 31. GARNISHMENTS

In the event of notice to the Employer that a court order has been issued requiring the Employer to withhold a percentage of an employee's wages to satisfy a garnishment, the Employer may take disciplinary action if the employee fails to satisfy such garnishment or wage assignment within a seventy-two (72) hour period after notice to the employee that the Employer is considering disciplinary action. However, the Employer may not discharge any employee by reason of the fact that his/her earnings have been subjected to garnishment or wage assignment for any one (1) indebtedness. An

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employee may be suspended by reason of the fact that his/her earnings have been subjected to garnishment or wage assignment for any one (1) indebtedness, but any such suspension must be for a fixed, stated period of time.

If the Employer is notified of three (3) garnishments or wage assignments for more than one (1) debt, irrespective of whether satisfied by the employee within a seventy-two (72) hour period, the employee may be subjected to discipline. However, the employee may not be discharged upon notice of a third (3rd) garnishment, under this provision, unless and until the Employer has actually begun withholding the employee's wages on a second (2nd) debt. If the Employer has an established practice of discipline or discharge with a fewer number of garnishments or wage assignments, or impending garnishments or wage assignments, and if the employee fails to adjust the matter within the seventy-two (72) hour period, such past practice shall be applicable, provided it does not result in the discharge of an employee prior to the actual withholding of the employee's wages for a second (2nd) debt.

A garnishment for child support or alimony shall not be considered a debt for purposes of discipline.

The Employer shall comply with federal, state and local law in enforcing the provisions of this Article. Discipline or discharge pursuant to this Article shall be reasonable and nondiscriminatory.

ARTICLE 32. SUBCONTRACTING

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

The number of car washer and porter jobs in the bargaining unit as

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of July 31, 1990 shall be guaranteed from replacement by the Employer subcontracting this work. It is further agreed that additions to the workforce in areas that currently have bargaining unit employees performing this work shall become bargaining unit members covered under this Agreement.

ARTICLE 33. COST-OF-LIVING (COLA)

All seniority employees who have completed their appropriate wage progression schedule shall be covered by the provisions of a cost-of-living allowance, as set forth in this Agreement.

Employees who have not completed their appropriate wage progression on the effective date of a COLA increase, shall receive the adjustment on a prospective basis on the date they complete their wage progression schedules.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series using 1982-1984 Expenditure Patterns), All Items (1982-84 = 100), published by the Bureau of Labor Statistics, U.S. Department of Labor" and referred to herein as the "Index".

Effective August 1, 2014 and every August 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for May 2014 (published June 2014) and every May thereafter, and the base Index for May 2013 (published June 2013) and every May thereafter, as follows:

For every two tenths (0.2) point increase in the Index, over and above the base (prior year's) Index plus three percent (3.0%) there will be a one (1) cent increase in the hourly wage rates payable on August 1, 2014 and every August 1 thereafter. These increases shall only be payable if they equal five cents (\$.05) in a year.

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction

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of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each one (1) cent increase in hourly wages, subject to the threshold set forth above.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index.

Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

ARTICLE 34. HEALTH & WELFARE AND PENSION

Section 1. Health & Welfare and Pension Provisions

(a) (i) Except as set forth in this Section 1(a), Health & Welfare and/or pension contributions shall be increased by forty dollars (\$40.00) per week on August 1, **2013** and on each subsequent August 1st during the life of the contract. Where the employees are covered by both Teamster Health & Welfare and Pension Funds in a Supplement, Rider or Addendum, the weekly health & welfare and pension contributions shall be allocated by the respective Joint Supplemental Area Negotiating Committees, subject to the approval of the Joint National Negotiating Committee.

(ii)(1) In those Supplements, Riders or Addenda, where **the full time** employees are covered by **the Central States Health**

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&Welfare Plan, the amount of money set forth in Section 1(a) above to be allocated for Health & Welfare for these full-time employees shall be as follows:

August 1, 2013 - fifty cents (\$0.50)

August 1, 2014 – fifty cents (\$0.50)

August 1, 2015 – fifty cents (\$0.50)

August 1, 2016 – (TBD based on Central States' cost)

August 1, 2017 – (TBD based on Central States' cost)

2) For years 2013 through 2015, the remaining fifty cents (\$0.50) will be allocated to the applicable Taft -Hartley Pension Plan or the UPS/IBT Pension Plan, as applicable. The health and welfare contribution increases in 2016 and 2017 will be based on Central States actual costs. In those two years, the applicable Taft-Hartley Pension Plan or the UPS/IBT Pension Plan, as applicable, will receive for a pension allocation the differential between the increase to Central States Health & Welfare Plan (CS H&W) and one dollar (\$1.00).

(iii) For those part-time employees who will be transitioning from a UPS sponsored medical plan to the Central States Health & Welfare Plan, the allocation for years 2013 through 2015 shall be fifty cents (\$0.50) to UPS for health and welfare coverage. Fifty cents (\$0.50) shall be allocated for those years for pension to UPS or a Taft-Hartley pension fund, as applicable. In years 2016 and 2017, the applicable Taft-Hartley pension plan or the UPS Pension Plan, as applicable, will receive for a pension allocation the differential between the increase to Central States Health &Welfare Plan (CS H&W) and one dollar (\$1.00)

(iv) The increases accrued under this Article on August 1st, of each year, can only be allocated to health & welfare and/or pension except as provided within this Article. Any dispute concerning the allocation of health & welfare and pension money shall be determined and/or resolved by the Joint National Negotiating Committee.

(v) If, in accordance with a duly adopted funding improvement plan or rehabilitation plan, an IBT Pension Fund is required to issue a schedule pursuant to ERISA Section 305 (added by the Pension

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Protection Act of 2006) that requires contributions in excess of those contained within this Article, the Union and the Employer shall promptly meet to negotiate changes in the Agreement to generate sufficient savings to cover the cost of the increased contributions. Agreement shall not be unreasonably withheld. Once completed, the applicable Fund shall be obligated to accept the schedule as if it was the beginning of the term of a new labor agreement.

(b) Monthly, daily and hourly health & welfare and pension contributions shall be converted from the weekly rate increases in accordance with past practice.

(c) During the life of this Agreement, the Employer will continue to make applicable contributions to all IBT Health and Welfare Funds and all IBT Pension Funds (or the successor funds in case of merger of funds) for full-time and/or part-time employees in all Supplements, Riders and Addenda where the Employer was making contributions for full-time and/or part-time employees on May 1, 1982, unless stated to the contrary in this Article or changes placing these employees in UPS plans are negotiated and agreed to by the National Negotiating Committee.

(d) In those Supplements, Riders and Addenda where the Employer was providing health & welfare and/or pension benefit coverage to employees (either full-time or part-time) on May 1, 1982, the Employer will continue to provide health & welfare and/or pension benefit coverage under the Company plan(s), with funding under the related trust(s) established by the Employer for this purpose, for the life of this Agreement unless specified otherwise in the applicable Supplemental Agreement, Rider, Addendum or this Article. **However, this paragraph will only apply through December 31, 2013, as it relates to health & welfare coverage.**

(e) All contractual provisions relating to pensions shall be provided in the respective Supplemental Agreements, Riders and Addenda. **References to Company-provided health & welfare are being deleted from the Supplements, Riders and Addenda because the Company will no longer be providing medical coverage after December 31, 2013.**

(f) The agreements on Maintenance of Benefits for Teamster Health and Welfare Plans in the Western Conference of Teamsters

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Supplemental Agreement and in the Northern California Supplement Agreement shall continue in full force and effect during the life of this Agreement. The increase in **any Supplement, Rider or Addendum as a result of a Maintenance of Benefit increases** shall be allocated as follows: fifty cents (\$0.50) per hour to Health and Welfare in each year of the contract. The remainder of the contribution increase set forth in Section 1.(a) each year will be paid into pension. **If this hourly amount does not cover the required increases in cost required by the Health & Welfare Plans, then the remainder of the forty dollars (\$40.00) per week increase will be diverted to a health and welfare contribution, instead of being available for pension.**

(g) The Employer shall not be required to contribute to any jointly trusted health and welfare plan, consistent with the practices and rules and regulations of such plan in effect as of August 1, 2013 an amount greater than the amount it contributed on July 31, 2013 plus the increases required by this Master Agreement, except as may be required by law notwithstanding any language to the contrary in any Trust Agreement, Participation Agreement or similar document. The only exception to the above is the Maintenance of Benefits provision in paragraph (f) above.

(h) In the event that **there is any change in the existing** national health care legislation is enacted, the parties agree to meet and discuss any ramifications of that legislation on the provisions of this Article.

(i) UPS Part-time Pension Plan

(1) The UPS Pension Plan will be improved to provide monthly benefits for part-time employees not covered by Teamster Pension Plans as follows: The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased effective August 1, 2004 to fifty-five dollars (\$55.00) for each year of past and future Credited Service to a maximum of thirty-five (35) years of Credited Service. The benefit formula in the UPS Pension Plan for current or future part-time employees who are participants will be increased solely for purposes of the monthly accrued benefit, effective August 1, 2008 to sixty dollars (\$60.00) for each year of future Credited Service to a maximum of 35 years of Credited Service. If a participant is in Covered Employment on

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August 1, 2008, he/she shall receive the sixty dollars (\$60.00) benefit formula for the entire 2008 plan year.

The total monthly service pension benefit will be equal to the following provided the employee meets the Credited Service requirement.

\$2,100 for retirement at any age after 35 years of part-time Credited Service

\$1,800 for retirement at any age after 30 years of part-time Credited Service

\$1,500 for retirement at age 60 with 25 years of part-time Credited Service

\$1,250 for retirement at any age with 25 years of part-time Credited Service

(2) Part-time employees will receive one (1) year of Credited Service for seven hundred fifty (750) or more paid hours. (Six (6) months of part-time Credited Service will be granted for three hundred seventy-five (375) to five hundred (500) hours worked in a calendar year, and nine (9) months of part-time Credited Service will be granted for five hundred one (501) to seven hundred forty-nine (749) hours worked in a calendar year.) This paragraph will also be applied to determine Credited Service for all full-time employees on the payroll on August 1, 2002 who were formerly participants in the UPS Pension Plan.

(3) The Employer will be responsible for funding the UPS Pension Plan as required to provide the benefits described above and will be responsible for maintaining the plan.

(4) The UPS Pension Plan will be governed by the terms of the Plan document.

(5) Effective August 1, 2002, the Employer will grant additional years of Credited Service in accordance with the terms of the Plan to all full-time and part-time employees on the payroll on August 1, 2002, who worked for UPS after they were twenty-one (21) but were denied Credited Service solely because the UPS Pension Plan required that an employee be age twenty-five (25) or older to participate in the UPS Pension Plan.

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(6) For those multi-employer pension plans with which the UPS Pension Plan does not have reciprocity, the UPS Pension Plan will execute a mutually agreeable reciprocity agreement with those plans.

(7) The Company will amend the UPS Pension Plan to allow an employee with an hour of service in covered employment on or after August 1, 2013 to become a participant on the January 1 or July 1 (whichever is earlier), after reaching age 21 and completing a 12 month period of employment beginning on their hire date, or any subsequent calendar year, in which they earned at least 375 hours of service. In addition, in order to receive any retroactive benefit service as a result of the change, the employee's primary job as of August 1, 2013 must be a part-time position. The Pension Plan will also be amended to reduce the number of hours of service required to earn a vesting year from 750 to 375. This paragraph does not change how benefit service is accrued.

(j) Long-Term Disability

(1) Full-time seniority employees will become eligible for longterm disability (LTD) after six (6) months of employment for nonoccupational illnesses or injuries that last longer than twenty-six (26) weeks.

(2) Long-term disability benefits will equal sixty percent (60%) of the employee's base weekly pay to a maximum of six hundred dollars (\$600) per week for up to five (5) years. Long-term disability benefits begin when short-term disability coverage ends or after twenty-six (26) weeks from date of disability, whichever is later. **The six hundred dollars (\$600) cap shall be increased to seven hundred dollars (\$700) effective January 1, 2014 and to eight hundred dollars (\$800) on January 1, 2017.**

(3) Average weekly base pay is computed by averaging paid hours (maximum of forty (40) hours per week) each week during the last full calendar quarter the employee worked and multiplying that by the hourly rate of their base job. Weeks of unemployment in the prior quarter will not be counted in the calculation. If there were substantial weeks of unemployment, the prior full calendar quarter may be used for the calculation.

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(4) The definition of disability, termination of eligibility, offsets, exclusions, limitations, claim procedures and any other related issues will be controlled by the Summary Plan Description.

(5) The long-term disability coverage will become effective on August 1, 2004 for eligible employees who become disabled after that date. However, pre-existing conditions will not affect the employee's eligibility for LTD.

(6) In those situations where a Teamster Health and Welfare Fund provides a short term disability benefit, the employee receiving such benefit shall provide the UPS National LTD Plan sixty (60) days advance notice of the estimated termination date of the short term disability. If such notice is not provided, the UPS National LTD Plan shall have the right to delay the commencement of LTD payments.

(7) Any employee receiving LTD benefits pursuant to this Plan shall be entitled to receive health care coverage in accordance with the SPD for up to twelve (12) months only.

(8) Notwithstanding any Supplement, Rider or Addendum all full-time UPS CSI employees will be provided long-term disability benefits through this Section.

(k) Part-time Retiree Coverage

(1) Effective August 1, 2002 the Employer **began providing** health insurance coverage to all part-time employees, not covered by a Union plan, who retire on or after that date. **This section will not apply to any employee who retires on or after January 1, 2014. To the extent coverage would have been available under this section 1(k), the employee instead shall be eligible for retiree coverage through the Central States Health & Welfare Plan.**

(2) To be eligible for the coverage, the part-time employee must (i) not be eligible for Medicare; (ii) meet the same age and service requirements as that of a full-time employee in the same Supplement, Rider or Addendum and at a minimum, be at least fifty-five (55) years of age with a minimum of twenty-five (25) years of part-time service as defined in the UPS Pension Plan; (iii)

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be covered as an active employee by a UPS-administered health care plan for part-time employees at the time of retirement and; (iv) not a part-time employee because of a voluntary bid to part-time status in the five (5) years prior to retirement.

(3) A retiree's legal spouse is also eligible for coverage if he or she is not eligible for Medicare and is under age sixty-five (65).

(4) Coverage and benefit levels shall be as specified in the Summary Plan Description.

(5) Eligibility for coverage for retiree and spouse begins on the first (1st) day after the employee's active coverage ends.

(6) For active retirees as of December 31, 2013, the contribution rates shall be as specified in the Summary Plan Description.

(l) Jointly Trusteed UPS/IBT Full-Time Pension Fund

The following provisions pertain to the UPS/IBT Full-Time Employee Pension Plan (hereinafter "UPS/IBT Plan") to be **which was** created for employees who under the prior Agreement participated in the Central States Southeast and Southwest Areas Pension Fund ("CS Plan") and for future employees who would have participated in the CS Plan absent this agreement who have one hour of service in Covered Employment on or after January 1, 2008.

(1) Effective January 1, 2008 the Employer and the Union established a new, single employer, jointly trusteed and administered defined benefit plan within the meaning of 29 U.S.C. Section 302 (c)(5) for full-time employees who under the prior agreement would have participated in the CS Plan. As of December 26, 2007, the Employer will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan.

(2) The benefit formula for current or future full-time employees who are participants in the UPS/IBT Plan will be as set forth below for each year of future service (hours worked in Covered Employment on or after the effective date) up to a maximum of thirty-five (35) years of Credited Service (such limitation is only

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-applicable to service pensions). This benefit is unreduced if payable at Normal Retirement Age (age 65) and 5 years of vesting service or at age 62 with 20 years of Credited Service. Benefit payments may begin as early as Early Retirement Age (age 50 with five years of vesting service) and are reduced 6% per year for each year and partial year prior to Normal Retirement Age. There shall be no reduction or change in the level of benefits described herein unless negotiated and agreed to by the Union.

Calendar Year Beginning	Monthly Benefit
January 1, 2014	\$170.00
January 1, 2015	\$170.00
January 1, 2016	\$170.00
January 1, 2017	\$170.00
January 1, 2018	\$175.00

(3) Eligible employees become participants on the first day of the month coincident with or immediately following the date the employee completes one year of service with 750 hours of service (upon becoming a participant, service credit will accrue beginning with the very first hour of service that had been performed when the participant began working in Covered Employment). Employees already participants in the CS Plan at the date this plan is established will be immediately eligible to participate in the UPS/IBT Plan. No benefits are payable unless the participant has at least 5 years of vesting credit or has reached Normal Retirement Age while an employee. One year of vesting credit is earned for each calendar year in which the participant works 750 or more hours. The Employer will grant vesting credit for those employees employed by the Employer before the effective date of the UPS/IBT Plan based on the employment records of the Employer or records of the CS Plan.

(4) Full-time employees will receive one (1) year of Credited Service for each 1801 paid hours in Covered Employment in a calendar year beginning on or after January 1, 2008. Employees will receive partial years of Credited Service in monthly increments (i.e., one month if employee worked 150 or more hours in Covered Employment in that month). For purposes of earning service credit for the service pensions only, full-time employees will receive one

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week of service credit if he has one hour of service in Covered Employment. For service pensions only, if an employee has 0-19 weeks of service credit, he shall not receive any service credit for that calendar year. If he has 20-39 weeks of service credit, the amount of credit for that year will be equal to a fraction the numerator of which is the number of weeks of credit and the denominator is 40. If the employee has 40 weeks of service credit for that calendar year, he shall receive one year of service credit.

(5) The Employer will be responsible for funding the UPS/IBT Plan as required by applicable law.

(6) In addition to the normal benefit provided in paragraph (2) above, there shall be a service benefit payable after twenty (20), twenty-five (25), thirty (30) and thirty-five (35) years of full-time service. There is a twenty (20) year benefit for anyone who has reached age 50 and the amount will vary based on the person's age.

Years of Service Pension Credit	Age	Monthly Service Pension
35 years	Any age	\$3,500
30 or more years	Any age	\$3,000 plus \$100/yr of service for years over 30 up to \$3,500
25 years	Any Age	\$2,000 up to age 57
25 Years	57 or older	\$2,500 plus \$100/yr of service for years over 25 up to \$3,500 maximum.

Effective January 1, 2014, the following enhancements will be implemented:

35 years	any age	\$3,700
30 or more years	any age	\$3,200 plus \$100/yr of service for years over 30 up to \$3,700

Effective January 1, 2017, the following enhancements will be implemented:

35 years	any age	\$3,900
30 or more years	any age	\$3,400 plus \$100/yr of service for years over 30 up to \$3,900

The UPS/IBT Plan will recognize full-time service in the CS Plan

for determining eligibility for the benefits in this section and will offset at Normal Retirement Age the benefits accrued from the CS Plan commencing at Normal Retirement Age. If the benefit paid from the CS Plan is reduced as permitted or required by law, the amount of such reduction shall not be included in this offset.

(7) The UPS/IBT Plan will also provide eligible employees with a monthly disability benefit or lump sum disability benefit (based on age and years of service).

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

Section 2. Central States Southeast and Southwest Areas Health & Welfare Fund (CSH&W)

(a) Part-time **and full-time** employees covered by a Teamster Health and Welfare Fund will continue to be covered by those funds.

(b) Notwithstanding **any provision in any Supplement, Rider or Addendum**, effective January 1, 2014 health and welfare coverage for all **full-time and** part-time employees on the payroll at that time and those hired thereafter **who would have had health and welfare coverage provided by an Employer signatory to this Agreement will instead be provided coverage through the CSH&W Fund regardless of the employee's work location. Weekly payments for covered employees shall be in accordance with the rules set forth in the applicable Supplement, Rider or Addendum. If there are none then the rules set forth in the Central States Supplement shall apply. UPS will be responsible for making the weekly payments to the CSH&W Plan to provide the medical coverage.**

(c) This **Section** shall supersede any provisions on the same subject in any Supplement, Rider, or Addendum, including those Supplemental provisions which require part-time benefits to be equal to or the same as full-time medical benefits.

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(d) Notwithstanding Section any contrary provision in any Supplement, Rider, or Addendum, (i) individual health coverage will be made available to part-time employees hired after August 1, 2008 after twelve (12) months of active employment and (ii) spousal or dependant coverage will **also** be made available to these part-time employees **twelve (12) months** after their initial date of employment.

(e) **Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the CSH&W Fund.**

Section 3. CSI Health and Pension Coverage

(i) Any **full-time or** part-time CSI employee who is a participant in a Company sponsored health & welfare plan shall be covered by the **CSH&W Fund** set forth in Section 2 above, effective January 1, **2014**.

(ii) **The UPS Pension Plan shall be modified to provide a one hundred and seven dollar (\$107.00) accrual effective January 1, 2014 for all years accrued under the UPS Pension Plan.**

Section 4. Re-allocations of Contributions/Wages

The Teamsters UPS National Negotiating Committee may re-allocate designated increases in Health & Welfare and/or pension contributions (HWPC) and/or general wage increases (GWI) provided in this Agreement in accordance with the following rules:

1. **Any portion** of any GWI may be re-allocated as an increased contribution to a Teamster Pension or Health & Welfare Fund. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by the same Pension or Health & Welfare Fund.

2. Twenty-five cents (\$0.25) of a PC may be re-allocated as a GWI. The re-allocation shall apply to all employees in a Supplement, Rider or Addendum, as applicable, provided all of the affected employees (full or part-time, if applicable) are covered by

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the same Pension or Health & Welfare Fund.

3. Once a re-allocation becomes effective, it may not be changed.
4. A specified HWPC cannot be re-allocated to a GWI if the pension fund has been certified as being in endangered or critical status (as defined in ERISA section 305 (b)(1) or (b)(2).
5. The Employer must be notified of any re-allocation, in writing, at least thirty (30) days prior to the effective date of the GWI or HWPC.

Section 5. Substitute Health Plan

In the event the Central States Southeast and Southwest Areas Health and Welfare Fund does not maintain the benefit coverage and retiree contribution rate for retiree insurance (including spousal coverage) in effect on the date of ratification of this Agreement, the Union and Employer shall meet to determine and agree if there is a substitute multiemployer plan which will provide comparable coverage. If mutual agreement is reached to provide a substitute plan, the contribution payable by the Employer pursuant to Article 34 Section 1 (a) shall be paid to the new plan.

ARTICLE 35. EMPLOYEE'S BAIL, LICENSE, SUBSTANCE AND ALCOHOL TESTING

Section 1. Employee's Bail And/Or Court Appearance

When an employee is required to appear in any court for the purpose of testifying because of any accident the employee may have been involved in during working hours, such employee shall be reimbursed in full by the Employer for all earnings opportunity lost because of such appearance. The Employer shall furnish employees who are involved in accidents during working hours with bail bond and legal counsel and shall pay in full for same. Employees shall be compensated for time spent in jail at his/her regular rate of pay. Said bail bond and legal counsel shall remain assigned to the employee until all legal action in connection with said accident is concluded,

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provided the employee is not charged and convicted of criminal negligence. This Section shall not apply to employees who are found guilty of drunken driving when involved in an accident during working hours. The Employer shall assume all responsibility for all court costs, legal fees, and bail bond fees for any employee who is involved in any accident or accidents during working hours and shall assume all responsibility for all judgments and awards against any employee who is involved in accidents during working hours, which result through court action against said employee, except as provided above. In case an employee shall be subpoenaed as a witness in a company-related case, or as a result of his/her on duty observations of an accident not involving a UPS vehicle, he/she shall be reimbursed for all time lost and expenses incurred.

Section 2. Suspension or Revocation of License

In the event an employee shall suffer a suspension or revocation of the right to drive the Employer's equipment for any reason, the employee must notify the Employer before their next report to work. Failure to comply will subject the employee to disciplinary action up to and including discharge in accordance with the procedures set forth in the appropriate Supplement, Rider and Addendum. (See also Article 16, Leave of Absence, Section 3.1.) If such suspension or revocation comes as a result of the employee complying with the Employer's instruction, which results in a succession of size and weight penalties or because the employee complies with the Employer's instructions to drive Employer's equipment which is in violation of the Department of Transportation regulations relating to equipment or because the Employer's 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 the employee's regular earnings at the time of such suspension for the entire time period.

Section 3. Controlled Substances Testing

The parties have agreed that the procedures as set forth in Article 35, Section 3 shall be the methodology for all testing and will be

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modified only in the event that further federal legislation or Department of Transportation regulations require revised testing methodologies or requirements during the term of this Agreement. To the extent that a subject is not covered by this Article the appropriate regulation shall control.

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

The provisions of Article 16, Section 5 will apply to all employees requesting enrollment in a rehabilitation program following a positive drug test. Employees may use the United Parcel Service Employee Assistance Program, a Union sponsored program, as well as any other referral service in choosing an approved program for treatment.

Section 3.1 Employees Who Must Be Tested

UPS employees subject to Department of Transportation mandated drug testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a commercial driver license (CDL). This includes mechanics and employees who relieve for vacations or other temporary vacancies. Any employee who drives a tractor-trailer and is on the qualified feeder driver list is also subject to DOT mandated testing as provided in this Agreement.

In addition to testing mandated employees, controlled substance testing will be part of pre-qualification conditions for feeder driver employment, and those persons transferring to a feeder driver position. Individuals who are on a "bid list" for tractor-trailer employment or other similar classification type jobs are subject to being tested for controlled substances before being accepted into such a position.

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

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Section 3.2 Testing

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

Section 3.3 Screening Test

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

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

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

Section 3.4 Confirmatory Test

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques at the cutoff values listed. The following cutoff levels shall be used to confirm the presence of drugs or drug metabolites:

<u>Substance</u>	<u>Confirmatory Test Level (ng/ml)</u>
Marijuana Metabolites (1)	15
Cocaine Metabolites (2)	100
Opiates:	
Morphine (3)	2000
6-Acetylmorphine	10
Codeine (3)	2000
Phencyclidine	25
Amphetamines:	
Amphetamine	250
Methamphetamine (4)	250
MDMA/MDA/MDEA (5)	250

(1) Delta-9-tetrahydrocannabinol-9-carboxylic acid (THCA)

(2) Benzoylcegonine **confirmatory cutoff of 100 ng/ml.**

(3) Test for 6-AM when morphine concentration is greater than or equal to two thousand (2000) ng/ml.

Morphine is the target analyte for codeine/morphine testing.

(4) Specimen must also contain amphetamine at a concentration greater than or equal to **one hundred (100)** ng/ml before reporting methamphetamine positive.

(5) Methylenedioxymethamphetamine (MDMA) and its analytes MDA and MDEA

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

Section 3.5 Laboratory Testing

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

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Section 3.6 Types of Testing Required

Testing procedures will be performed as part of pre-qualified practices, after defined DOT reportable accidents, on the basis of reasonable cause, upon return to duty after a positive test, under DOT mandated random testing and as follow-up testing for post drug rehabilitation as outlined under Article 16, Section 5.

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

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

Section 3.7 Pre-Qualification Testing

Controlled substance testing will be part of UPS's regulated prequalification conditions for feeder driver positions.

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

Section 3.8 Reasonable Cause Testing

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

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

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

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When the supervisor(s) confronts an employee, a Union representative should be made available pursuant to Article 4 of the National Master UPS Agreement as interpreted. If no steward is present, the employee may select another hourly paid employee to represent him.

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

Note: (Reasonable Cause)

At the time the urine specimen is collected, the employee may opt to also give a blood sample. If the employee takes this option, the blood sample must confirm positive presence for the substance confirmed in the urine test. If no positive is confirmed in the blood specimen, the employee will be given a warning letter, offered an opportunity for rehabilitation as set forth in this Article, and the employee will be required to otherwise satisfy the requirements imposed by the DOT regulations. However, if there is a second occasion where reasonable cause testing results in a positive urine test, the employee will then be subject to discharge.

Non-DOT - Reasonable Cause:

In the event an employee (not covered by DOT) is tested pursuant to the discipline Article in the Supplemental Rider or Addenda to the National Master UPS Agreement, such test will be performed under the same procedures and requirements as those set forth in this Article. In the event the test result is positive, as set forth above, it shall be considered a dischargeable offense.

Section 3.9 Post-Accident Drug Testing

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

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as

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a result of the injury, receives immediate medical treatment away from the scene of the accident, or;

3. A citation is issued and one (1) or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle.

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

Drivers are required to submit to such testing as soon as possible, but in all events within thirty-two (32) hours. Union representation will be made available pursuant to Article 4 of the National Master UPS Agreement, as interpreted.

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

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

Section 3.10 Random Testing

Random Employee Selection:

The procedure used to randomly select employees for drug testing, in compliance with the U.S. Department of Transportation Regulations, will be a computer program specifically intended for such an application.

The program will utilize an internal computer clock procedure to randomly generate lists of employees mandated for testing by the

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Department of Transportation/Federal Highway Administration. The computer shall randomly select the required number of employees from the total pool of affected employees. The total pool list shall be by each region.

For verification purposes and to cover absences the computer shall print the following lists for each testing period:

1. An alphabetical total pool list of employees in the region, and
2. A district list of employees shall be printed from the random list in the order in which they are computer selected.

An absent employee whose name appears on the primary list on the random test day must be tested upon return to work immediately upon notification provided he/she returns prior to the next selection period. The lists or true copies of the lists shall be maintained by a third party administrator. Upon request to the District Labor Relations Manager, the lists will be made available for review by Local Union representatives and company labor relations managers to verify the proper application and use of the lists in the random testing system.

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 insuring that all affected employees are treated fairly and equally.

The parties further agree not to amend or change the current method of random selection as described herein without prior agreement between the parties.

Section 3.11 Notification

UPS employees, subject to Department of Transportation mandated random drug testing, will be notified of testing in person or by direct phone contact. Notification shall be given by the management person responsible for such notification.

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Section 3.12 Rehabilitation and Testing After Return To Duty/SAP and Employer Duties

A positive test specimen as a result of a DOT pre-qualification or random test will result in a rehabilitation opportunity. An employee whose test results are reported to the Medical Review Officer by the HHS certified laboratory and who has been contacted by the Medical Review Officer or his/her designee has seventy two (72) hours to contact the Medical Review Officer to review the test results. If the review time schedule is not met, then the Medical Review Officer (MRO) may report to UPS Management that the test is verified as positive. If neither UPS nor the MRO, after making all reasonable efforts, as required by the DOT regulations, is able to contact the employee within ten (10) days from receiving the laboratory results, the test will be considered an uncontested positive test result. If the Medical Review Officer determines a specimen is positive, then the employee will have five (5) calendar days to evaluate his/her situation with an approved Substance Abuse Professional and then up to fifteen (15) calendar days to enter the rehabilitation treatment center after approval of a leave of absence as outlined in Article 16, Section 5 of the National Master UPS Agreement. UPS will follow the final recommendations of the Substance Abuse Professional as to the appropriate after-care protocol and post rehabilitation unannounced drug testing.

The employee will be permitted to return to work after the SAP has determined that the employee has successfully complied with prescribed education and/or treatment and the employee has provided a negative drug test result **conducted under direct observation**, as per cutoff levels contained in Section 3.3 or Section 3.4 of this Article, as applicable, and/or an alcohol test with an alcohol concentration less than 0.02. **The Employer will make all reasonable efforts to conduct all return-to-work testing, conference calls, and examinations within five (5) working days of completion of a rehabilitation program.**

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

Substance Abuse Professional (SAP)

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

The SAP is responsible for performing the following functions:

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

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

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Employer responsibilities

Prior to allowing an employee to return to duty, after the employee has tested positive for the presence of controlled substances or has refused to submit to a drug test, the employer shall:

- A. Ensure that the employee is “drug free,” based on a drug test that shows no positive evidence of the presence of a drug or a drug metabolite in the employee’s system.
- B. Ensure that the employee has been evaluated by a Substance Abuse Professional (SAP) for drug use or abuse.
- C. Ensure and confirm with the Substance Abuse Professional that the employee demonstrates compliance with all conditions or requirements of a rehabilitation program in which he or she participated.

Section 3.13 Disciplinary Action

Employees may be subject to discipline up to and including discharge as provided below if they test positive for drugs specified elsewhere in this Article.

1. Reasonable Cause Testing

- (a) A positive test is a dischargeable offense unless the Union and the Employer expressly agree to a lesser penalty. Any such agreement will not be precedent setting.
- (b) Refusal to submit to a reasonable cause drug test is a dischargeable offense.

2. Post-Accident Testing

- (a) A positive test is a dischargeable offense.
- (b) Refusal to submit to a post-accident drug test is a dischargeable offense.

3. Random Testing

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(a) 1st offense - A positive test shall result in a warning letter (subject to successful completion of rehabilitation).

(b) 2nd offense - A positive test is a dischargeable offense.

(c) Refusal to submit to a random drug test is a dischargeable offense.

4. Pre-qualification

(a) 1st offense - A positive test shall result in disqualification/not considered for feeder list until the next feeder driver school is conducted (subject to successful completion of rehabilitation).

(b) 2nd offense - A positive test is a dischargeable offense.

5. Other Dischargeable Offenses:

(a) Failure to successfully complete rehabilitation.

(b) A positive specimen as part of after-care drug testing.

(c) Failure to comply with after-care treatment plan.

(d) An adulterated or substituted specimen.

Section 3.14 Preparation for Testing

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

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

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

If the employee arrives without the above-listed item, the collection agent should contact the district Safety and Health manager or district Human Resources manager.

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A standard DOT approved urine custody and control form will be supplied by the appropriate laboratory. This form must be used by all collection facilities and signed by the employee and the collection agent in the appropriate areas.

Section 3.15 Specimen Collection Procedures

The Employer agrees to continue use of the Specimen Collection Checklist. The checklist, approved by the National UPS/IBT Safety and Health Committee, is to be used with the affected employees at the collection site by the person performing the collection services for the Employer.

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

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

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

The employee being tested should remove any outer garments, such as coats, jackets, hats or scarves, and should leave any personal belongings (purse or briefcase) with the collection agent. The employee shall display the items in his/her pockets to the collection agent. If the employee requests it, the collection agent shall provide the employee a receipt for his or her belongings. The employee may retain his or her wallet.

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

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

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

The employee shall be instructed to provide at least forty-five (45) milliliters of urine in the collection container. The employee shall hand the specimen to the collection agent. The specimen shall remain in the sight of both the collection agent and the employee at all times. A minimum of thirty (30) milliliters of urine shall be placed in the primary specimen container by the collection agent. The collection agent then must pour at least fifteen (15) milliliters of urine from the collection container into the second specimen bottle to be used for the split specimen. If the individual is unable to provide forty-five (45) milliliters of urine, the collection agent shall direct the individual to drink fluids, not to exceed forty (40) ounces distributed reasonably over a period not to exceed three (3) hours or until a sufficient specimen is provided, whichever occurs first. (The original specimen, if any, should be discarded, unless it was out of temperature range or showed evidence of adulteration or tampering.) If the individual is still unable to provide forty-five (45) milliliters of urine, he/she will be taken out of service and a medical evaluation will be conducted within five (5) business days by a licensed physician who has the expertise in this type of medical

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issue, and is approved by the Employer to determine if there is a medical reason for the inability to provide a specimen. If it is not determined that there is a medical reason, the individual will be treated as having refused to take the test. If the employee fails for any reason to provide forty-five (45) milliliters of urine, the collection agent should contact a third party administrator (TPA) and either the District Safety and Health Manager or another Employer designee.

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

In the event of suspected specimen adulteration, a second (2nd) specimen will be immediately collected under direct observation and the entire procedure should be repeated including initiation of a new custody and control form and separate packaging for shipping. If an employee refuses to provide a second (2nd) specimen, it shall be noted as a refusal to test and shall be a terminable offense.

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

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

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

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

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

Section 3.16 Specimen Shipping Preparations

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

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

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

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

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

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

Section 3.17 Medical Review Officer

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

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

1. Reviewing the results of UPS's drug testing program.
2. Receiving all positive and negative drug test reports as prescribed under the DOT regulations, and making all reports of drug test results to the Employer.
3. Within a reasonable time, notifying an employee of a confirmed positive test result.
4. Reviewing and interpreting each confirmed positive test result in order to determine if there is an alternative medical explanation for the specimen's testing positive. The MRO shall perform the following functions as part of the review of a confirmed positive test result:
 - a. Provide an opportunity for the employee to discuss a positive test result.
 - b. Review the employee's medical history and relevant biomedical factors. A driver is allowed to use a controlled substance (except for methadone) only when taken as prescribed by a licensed medical practitioner who is familiar with the driver's medical history and assigned duties.
 - c. Review all medical records made available by the employee to

determine if a confirmed positive test resulted from legally prescribed medication or other possible explanation.

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

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

Section 3.18 MRO Determination

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

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

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

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

Section 3.19 Record Retention

The medical review officer is the sole custodian of the individual test results. The MRO shall retain reports of individual positive test

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results for a minimum of five (5) years. Individual negative test results will be maintained for at least twelve (12) months. UPS shall maintain in a driver's qualification file only such information as required by the DOT to document compliance with the drug testing requirements.

Section 3.20 Release of Drug Testing Information

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

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

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

Section 3.21 Paid For Time

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

1. For all time at the collection site.
2. (a) If the collection site is reasonably en route between the employee's home and the center, and the employee is going to or from work, pay for travel time one (1) way between the center and the collection site or the collection site to the center; or

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(b) For travel time both ways between the center and the collection site, only if the collection site is not reasonably en route between the employee's home and the employee's center.

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

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 shall be paid time and one-half (1-1/2) for all time past the eight (8) hours.

Provisions in Supplements, Riders and Addenda that are superior shall prevail.

Section 4. Alcohol Testing

The parties have agreed that the procedures as set forth in Article 35, Section 4 shall be the methodology for testing and will be modified only in the event that further federal legislation or Department of Transportation regulations required by regulation, revise testing methodologies or requirements during the term of this Agreement. Where such regulations allow revised testing methodologies such modifications shall be subject to mutual agreement by the parties.

Section 4.1 Employees Who Must Be Tested

UPS employees subject to Department of Transportation mandated alcohol testing are drivers of vehicles with a vehicle weight rating over 26,000 pounds, requiring a Commercial Drivers License (CDL). This includes mechanics and employees who relieve for vacations or other temporary vacancies. Any employee who drives a tractor-trailer and is on the qualified feeder driver list is also subject to DOT mandated testing as provided in this Agreement.

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Section 4.2 Testing

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

Section 4.3 Screening Test

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

Breath Alcohol Levels:

Less than 0.02 - Negative

0.02 and above - Positive (Requires Confirmation Test)

Section 4.4 Confirmatory Test

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

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

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

Breath Alcohol Levels:

Less than 0.02 - Negative

0.02 to 0.039 - Positive/Out of service for twenty-four (24) hours from time of the test

0.04 and above - Positive/Out of service and referred to Substance Abuse Professional (SAP).

Section 4.5 Types of Testing Required

Testing procedures will be performed as part of pre-qualified practices, after defined DOT reportable accidents, on the basis of reasonable cause, upon return to duty after a positive test, under DOT mandated random testing and as follow-up testing for post alcohol rehabilitation as outlined under Article 16, Section 5.

Section 4.6 Reasonable Cause Testing

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

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

The employee's conduct must be witnessed by at least two (2) supervisors, if available. The witnesses must have received training in observing a person's behavior to determine if a medical evaluation is required. When the supervisor confronts an employee, a union representative should be made available pursuant to Article 4 of the National Master UPS Agreement as interpreted. If no steward is present, the employee may select another hourly paid employee to represent him.

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

Non-DOT Reasonable Cause Testing

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Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated alcohol testing are only subject to reasonable cause testing as provided herein, in accordance with supplemental practices.

Section 4.7 Post-Accident Alcohol Testing

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

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

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

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

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

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

Article 4 of the National Master UPS Agreement, as interpreted.

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

Law Enforcement Testing

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

Section 4.8 Random Testing - Random Employee Selection

The procedure used to randomly select employees for alcohol testing, in compliance with the U.S. Department of Transportation regulations, will be a computer program specifically intended for such an application.

The program will utilize an internal computer clock procedure to randomly generate lists of employees mandated for testing by the Department of Transportation/Federal Highway Administration. The computer shall randomly select the required number of employees from the total pool of affected employees. The total pool list shall be by each Region. The pool of employees selected randomly for controlled substance testing will also be the pool of employees selected for alcohol testing in compliance with DOT regulations. For verification purposes and to cover absences the computer shall print the following lists for each testing period:

1. An alphabetical total pool list of employees in the Region, and
2. A District list of employees shall be printed from the random list in the order in which they are computer selected.

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An absent employee whose name appears on the random test list must be tested upon return to work immediately after notification provided he/she returns before the next selection period. The lists or true copies of the lists shall be maintained by a third party administrator. Upon request to the District Labor Relations Manager, the lists will be made available for review by Local Union representatives and company labor relations managers to verify the proper application and use of the lists in the random testing system. 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 insuring that all affected employees are treated fairly and equally.

The parties further agree not to amend or change the current method of random selection as described herein without prior agreement between the parties.

A driver shall only be tested for alcohol while the driver is performing safety sensitive functions, just before the driver is to perform safety sensitive functions, or just after the driver has ceased performing such functions.

Employees who are on long term illness or leave of absence shall not be subject to testing.

Section 4.9 Notification

UPS employees, subject to Department of Transportation mandated random alcohol testing, will be notified of testing in person or by direct phone contact. Notification shall be given by the management person responsible for such notification.

Section 4.10 Rehabilitation and Testing after Return to Duty

If the Breath Alcohol Technician (BAT) determines a specimen is confirmed positive, then the employee will be removed from service and have five (5) calendar days to evaluate his/her situation with an approved Substance Abuse Professional (SAP) and then up to fifteen (15) calendar days to enter the rehabilitation treatment center after approval of a leave of absence as outlined in Article 16,

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Section 5 of the National Master UPS Agreement. UPS will follow the final recommendations of the Substance Abuse Professional (SAP), concerning the appropriate after-care protocol and post rehabilitation unannounced alcohol testing.

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

The provision of Article 16, Section 5 will apply to all employees requesting enrollment in a rehabilitation program following a positive alcohol test. Employees may use the United Parcel Service Employee Assistance Program, a union sponsored program, as well as any other referral service in choosing an approved program for treatment.

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

Employer Responsibilities

Prior to allowing an employee to return to duty, after the employee has tested positive for an alcohol concentration higher than 0.02, or has refused to submit to an alcohol test, the Employer shall:

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

Section 4.11 Discipline

It is agreed that an employee will have rehabilitation **opportunities** for alcohol abuse as outlined in Article 16, Section 5,

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except as provided under Random Testing below.

1. Reasonable Cause Testing

An employee who is tested for reasonable cause and whose alcohol level is 0.02 to 0.039 will be taken out of service for twenty-four (24) hours and receive a warning letter.

An employee who is tested for reasonable cause and whose alcohol level is 0.040 to 0.069 will be taken out of service for twenty-four (24) hours, referred to a Substance Abuse Professional (SAP) and suspended for ten (10) days. If the employee has committed a disciplinary offense under the terms of the supplemental agreement, the results of the test may be used in the support of the Employer's disciplinary action.

A second positive test of 0.02 or above is a dischargeable offense.
A positive test of 0.070 or above is a dischargeable offense.

A presumption exists that the employee was drinking on the job if the observation, time of testing and alcohol level combine to show the employee's level was too high to have consumed alcohol prior to the employee's report time.

An employee taken out of service for a positive test result must have a negative test prior to returning to work.

2. Post Accident Testing

An employee who is involved in an accident for which the mandate requires post accident testing must submit to such test. A post accident test of 0.02 or above is a dischargeable offense.

3. Random Testing

A positive test of 0.02 to 0.039 will result in the employee being taken out of service for twenty-four (24) hours and a warning letter shall be issued.

A second (2nd) positive test of 0.02 to 0.069 or an initial positive test of 0.04 or above will result in the employee being taken out of service and a ten (10) day suspension shall be imposed. The employee will also

be referred to a Substance Abuse Professional (SAP) for evaluation. If the SAP requires in-patient treatment and that in-patient treatment is the second (2nd) such treatment afforded the employee, the cost of such treatment will not be borne by the UPS medical plan.

A third (3rd) positive test of 0.02 or above after the employee was tested pursuant to the above levels will subject the employee to discharge.

4. Dischargeable Offenses

Other language to the contrary notwithstanding, the following may result in discipline up to and including discharge:

- (a) Failure to successfully complete rehabilitation.
- (b) A positive test, defined as 0.02 or higher, as part of post-care testing.
- (c) Failure to comply with the after-care treatment plan.
- (d) Possession of and/or consumption of an alcoholic beverage while on duty.
- (e) Any test of an on-duty employee that measures at or above the state mandated DWI level. Should any state reduce the DWI mandated levels below 0.08, the Employer and the Union agree to meet and re-negotiate section E of this Agreement.
- (f) An employee's refusal to submit to a negotiated test.

Non-mandated employees shall be subject to reasonable cause testing as outlined above.

In no circumstances under this Section shall suspension time run concurrently with any leave period.

Section 4.12 Preparation for Testing

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

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Upon arrival at the testing site, an employee must provide the BAT with a photo identification.

If the employee arrives without the photo identification, issued by the Employer, or a federal, state or local government, the BAT should contact the District Safety and Health manager or the District Human Resources manager.

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

Section 4.13 Specimen Testing Procedures

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

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

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

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

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

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

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

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

Section 4.14 Substance Abuse Professional (SAP)

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

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The SAP is responsible for performing the following functions:

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

Section 4.15 Record Retention

The Employer shall maintain records in a secure manner, so that disclosure of information to unauthorized persons does not occur. Each Employer or its agent is required to maintain the following records for two (2) years:

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

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

Section 4.16 Release of Alcohol Testing Information

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

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

Section 4.17 Paid for Time

Testing - the employee will be paid their regular straight time hourly rate of pay in the following manner:

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

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 shall be paid time and one-half (1-1/2) for all time past the eight (8) hours.

Provisions in Supplements, Riders and Addenda that are superior shall prevail.

ARTICLE 36. NONDISCRIMINATION

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, sexual orientation, national origin, physical disability veteran status or age in violation of any federal or state law, or engage in any other discriminatory acts prohibited by law, nor will they limit, segregate or classify employees in any way to deprive any individual employees of employment opportunities because of race, color, religion, sex, national origin, physical disability, veteran status or age in violation of any federal or state law, or engage in any other discriminatory acts prohibited by law. This Article also covers employees with a qualified disability under the Americans with Disabilities Act.

ARTICLE 37. MANAGEMENT EMPLOYEE RELATIONS

Section 1.

(a) The parties agree that the principle of a fair day's work for a fair day's pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer's interest. The Employer shall not in any way intimidate, harass, coerce or overly supervise any employee in the performance of his or her duties. **The Employer shall not retaliate against employees for exercising rights under this Agreement. In considering any grievance alleging retaliation for exercising his rights under the Agreement, the severity and timing of the Employer's actions that modify an employee's work assignment or reprimand employees shall be relevant factors to a determination of motivation.** The Employer will treat employees with dignity and respect at all times, which shall include, but not be limited to, giving due consideration to the age and physical condition of the employee. Employees will also treat each other as well as the Employer with dignity and respect.

(b) It is the policy of the Employer to cooperate with a package car driver who desires to be relieved of overtime, subject to the understanding that such package car driver will complete his/her assignment,

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and subject to the provisions below.

An employee who desires to be relieved from overtime on a particular day must make a written request on a form furnished by the Employer. Such a request must be submitted no later than the start of his/her shift on the fifth (5th) calendar day preceding the day being requested. A signed copy of the request form stating approval or disapproval shall be returned to the employee by the end of the employee's next working day. Such request shall be granted or denied in accordance with the terms of this sub-section. If a request is denied on the above referenced form, the employee shall receive a two (2) hour penalty payment at his/her straight time rate if the request should have been granted at this time based on the criteria set forth in this sub-section. This two (2) hour payment shall also apply if the Employer approves the request and later informs the employee he/she cannot be relieved of overtime, provided the request continues to meet the criteria set forth in this sub-section.

In addition, if an employee's request is granted but the Employer fails to adjust the driver's dispatch so as to provide an amount of work that can reasonably be completed within eight (8) hours which then causes the driver to work in excess of eight and onehalf (8.5) hours to complete his/her route, the driver shall be entitled to a two (2) hour penalty payment at his/her straight time rate. No penalty shall be due if the employee exceeds the eight and onehalf (8.5) hour threshold as a result of events beyond the Employer's control.

The Center Manager and the Steward shall process such requests based on seniority. The Employer shall allow a minimum of ten percent (10%) of the package car drivers worked in any Center off on a daily basis. No package car driver will be granted more than two (2) requests per month. It is understood that to accomplish the above the Employer may need to provide an earlier start time. This subsection applies regardless of whether the driver has opted in or out pursuant to the provisions of subsection (c) below. Such requests shall not be submitted during the months of November and December.

(c) The Employer shall make a reasonable effort to reduce package car drivers' workdays below nine and one half (9.5) hours per day

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where requested. If a review indicates that progress is not being made in the reduction of assigned hours of work, **(i.e the package driver has worked more than 9.5 hours on three (3) days in a workweek)**, the following language shall apply, except in the months of November and December:

The affected regular package driver may make such a request to be added to the “9.5 Opt-In List” effective on the first day of his/her workweek after making the request. The driver shall notify the manager and steward of his/her desire to be added to the List. The request must be made within the time limit for filing a grievance in the applicable Supplement, Rider or Addendum. Once the driver has signed the List, he/she shall remain on the list for five (5) months, except for the period of time specified in the prior paragraph.

Employees within the full-time driver classification shall be eligible for the protection of this Section provided: (1) the employee covers a route for a full week; (2) the employee bids or is assigned to cover a route for a full week but is prevented from completing that bid or assignment due to reassignment by the Employer; or (3) an employee with four (4) years of seniority as a full-time package driver.

Drivers who choose to opt-in on the 9.5 list shall have the right to file a grievance if the Employer has continually worked a driver more than nine and one half (9.5) hours per day for any three (3) days in a workweek. **The Company will not assign excessive overtime on the two (2) remaining days within the workweek in order to retaliate against a driver for opting onto the 9.5 List.**

If a driver is paid a penalty under this subsection more than three (3) times in a single five (5) month opt-in period, then the District Labor Manager and Business Agent will meet with the Center Manager, the steward and the driver to ensure future compliance under this subsection. If any further penalty is paid on this employee during the five (5) month period, a meeting shall be scheduled with the above parties and the Co-Chairs of the applicable Supplemental panel to determine what actions are necessary to ensure compliance.

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If a grievance under this provision (or a grievance under any excessive overtime provision of a Supplement, Rider or Addendum) cannot be resolved at the local level, including Supplemental Panels, where applicable, the Union may docket the grievance to be heard by the "9.5 Committee." This Committee shall be composed of two (2) Union and two (2) Employer representatives. The 9.5 Committee shall have the authority to direct the Employer to adjust the driver's work schedule. Deadlocked cases shall be referred to the Employer's Vice President of Labor Relations and the Co-Chair of the Teamsters United Parcel Service Negotiating Committee for final and binding resolution.

The Employer's Vice President and the Union's Co-Chair shall have the discretion to grant the grievant triple time pay for hours worked in excess of nine and one half (9.5) hours per day and/or to order the Employer to adjust the driver's work schedule. In the event the Employer's Vice President and the Union's Co-Chair cannot resolve a grievance, either party may refer the matter to arbitration in accordance with Article 8. In the event the position of the Union is sustained, the arbitrator shall have the authority to impose any remedy set forth in this Section.

If there is a deadlocked grievance by the "9.5 committee" the Co-Chairs of the National Negotiating Committee may require a review of the adequacy of the Company's staffing in the center in which the grievance was filed. In the event the parties cannot resolve a dispute over whether excessive overtime in violation of this Section resulted from inadequate staffing in the center or other causes, such as the temporary unavailability of drivers, either may refer the matter to arbitration in accordance with Article 8. If the position of the Union is sustained, the arbitrator shall have the authority to award any remedy set forth in this Section including back wages at the appropriate rate of pay to the employee(s) adversely affected, as well as appropriate progression credit. The back wages shall be equal to what the employee(s) would have earned as a package driver at the applicable daily guarantee versus what he actually earned.

In addition, the Union Chair of the National Negotiating Committee may, at any time, request a meeting with the

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Employer's President of Labor Relations to review the adequacy of the Company's staffing in any center having excessive 9.5 grievances deadlocked at the local level panel. If the dispute cannot be resolved, either party may refer the matter to arbitration in accordance with Article 8, Section 7. The next arbitrator in rotation on the Eastern Panel shall be assigned the case. The arbitrator shall have the authority to award any remedy specified in the paragraph above.

The 9.5 committee shall also have the authority to ensure that this Section is implemented in such a way as to balance the Employer's need to protect the integrity of its operations with an employee's legitimate need to avoid excessive overtime.

The provisions of this Section 1(c) shall supercede any language on "9.5" in the Central Region Supplement.

(d) No employee shall be disciplined for exceeding personal time based on data received from the DIAD/IVIS or other information technology.

Section 2.

Not more than one (1) member of management will ride with a driver at any time except for the purpose of training management personnel. No driver will be scheduled for more than one (1) day's ride per year with more than one (1) member of management on the car. Such day will not be used for disciplinary purposes. The sole reason for two (2) management employees on the car is for supervisory training. If a supervisor assists a driver during an O.J.S., that day will not be used in determining a fair day's work.

During scheduled safety training for feeder drivers the supervisor will only drive for demonstration purposes and this will not exceed one (1) hour per workday.

Section 3.

Any alleged violation of this Article shall be subject to the applicable grievance procedure. Where an employee has submitted a grievance

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regarding an excessive number of rides, no member of management shall ride with that employee unless and until the local level hearing is concluded provided such hearing is held within five (5) working days. If the Union has a legitimate reason for not being available within the five (5) working days, the period will be extended up to a total of ten (10) working days.

ARTICLE 38. CHANGE OF OPERATIONS

Section 1.

(a) The Employer agrees that prior to any change in its operation that will result in a change of domicile and/or possible layoff of seniority employees, it shall notify the affected Local Union(s) in writing **with the specific details and information then available** and then meet jointly with them to inform them of the proposed changes and to resolve questions raised in connection with the proposed change. **The information will be provided at least seven (7) days prior to the meeting.** During this joint meeting the Employer and the Union shall reduce to writing all agreed upon issues and both parties shall sign the written document in acknowledgement of such agreement. The parties shall also reduce to writing all unresolved issues, if any, and they shall be referred directly to the appropriate Regional Change of Operations Committee. This meeting shall be completed where practical at least forty-five (45) days prior to the proposed change. The change may not be implemented until the forty-five (45) days' notice is provided and the meeting is completed unless the operational change is dictated by emergency conditions. The Union shall not unreasonably delay the scheduling or completion of the requested meeting. Any unresolved issues reflected in Section (c) below, which have been reduced to writing, will be resolved pursuant to that Section.

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

(c) A Joint Change of Operations Committee will be established in

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each Regional area and will resolve issues arising out of the proposed change of operations. The Committee will resolve issues involving seniority application, health and welfare, and pension coverage and layoff questions for employees who are involved in the change. All affected parties will convene and attend the Regional Joint Change of Operations Committee meeting prior to the scheduled implementation date to resolve these issues.

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

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

Unless specifically covered in individual Supplements, Riders or Addenda, the following shall apply:

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

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

(d) The language contained in Section 1(a) shall be applicable to the Employer's implementation of "satellite" facilities, provided, however: (1) the issues subject to discussion shall not be limited by paragraph (c) of this Section and, (2) in the event the issues cannot be resolved by the Employer and the Local Union, or, subsequently, in accordance with the established local area practice, the open issues may be referred to the Vice-President of Labor Relations and the Package Division Director, or their designees. If no resolution is reached, all outstanding disputes shall be submitted to an expedited arbitration to determine if the Employer has violated any provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement. The expedited arbitration will be handled by one of the arbitrators on the National Panel for that area.

Section 2.

As a result of the Employer moving an operation more than seventy five (75) miles, all full-time employees in accordance with classification

seniority who choose to move, will have their moving expenses paid.

The expense shall include the reasonable cost of packing and the moving of household goods or house-trailer including dismounting and mounting. The employee(s) who transfer will have one (1) year from the date of the change to move.

(a) Employee(s) who are transferred out of their original area where

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they are covered by a Teamster Pension Trust Fund into the jurisdiction of another pension trust fund, such employee(s) shall remain in their original pension trust fund.

The Employer agrees to pay the required pension contributions to the employee(s) original pension trust fund as set forth in the trust agreement, provided there is no conflict with any collective bargaining agreement and/or trust agreement.

ARTICLE 39. TRAILER REPAIR SHOP

Trailer repair facilities are intended to be a separate and distinct operation from the normal UPS automotive department.

It is understood by the parties that the creation of trailer repair facilities and their locations shall be at the discretion of the Company.

Section 1. Recognition

By execution of this Agreement, the Employer acknowledges and agrees that employees employed in the classifications listed below in this Article shall be considered bargaining unit employees for all intents and purposes and be covered by and included in Article 3 Recognition, Union Shop and Checkoff, and additionally, such employees shall become a part of the National Single Bargaining Unit as set forth in this Agreement, unless otherwise provided by law.

Section 2. Employee Classifications

Trailer Repair Employee

Utility Employee Full-time and Part-time

A Trailer Repair employee is a person hired to maintain, rebuild or repair equipment, in a Trailer Shop.

Section 3. Wage Rates By Classification

Trailer Repair Employee

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The wage rate of a trailer repair employee will be eighty-five percent (85%) of the prevailing rate of the UPS automotive journeyman mechanic in the area where the trailer repair shop is located. A new trailer repair employee will start at one dollar (\$1.00) per hour less than the above mentioned rate and will receive a twenty-five cent (\$.25) per hour increase when gaining seniority, an additional twenty-five cents (\$.25) per hour after sixty (60) working days, and an additional twenty-five cents (\$.25) per hour after ninety (90) working days and the final twenty-five cents (\$.25) per hour at the end of one hundred and twenty (120) working days.

Utility Employee. Full-time and Part-time

The rate of pay for utility employees will be eighty percent (80%) of the prevailing rate of the trailer repair employee in the area where the trailer repair shop is located. A new utility employee, full-time or part-time, will start at fifty cents (\$.50) per hour less than the above-mentioned rate and will receive a twenty-five cent (\$.25) per hour increase when gaining seniority and an additional twenty-five cents (\$.25) per hour after six (6) months of employment.

Section 4. Health and Welfare

All trailer repair shop employees shall be covered under the health and welfare plan in effect in the Area Supplemental Agreement, Rider or Addendum consistent with Article 34 of the Agreement.

Section 5. Pension

The Employer shall make pension contributions to the fund designated by the Local Union in the same amounts negotiated and provided for in the Supplemental Agreement, Rider or Addendum in effect in that area consistent with Article 34 of the Agreement.

Section 6. Seniority

The provisions of Seniority in this Article do not supersede any seniority provisions in Local Supplements, Riders, Addenda or elsewhere in this Master Agreement unless mutually agreed.

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(a) Classification Seniority shall prevail when unscheduled work is available. Unscheduled work can include but is not limited to 6th and 7th day work as well as holiday work. The employee requesting such work must have adequate hours available to perform the work, and must be qualified to do the work.

(b) In the event of a lay-off, the least senior employee in the classification shall be laid off first. Recall shall be in reverse order of seniority.

Any Trailer Repair employee who is laid off at least five (5) consecutive days shall have the right to displace any junior employee in the Trailer Shop provided he/she is qualified to perform the work of the employee he or she has displaced.

The employee shall receive the appropriate rate of pay for the job being performed.

(c) Trailer shop employees will be given the opportunity to select start times by seniority on an annual basis, provided they are qualified to perform the work.

Employees shall have classification seniority within the trailer repair facility only and shall have the right to exercise the same as set forth in the Area Supplement, Rider, or Addendum. Modifications or changes to area practices concerning the application of seniority may be made by mutual agreement between the Local Union and the Employer and shall be a subject for negotiations. All changes or modifications must be approved by the National Negotiating Committee prior to implementation.

Section 7. General

All other terms and conditions of employment shall be negotiated between the Local Union and Employer and presented to the National Negotiating Committee for approval and set forth in local area trailer repair shop Riders or Addenda.

In areas where current trailer repair employees are part of a Local area or Supplemental Mechanics Agreement those employees shall remain covered by their current Agreement. In areas where the

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Employer elects to build or open a separate Trailer Repair Facility, unresolved issues of the newly affected employees will be referred to the National Committee for resolution.

Section 8. Movement of Equipment

It is agreed that all movement of equipment to and from the trailer repair shop may be assigned to a qualified trailer repair shop employee and shall be paid at his/her classification rate.

Section 9. Amendments

Any alterations, changes, additions or deletions to this Article must be presented to the National Negotiating Committee for approval prior to being placed into effect.

Section 10. Paint and Body Facilities

In the event paint and body facilities are created to perform repair work on feeder and package car equipment, the above Article and Sections shall apply.

Section 11. Training Program

A utility employee shall have a one-hundred-twenty (120) day training program to qualify as a trailer repair person when filling an opening. The trainee shall maintain his/her current rate of pay for the one-hundred-twenty (120) day period. Should he/she qualify, he/she will go to the starting rate of a trailer repair person. Should an employee fail to qualify as a repair person said employee will return to his or her previous position. A trainee shall remain on the vacation schedule of his/her previous position. No employee shall be subject to a pay decrease as a result of this language.

This qualification will be limited to one (1) per lifetime of this Agreement. Qualification is to be determined by the Company.

Section 12.

All language in Article 39 is based on an employee being qualified to perform the work.

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Section 13. Trailer Conditioners, Inc.

(1) Upon ratification, the Agreement Between Southern Region of Teamsters and Trailer Conditioners, Inc. ("TCI Agreement") shall become a supplement to the National Master United Parcel Service Agreement (NMA). Article 1, Section 2 and Article 2, Section 1 shall apply to the job classifications described in Article 1 of the TCI Agreement. No other provision of the existing or any future NMA shall apply to the employees covered by the TCI Agreement except as provided in Paragraph 3 below or as otherwise mutually agreed in writing by the parties.

(2) The TCI Agreement shall become a Supplement to the NMA upon ratification of this Agreement. This Supplement shall remain in full force and effect for the duration of this NMA. This Supplement to the successor NMA will be subject to cancellation or termination on July 31, 2013 provided that the notice provisions of the NMA are followed.

(3) Full-Time employees of Trailer Conditioners, Inc. (TCI) who were participants in the Central States Southeast and Southwest Areas Pension Fund (CS Plan) as of December 26, 2007, and all future full-time employees who would have been covered by the CS Plan absent this agreement, shall be covered by the UPS/IBT Full-Time Pension Fund as set forth in Article 34, Section 1(l) of the National Master Agreement (effective January 1, 2008) and the related Plan Documents and Trust Agreement except the benefit formula set forth in Article 34, Section 1 (l)(2) and (l)(6). The benefit formula and monthly benefit for TCI employees will continue at the level set forth in the TCI Agreement. As of December 26, 2007, TCI will cease to have an obligation to contribute to the CS Plan and will have no other obligation to provide such employees with future benefit accruals under the CS Plan. The provisions of Article 21, Section 1 of the TCI Agreement shall become null and void upon ratification of this Agreement.

ARTICLE 40. AIR OPERATION

Preamble

In order for the Employer, the Union and the employees to further benefit from the expanding air operations, the following Sections shall supersede language on the same subjects in the Supplements, Riders and Addenda, unless specifically stated otherwise in this Article.

Section 1 - Air Drivers

(a) Air driver work shall consist of delivery and pickup of air packages which, because of time and customer commitments, cannot be reasonably performed by regular package drivers. Such work may include:

(1) Delivery of air packages which the regular delivery drivers cannot deliver within guaranteed time commitments.

(2) Delivery of air packages arriving at the facility after regular drivers have been dispatched.

(3) Delivery and pick up of air packages on weekends and holidays.

(4) On Call Air pickups.

(5) Pick up at air counters and drop boxes. **The Company shall not expand the utilization of part-time employees to pick up drop boxes, including those containing ground packages. The Company shall provide the International Teamsters Union with a report no later than March 1, 2013 and, thereafter, an annual report by August 15th of each year for the prior contract year identifying for each Local Union the total number of drop boxes being picked up by regular full time package drivers, full-time air/combo drivers, and part time air drivers. The ratio of drop boxes picked up by regular full-time package drivers, full-time air/combo drivers and part time air drivers shall be maintained within two (2) percentage points during the term of this Agreement. Additional drop boxes will be picked up by the same ratio of regular full-time drivers, full-time air/combo drivers and part-time air drivers as established by the March 1, 2013 report. The size and**

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dimensions of drop boxes existing on February 1, 2013, and those added thereafter, shall not be increased, without the consent of the Union.

6. Additional late air pickups.

7. Air drivers may, on an exception basis, be used to make service on packages which are not air packages.

An exception package is intended to be when an Air Driver is making a pick up, as outlined above, after the regular driver has been at the customer's premises, and the customer has an exception ground package(s) for shipment, the air driver may make service on this package(s). Air drivers may continue to pick up Automatic Return Service packages but the features of this service will not be expanded.

Any violation of Section 1(a) (7), shall obligate the Employer to pay the Air Driver involved the difference between his/her rate of pay and the top regular package car driver wage rate existing at that building. Grievances concerning violation or abuse of this shall be referred directly to the National Air Committee.

8. Delivery of early AM Packages.

9. Movement of air packages to airports and other locations such as service centers, UPS buildings and driver meet points. Shuttle work currently performed by regular full time drivers shall be excluded. Should a regular full-time driver vacate a position which includes air shuttle work, that job shall either be rebid as it previously existed and continue to be paid at the regular driver rate or the air shuttle work may be combined with other air work to create one (1) or more full-time air or full-time combination job(s) paid in accordance with Section 6 below. In no event shall such shuttle work be assigned to a part time air driver.

Shuttle work currently being performed by part-time air drivers shall be converted to full-time air driver work when the driver vacates the job except when there is not enough work available to create a full-time job.

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(b) The workday for Air Drivers shall be as follows:

(1) Eight (8) hours scheduled work in the air driver's classification, or a combination of eight (8) hours scheduled work in the air driver's classification and other bargaining unit classifications, except air walker. These employees shall receive all appropriate full-time benefits.

(2) Less than eight (8) hours scheduled work in the air driver classification or a combination of less than eight (8) hours scheduled work in the air driver classification and other bargaining unit classifications, except air walker. The Employer will notify the Union within thirty (30) calendar days in writing when a less than eight (8) hour position is created, and the Union will have thirty (30) calendar days to grieve the implementation if they believe such position is improper. This grievance shall go directly to the National Air Committee. These less than eight (8) hour employees shall receive appropriate part-time benefits. No less than eight (8) hour combination job will be rescheduled to create two (2) part-time jobs.

(3) Combinations which require more than a two (2) hour gap between jobs will normally not be used unless mutually agreed to by the Local Union and the Employer.

(c) Air Driver Work Week

The workweek for full-time air drivers currently working a Monday through Friday workweek shall continue on that schedule. The work-week for additional full-time air drivers shall be any five (5) consecutive days in seven (7), and for all part-time air drivers shall be any five (5) in seven (7) days.

(d) Air Driver Guarantee and Overtime

(1) Full-time air drivers shall have the same daily and weekly guarantees as provided for regular drivers in the applicable Supplement, Rider or Addendum. They shall receive overtime pay for hours worked in excess of eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours per week.

(2) Less than eight (8) hour air drivers (part-time air drivers) who

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have a regular scheduled start time shall have a three (3) hour daily guarantee. They shall receive overtime pay for hours worked in excess of eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours per week.

(3) Any less than eight (8) hour combination air driver (part-time combination air drivers) who works their three (3) hour guarantee shall be guaranteed four (4) hours. They shall be paid overtime for work in excess of eight (8) hours in a twenty-four (24) hour period or in excess of forty (40) hours per week.

(4) The provisions above do not apply to an air exception driver who performs extra work under Sections 1 (h), (j) or (k) below.

(5) Employees in paragraphs (2) and (3) above shall be entitled to all other provisions in their Supplement, Rider or Addendum (such as rest periods, shift differential, bidding to full-time jobs and layoff provisions, etc.).

(e) Start Times

All full-time and part-time air drivers, who have a scheduled assignment, shall have start times posted the previous week. Start times may be adjusted with notification prior to the employees reporting to work.

(f) Break Periods

(1) Full-time air drivers shall receive the same provisions for lunch and/or breaks as regular drivers receive in their Local Supplement, Rider or Addendum.

(2) This provision is not intended to give less than eight (8) hour air drivers or less than eight (8) hour combination air drivers more than one (1) break unless specifically stated otherwise in the Local Supplement, Rider or Addendum. However, any less than eight (8) hour air driver (part-time air driver) or less than eight (8) hour combination air driver (part-time combination air driver) who is dispatched with eight (8) or more hours will be provided the same break or lunch period as that provided to full-time drivers under the applicable Supplement, Rider or Addendum.

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(g) Bidding Procedure

Air driver jobs shall be subject to the appropriate bidding procedures in the applicable Supplement, Rider or Addendum.

(h) Exception Air Drivers

(1) The Employer and the Union recognize that there may be air packages that cannot be delivered by the regular full-time package car driver or the scheduled air drivers listed in this Section. Therefore, the parties agree to continue the practice of allowing the use of part-time employees who have signed the exception qualified list or who have expressed in writing their desire to be on the list and who have been certified to deliver these exception air packages.

(2) Employees certified on the Exception Air Driver list who have not worked over forty (40) hours in the current work week shall be offered this work by seniority.

(3) Exception air drivers shall have no guarantee and will be paid only for the time worked making air deliveries. In the event a part time employee works over eight (8) hours in any one (1) twenty four (24) hour period, he or she shall be compensated at the rate of time and one-half (1-1/2) for all hours worked over eight (8) hours at the rate of pay specified in Section 6 below.

(4) No exception air driver shall be required by the Employer to wait at a center for packages off the clock.

(i) Personal Vehicles

Air Exception drivers will use the Employer's vehicles whenever possible. Air Exception drivers who would happen to use their personal automobiles shall be reimbursed at the IRS limit applicable per mile for all miles driven to perform the air driving work in addition to their air driver wages. When an employee uses his/her own vehicle in the service of the Employer and is involved in an accident, the Employer shall be responsible for the damages to both the employee's vehicle and to the other person's vehicle and/or property, and will provide liability insurance coverage.

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(j) Holiday Work

When it is necessary to provide air service on holidays, the following procedure shall be used:

(1) The Employer shall offer this work in seniority order to full time air drivers who have worked at least one (1) day that week before offering it to part-time air drivers.

(2) When the scheduling needs cannot be met using the above provision, the Employer shall have the right to force part-time air drivers and then full-time air drivers to work starting in reverse order of seniority. If after exhausting the above steps scheduling needs are still not met, the Employer shall offer the work in seniority order within the package driver classification. If more drivers are still needed the reverse seniority order concept will be used for package drivers. Package car drivers who work on a holiday may make a written request for an eight (8) hour guarantee. Such written request shall be made the last work day prior to the holiday. All time worked by these drivers on a holiday will be paid at the Supplemental holiday rate.

(3) The scheduling of the support work will be reviewed with the Local Union prior to the holiday. If the Local Union believes that the Employer has scheduled an excessive number of support employees, it shall have the right to appeal directly to the National Air Committee. The National Air Committee will review the schedule and determine whether the Employer has scheduled an excessive number of support employees. If it is determined by the National Air Committee that the Employer worked excessive support employees, the excessive employees worked shall be paid double-time for hours worked in addition to their holiday pay.

(4) Air drivers and support employees scheduled on a holiday to ensure air service to the customer, including time performing incidental work, shall receive straight-time for all hours worked up to eight (8) hours in addition to the holiday pay. Overtime provisions shall apply if the employee works over eight (8) hours.

(k) Saturday or Sunday Air Work

(1) To perform Saturday or Sunday air work the Employer and the

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Union recognize the need for air drivers other than those regularly scheduled. Qualified part-time employees who are interested in performing this work will so notify the Employer, be certified and be placed in seniority order on a posted qualified air driver list. Such work will be first offered in seniority order to employees on the qualified list who have not worked more than thirty-seven (37) hours in the current week. This work shall then be offered in seniority order to qualified part-time employees regardless of hours worked. If the scheduling needs still cannot be met, and additional employees are needed, the Employer may force qualified part-time employees in reverse seniority order.

(2) These employees shall be paid at the air driver's straight-time rate of pay in accordance with Section 6 below. Time and one-half (1-1/2) will be paid after eight (8) hours per day or after forty (40) hours per week.

(3) All employees working as an air driver on Saturday or Sunday under this Section shall have a three (3) hour guarantee.

(l) References in this Article to an air driver, part-time or full-time, include employees who on a scheduled basis, perform (1) only air driving work, or, (2) air driving work in combination with other bargaining unit work.

Section 2. Air Walkers

(a) Air Walkers may deliver and/or pickup air packages and shall not drive any vehicle which requires a drivers license in the performance of their duties.

(b) Air Walkers will not be used to pick-up or deliver ground packages.

(c) Air walkers shall start and end the day in the area they work.

(d) Air Walkers shall be guaranteed three (3) hours per day and shall be given a ten (10) minute paid break.

(e) Air Walkers shall be paid in accordance with Section 6 below.

(f) Air Walkers shall receive all part-time benefits and conditions of

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employment as outlined in the appropriate Supplement, Rider or Addendum including the right to bid into full-time jobs. An air walker position shall be open for bid to current employees prior to tilling that position from the outside.

(g) The intent of this Section is not to eliminate present full-time air jobs and/or combination jobs.

Section 3. Air Hub and Gateway Operations

Employees presently working in or hired into existing air hubs and/or gateways shall continue to work under the present agreements covering the air hub and gateway operations. If no agreement exists, Article 40, Section 3 shall apply. However, if Section 3 is silent, the appropriate Supplement, Rider or Addendum will apply.

(a) Workweek

(1) The workweek for air hub and gateway employees shall consist of any five (5) days in a seven (7) day period.

(2) Air hub and gateway employees hired prior to August 1, 1987 shall have the right to maintain the workweek in existence at that time, if such workweek exists.

(b) Daily Guarantees

The three (3) hour daily guarantees shall apply whenever possible. Further, the parties agree that in those areas that do not currently have a daily guarantee, the following procedure shall apply: If eighty percent (80%) of the employees reporting to a shift work three (3) or more hours for thirty (30) working days within a fortyfive (45) day period, except for peak season, such shift shall be entitled to a three (3) hour guarantee. The Employer may also provide a higher daily guarantee to the extent it does not conflict with the overtime rules in the applicable Supplement, Rider or Addendum. Grievances concerning this issue shall be brought directly to the National Air Committee.

(c) Holidays

(1) When it is necessary to operate an air hub and gateway operation on a holiday, those employees worked will be paid overtime in addition to holiday pay if it is not a scheduled workday for those employees.

(2) For those employees not qualified for overtime, as stated above, the holiday will be a normal workday.

(3) The holiday shall be defined as the day the holiday is nationally observed.

(4) Start times on these days may differ from normal workday start times.

(d) Rest Periods - Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

(e) Newly Expanded Hubs and Gateways

If an air operation is expanded or altered and is no longer able to effectively operate, the Employer and the Union shall meet to work out any needed modifications, which would be subject to approval of the National Air Committee.

(f) Seniority

(1) Air hub and gateway employees shall work off one (1) seniority list within each operation, unless otherwise mutually agreed. Part-time employees covered under this Section shall be given the same opportunities for full-time positions as described in the appropriate Supplement, Rider or Addendum. Where those Agreements are silent or are not clear, the Employer and the Local Union shall meet and agree upon a method of affording the opportunity for full time employment.

(2) In air hub and gateways that currently have no procedure to recognize part-time seniority, part-time employees with one (1) or more years of seniority will be allowed in seniority order to fill permanent

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vacancies on a different shift and/or fill permanent vacancies between the airport sort facility and the ramp in all months except November and December. The employee will be allowed to exercise this procedure once a year.

(g) Start Times

Start times may be adjusted with notification, prior to the employees reporting for work, to coincide with the arrival and departure of parcels.

(h) Rain Gear

The Employer shall provide all outside ramp employees rain gear, to include, pants and tops. De-ice crews shall be provided with insulated coveralls, insulated gloves, boots and rain gear that is large enough to fit over the insulated coveralls.

(i) Air Gateway

In addition to the Union's right to organize employees at the Company's air gateways in accordance with applicable law, work performed at air gateways shall be performed by United Parcel Service bargaining unit members in accordance with the following procedure:

The Union Chairperson of the National Air Committee shall serve the Company Chairperson of the National Air Committee with written notice of the Union's position that work at a particular gateway is appropriate for conversion to work performed by United Parcel Service bargaining unit members. Upon receipt of the notice, the Union and Company Chairpersons of the National Air Committee shall meet to review the details of the specified gateway operation, including if necessary an inspection of the air gateway. For work at an air gateway/ramp operation (including any sort work performed on the ramp) to be performed by United Parcel Service bargaining unit members, all of the following criteria must be met:

(1) The air gateway operation must have an established five (5) day workweek with a minimum of three (3) hours of continuous work on all shifts (excluding rest periods provided in the appropriate

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Supplement, Rider or Addenda) for all employees;

(2) There is a minimum of forty (40) potential bargaining unit members on the ramp;

(3) The Company currently owns, rents or leases the appropriate ramp equipment. Disputes over the economic impact of the Company's ability to purchase, rent or lease the necessary ramp equipment will be resolved by the Union and Company National Air Committee Chairpersons; and,

(4) The Company is not prohibited from obtaining legal permission to operate on the airport ramp by the operating authority of that particular airport.

Once the Union Chairperson of the National Air Committee has served the Company Chairperson of the National Air Committee with written notice of the Union's position that a particular air gateway is appropriate for conversion in accordance with the criteria set forth in (1) through (4) above, the Company agrees that subsequent alteration or changes in the four (4) criteria listed above, which are made by the Company, shall not be used as a subterfuge to avoid conversion.

The conversion period shall be no longer than one hundred twenty (120) days from the date the Union and Company Chairpersons verify that the above stated criteria have been satisfied.

The completed conversion of an air gateway to work being performed by United Parcel Service bargaining unit members under the provisions of this Section shall not be affected by subsequent alteration or changes in the criteria set forth in (1) through (4) above at any such converted air gateway.

Air gateway location(s) which utilize a Teamster represented vendor contracted by United Parcel Service are not subject to this Section.

Section 4. Start Times for Air Shuttle and Air Feed Drivers

Because of the nature of the air business, regular air shuttle and air

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feed drivers may have flexible start times on Monday, Friday, Saturday, Sunday and/or holidays to coincide with the needs of the Employer's air operations.

Section 5. Grievance Procedure

(a) A Joint National Air Committee shall be appointed for the purpose of continually reviewing the progress of the air expansion and the unforeseen problems that may arise. This Committee shall have the authority to amend, alter, add to and delete provisions of this Article as it deems necessary to further the best interests of the employees and the Employer's air operation.

(b) All grievances, controversies and/or disputes concerning the Air Operation shall be subject to the regular grievance procedure. Any decision rendered by a local, state or area panel which interprets Article 40 shall not be precedent setting in any other case.

(c) Any dispute concerning the interpretation or applicability of this Article including cases which have deadlocked at the lower level shall be submitted to the Joint National Air Committee for resolution. Such resolution will include the right to submit the matter to arbitration in accordance with Article 8 Procedures. Decisions made in accordance with this Section shall be final and binding on all parties.

Section 6. Wages

All hourly wages for employees covered under Article 40 will be determined in accordance with this Section, Article 22 and Article 41 where specified.

a. Part-time air drivers including exception air drivers will be paid as follows:

Start	\$12.50
Seniority	\$13.50
Seniority Date plus 12 months	\$14.00
Seniority Date plus 18 months	\$14.50
Seniority Date plus 24 months	Top Rate

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(1) Effective August 1, **2013** the prior **\$24.74** twenty-four (24) month (top) rate will change **on** August 1st of each **of the first three** years of the Agreement to reflect the agreed upon general wage increases. **The last two general wage increases will be applied to the Top Rate on August 1 and February 1.**

(2) Seniority part-time employees entering a part-time air driver job after the effective date of this Agreement will begin at the seniority rate.

Part-time employees who are awarded a scheduled part time air driver job shall receive progression credit in accordance with the following: for each four (4) days on which exception air work was performed in the two (2) years immediately prior to the bid award, one (1) month of progression credit shall be granted. In addition, if a bid part-time air driver is displaced, he/she will retain his/her progression credit under paragraph (a.) for any air exception work.

b. Full-time air drivers will be paid as follows:

Start	\$14.50
Seniority	\$15.50
Seniority Date plus 12 months	\$16.00
Seniority Date plus 18 months	\$16.50
Seniority Date plus 24 months	Top Rate

1. Effective August 1, **2013** the prior **\$26.74** twenty four (24) month (top) rate will change **on** August 1st of each **of the first three** years of the Agreement to reflect the agreed upon general wage increases. **The last two general wage increases will be applied to the Top Rate on August 1 and February 1.**

2. All full-time air drivers in progression on the effective date of this Agreement will be slotted into the full-time progression in paragraph (b.) above. Seniority full-time employees entering a full time air driver job will be slotted based on their Company seniority.

(c.) All new hire full-time or part-time air drivers will be placed in the applicable progression in paragraphs (a.) or (b.) above. **Part time employees who bid into a full-time air driver job covered**

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by this Section will be red-circled at their current wage rate until such time as the calculated progression rate set forth above exceeds that rate. The transfer date will become his/her full-time start date for the purposes of applying the progression set forth above. A part-time employee shall not lose the red-circle protection provided by this paragraph as a result of transferring from one full-time air driver job to another full-time air driver job.

(d.) All current full-time or part-time air drivers who are out of progression shall receive the general wage increases provided for in accordance with the split dates provided in Article 41, or the Top Rate provided in paragraphs (a.) or (b.) above, whichever is greater.

(e.) Employees in existing or newly created less-than-eight hour combination jobs shall be paid the part-time air rate in accordance with paragraph (a.) above for air driver work and their normal part time wages for the hours worked in other classifications in accordance with Article 22.

(f.) Employees who are in existing full-time combination jobs or who hereafter enter a full-time combination job shall be paid the appropriate full-time air rate for air driver work and appropriate inside part-time rate for the hours worked in other classifications. If an employee has no established inside rate, that employee will be paid the appropriate part time rate in accordance with his Company seniority.

(g) Employees on the exception air driver list shall continue to be slotted into the part-time air driver progression in paragraph (a.) above based upon the length of time the employee has been performing air exception work. Seniority employees who begin performing air exception work will start at the seniority rate. New part time employees signing up to perform air exception work will receive the start rate in paragraph (a.) above until they gain seniority.

(h) Part-time air hub and gateway employees and air walkers shall be paid at the all other rate of pay as shown in Article 22. However, if a part-time employee is awarded an air walker job he/she shall continue to receive his/her inside rate in accordance with Article 22. Full-time air hub and gateway jobs shall be paid in accordance with

ARTICLE 40

Article 41, Section 3 unless there is an existing agreement under Article 40, Section 3 expressly providing a pay rate for such a classification.

(i) Air operation employees who are covered by a daily guarantee shall receive the same rest period provisions as outlined in the appropriate Supplement, Rider or Addendum.

ARTICLE 41. FULL-TIME EMPLOYEES

Section 1. Full-time Wage Increases

All full-time employees who have attained seniority as of August 1, **2013** will receive the following general wage increases for each contract year. **In the first three years of the contract, the increase will be effective on August 1. In 2016 and 2017,** the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for the year will be as follows:

2013 seventy cents	(\$0.70)
2014 seventy cents	(\$0.70)
2015 seventy cents	(\$0.70)
2016 eighty cents	(\$0.80)
2017 one dollar	(\$1.00)

Full-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases. They will be paid no less than what they are entitled to in accordance with Article 41, Section 2 below.

Section 2. Full-time Wage Progression

Notwithstanding any provision in any Supplement, Rider 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, 2013 covered by those Sections.

(b.) No employee shall be required to complete a full-time progression

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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 or a job covered by Section 3 below) after August 1, **2013** shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four (24) months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

Part-time employees on the payroll as of July 31, **2013** 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.

If a part-time employee bids to a full-time position and the top rate of the classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

This Sub-section shall supersede any provision to the contrary in any Supplement, Rider or Addendum.

The progressions in this sub-section shall apply to full-time employees who may have had separate progressions in their Supplements, Riders or Addenda including, but not limited to, UPS CSI.

ARTICLE 41

Article 41 Section 2(c) of the prior Agreement shall remain in effect for all employees in that progression as of the date of the ratification.

Section 3. Full-time Inside Wages

The rates in this Section shall not apply to any full-time inside jobs guaranteed in Article 22, Section 2 created prior to August 1, 1997.

Rather, for employees entering those jobs, Article 41, Section 2 (c) above shall apply.

Part time employees whose rates are higher than those set forth below who bid into a full-time inside job covered by this Section shall be paid their current inside wage rate plus the general wage increases.

Other part time employees who bid into a full-time inside job covered by this Section will be red circled at their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below. A part-time employee shall not lose the red circle protection provided by this paragraph as a result of transferring from one full time inside job to another full-time inside job.

Start	\$15.00
Seniority plus 12 months	\$16.00
Seniority plus 24 months	\$17.00
Seniority plus 36 months	\$20.00
Seniority plus 48 months	Top Rate

The Top Rate shall be **\$26.74** plus the general wage increases provided in Section 1 above.

For employees who are currently in the above progression as of the date of ratification or who enter a job covered by this Section prior to August 1, 2008, Article 41 Section 3 of the prior Agreement shall continue to apply. When the progression is completed, the employee shall be placed at the then current top rate and shall thereafter be eligible to receive the general wage increases beginning on the next date specified in Article 41, Section 1. Full-time employees who bid into a full-time inside job covered by this Section will be paid in accordance with their full-time seniority

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date. Full-time employees with three (3) **four (4)** or more years of full-time seniority who bid into a full-time inside job will be paid the top current rate of the classification.

Section 4. Full-time UPS CSI and Challenge Air Cargo Employees

Full time UPS CSI, and Challenge Air Cargo employees shall receive the general wage increase on the dates set forth in Article 41, Section 1. Notwithstanding any Supplement, Rider or Addendum, the general wage increase shall be split into two equal payments in 2016 and 2017.

ARTICLE 42. UNIFORMS

Effective May 1, 1994, short uniform trousers will be provided as an option for package and feeder drivers at no cost to the employee. Such shorts may only be worn in compliance with uniform and appearance standards established by the Employer.

ARTICLE 43. PREMIUM SERVICES

Section 1. Job Protection

From time to time, the Employer must offer special new premium services to its customers in order to protect existing jobs and further the mutual goal of increasing the number of bargaining unit jobs. The Employer shall utilize bargaining unit employees to perform the feeder movement work of such new premium services, which work shall be considered to be bargaining unit work. The provisions of this Article shall also apply to all packages moved by airplane and to the Employer's "city pairs" service, where it is necessary for the Employer to implement the service to meet its competition. No feeder driver will be laid off or displaced from a feeder classification as a direct result of any provision in this Article.

In implementing such new premium services, the Employer shall utilize the following options to complete the ground movement of the customers' packages in the following order:

ARTICLE 43

(1) If the Employer's existing feeder network can meet the Employer's time and service needs, that network will be used first.

(2) When the existing feeder network will not adequately meet the Employer's time and service needs, the Employer agrees to establish a new driver classification, which shall be called a premium service driver. This driver will be typically used to move loads to and from ground and air hubs that are more than two hundred fifty (250) miles apart. Wherever practical, the driver will start at approximately the same start time each day and make two (2) round trips per week to a scheduled sort location. Such work must provide the driver a minimum four (4) day work week.

Benefits provided will be those of regular full-time feeder drivers. The driver will be provided the opportunity to work ten (10) hours per day four (4) days per week. Drivers will also be provided with lodging and shuttle service at the away destination. When jobs are created that have less than ten (10) hours of work, the premium service driver will be paid at the feeder rate of pay and be allowed to work locally in either origin or destination city to fill out his/her workday. In regards to the premium service drivers, since some hubs work on Friday and some on Sunday, the Employer may move the fifth (5th) day loads via a TOFC pursuant to Article 26.

(3) If the Employer cannot accommodate its time and service needs under (1) and (2) above, the Employer shall have the right to propose the use of bargaining unit sleeper teams to the Local Unions and the Joint Premium Service Review Committee as set forth in Section 4 below. The wages and other economic terms of employment for such sleeper teams shall be as set forth below.

Section 2. Sleeper Team Operations

The Employer may use subcontractors for new custom contracts for reasonable start-up periods. In no event shall such start-up period exceed thirty (30) days.

(1) Bidding and Mileage

(a) Sleeper cab runs approved pursuant to the provisions of Article 43 will be posted and employees may bid for such runs in accordance

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with the bidding procedures set forth in the applicable Supplement, Rider or Addendum. No seniority employee shall be forced to drive in a sleeper cab run. A senior driver who successfully bids a sleeper cab run shall be permitted to select his/her respective sleeper cab team partner without regard to seniority, provided that the driver selected as a partner has, prior to such bid, acknowledged his/her agreement, in writing, to accept such permanent sleeper cab run driving assignment and provided further that the selected partner possesses the required qualifications.

(b) There shall be no two (2) person operations on runs of less than five hundred fifty (550) outbound miles and one thousand one hundred (1,100) miles round trip. All bids and cover drivers will receive reasonable time off at their home center. Every team driver shall be guaranteed at least forty (40) hours of pay per week.

(2) Driver Team

Once driver teams are established it is understood that they are not to be separated unless mutually agreed to by the Employer, the Local Union, and the driver team involved, except in case of emergency or reduction in force. Only two (2) drivers shall be permitted in sleeper cab equipment at any one (1) time except in case of emergency, an Act of God, or where a new type of equipment is put into operation.

(3) Furnished Transportation and Lodging

Comfortable, sanitary lodging shall be furnished by the Employer in all cases where an employee is required to take a rest period away from his home center. Air-conditioned hotel rooms shall be furnished. Hotel rooms shall be equipped with blinds or draperies or be suitably darkened during daylight hours. There shall be no bunk beds or double beds and both drivers shall be entitled to a room. All team driver lodging must be maintained on the basis of one (1) driver per room.

Under unusual circumstances in which the Employer is unable to furnish satisfactory lodging, the employee shall be paid fifty dollars (\$50.00) for each rest period; except where accommodation is unavailable at such figure and it is necessary for the driver to pay in excess of fifty dollars (\$50.00), he shall receive reimbursement of

ARTICLE 43

the actual cost of the room.

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

All time waiting for motel/hotel furnished transportation and/or waiting for a sleeping room to be made available will be paid at the hourly rate of pay.

(4) Safety and Health Committee

The parties will maintain a safe and healthy working environment in sleeper operations. The parties agree to establish a committee composed of four (4) members each to review the comfort and/or safety aspects of sleeper berths pertaining to ride. Such committee shall meet by mutual agreement of the Co-chairmen as to time and place. The committee shall confer with appropriate representatives of equipment manufacturers and/or other experts on this subject as may be available. The intent of the committee is to identify any problems with the comfort and/or safety aspects of sleeper berths pertaining to ride that may exist, and through its deliberations with the manufacturers and/or other experts, develop ways and means to correct such situations. Any disputes will be referred to the Joint Premium Service Review Committee.

(5) Sleeper Equipment

Newly purchased equipment will meet the following specifications:
Minimum interior dimensions of the sleeper berths shall be:

Length – 79/80 inches;
Width – 36 inches; and
Height – 24 inches.

It is understood that a “manufacturing tolerance of error” of one inch (1”) is permissible, provided the original specifications were in conformity with the above recommended dimensions.

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(b) Sleeper berths shall be equipped with individual heat and air conditioning controls and units.

(c) Bunk restraint strap/net buckles on sleeper equipment shall be mounted on the entrance side of the sleeper berth.

(d) Sleeper equipment shall be equipped with a power window on the passenger's side of the cab that is operable from the driver's side of the cab.

(6) Subsistence Allowance

Each employee shall be allowed road expenses in the amount of **thirty-five (\$35.00)** for each one thousand (1000) miles traveled.

(7) Delay Time

It is the intent of the parties to make the driver whole for all justified delay time, such as waiting for late loads, unscheduled on property work, accident delay or on road equipment breakdown. Any disputes will be referred to the Joint Premium Service Review Committee.

(8) Solo Driving

There shall be no solo driving permitted in sleeper cab operations, except in cases of emergency. In case of emergency where one (1) driver is used to complete a sleeper cab trip, the driver so used shall receive the full mileage rate of pay per unit mile traveled in addition to all other compensation provided for herein. In cases of emergency solo driving of such length that a rest period is necessary, the driver, in addition, shall be provided the cost of lodging for such rest period.

(9) Layover Pay

In the event a driver is required to take a rest period during any one (1) round trip away from his home center, the driver shall be compensated at his regular hourly rate of pay for all hours after the first eight (8) hours of the layover.

(10) Mileage Determination

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Sleeper drivers shall be paid for the **scheduled** miles that they drive, on a point-to-point basis over the routes driven.

The method of measurement for mileage under this provision will be Microsoft Streets and Trips mapping or similar successor software.

(11) Employees entering a job paid on mileage between the date of ratification and August 1, 2008 will continue to be paid in accordance with the provisions of the prior Agreement.

All employees entering after August 1, 2008, a job classification paid on a mileage rate, who have not yet completed a full-time progression, shall be paid a progression rate equal to the following:

Mileage Rate in Effect On August 1, 2002	
Start	70%
Seniority Date plus one year	80%
Seniority Date plus two years	90%
Seniority Date plus three years	Top Rate

(12) Hourly work performed at the beginning or end of a mileage run shall be paid at the applicable hourly feeder one and one-half (1 1/2) rate of pay or the applicable premium rate of pay in the driver's Supplemental Agreement.

Section 3. Mileage Rates

Premium Service drivers will be paid the cents per mile shown below for all miles driven. Sleeper teams will receive a two (2) cents per mile premium on the appropriate mileage rate and will equally divide the appropriate rate.

The mileage rates set forth below shall be effective for each of the specified contract years. **In the first three (3) years of the contract, the increase will be effective on August 1st. In 2016 and 2017** the increase in the mileage rate shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The

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total increases for each year will result in the following mileage rates:

	Single	Double	Triple
August 2013	0.7554	0.7719	0.7883
August 2014	0.7713	0.7882	0.8049
August 2015	0.7873	0.8045	0.8216
August 2016	0.7964	0.8138	0.8311
February 2017	0.8055	0.8231	0.8406
August 2017	0.8169	0.8347	0.8525
February 2018	0.8282	0.8463	0.8643

Section 4. Joint Premium Service Review Committee

The Employer and the Union agree to establish a Joint Premium Service Review Committee consisting of four (4) Union representatives and four (4) Employer representatives. This Committee shall meet at least quarterly or upon the call of either the Union Chair (who shall be appointed by the Union General President) or the Employer Chair.

In the event the Employer proposes to implement either a mileage layover run or sleeper team run in accordance with the provisions of Section 1 above, the run must first be reviewed and approved by the affected Local Union(s). Such approval shall not be unreasonably denied. After approval by the Local Union(s), the accommodation shall be submitted to the Joint Premium Service Review Committee for review. The Employer may also submit the accommodation to the Committee for review in the event approval is denied by the Local Union(s). No such accommodation shall be implemented without the approval of the Parcel & Small Package Division Director or the General President's designee. Approval shall not be unreasonably denied.

The Committee shall also review the Employer's compliance with the provisions of this Article and shall report and recommend improvements or alterations in the implementation and operation of premium service and sleeper team drivers.

ARTICLE 44. OVER 70 POUND SERVICE PACKAGE HANDLING

The parties agree that the health and safety of the employees are of

the utmost importance. The Employer agrees that UPS management will not insist that any unsafe action be undertaken and the Union agrees to encourage its members to cooperate in effectuating the handling, pick-up and delivery of parcels without exposing themselves to safety hazards.

Section 1. On Area Package Handling

No employee shall be required to handle any over 70 pound packages alone if it is the employee's good faith belief that such handling would be a safety hazard to herself or himself. In such cases, the Employer shall provide whichever of the following is requested in good faith by the employee in handling over 70 pound packages:

1. Another bargaining unit employee for assistance, or
2. Appropriate lifting/handling devices, or
3. Another bargaining unit employee and an appropriate

lifting/handling device for handling, pick-up or delivery circumstances that require both bargaining unit help and an appropriate lifting/handling device.

In all such instances involving package car drivers, where assistance from another bargaining unit employee has been requested in good faith, both employees will be full-time employees of the bargaining unit except that air drivers or helpers, where permitted by the applicable Supplement, may be used to assist the full-time driver in the delivery and/or pickup of such overweight packages. On Saturdays, air drivers may be assisted by another air driver in the delivery and/or pickup of overweight packages. A helper may be used to assist a driver in the handling of overweight packages when a helper is already on the package car in accordance with the terms of the Supplement, Rider or Addendum.

No employee will be required to solicit or accept customer assistance if it is the employee's good faith belief that the customer is not qualified to help or that such assistance would be a safety hazard to themselves or the customer.

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All new and existing employees who handle packages shall be provided with periodic training in the recognition and proper handling of over 70 pound packages.

Section 2. Package Identification

The Employer agrees that it will periodically instruct its customers to place at least one (1) over 70 pound label on all such packages shipped, enter the weight of the package on the label and notify the pick-up driver of the over 70 pound packages to be picked up. The driver shall complete and affix as many additional over 70 pound labels and/or identifying tape as is reasonably necessary to provide proper visual identification of the package for safe movement through the system. The label and tape shall be of bright contrasting colors. No package will move through the system without enough tape clearly visible from all sides identifying the package as over seventy (70) pounds.

Section 3. Inside Package Handling Procedures

For the purpose of inside handling, all over 70 pound packages shall be considered to be irregular shipments and will not be co-mingled with under 70 pound regular packages. No over 70 pound packages will be placed onto the belt, box line or slide systems used for under 70 pound package operations, except as provided in the Employer's standard irregular handling practices and in accordance with safe packages handling procedures.

Where over 70 pound packages are moved by belt, box line or slide system, such packages will be handled by two (2) bargaining unit employees and/or the use of appropriate lifting/handling devices when requested in good faith by the employee.

No over 70 pound package shall be loaded below the flaps of a drop frame trailer or stacked taller than waist high.

Packages over 150 pounds shall not be picked up. However, if such a package is discovered in the UPS system, the package shall not be handled by a bargaining unit employee unless such package can be reasonably broken down into packages which do not exceed 70 pounds.

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The parties recognize that it may be necessary to consider new methods and new equipment to handle over 70 pound packages. If either the Union or the Employer believes it is necessary to implement changes in the over 70 pound handling procedures or equipment, including any change in labeling, or if the Employer believes it is necessary to increase the current weight limit or the current limits on package dimensions, it may request a review of such changes. The Employer shall negotiate and reach agreement with the Union before any change is implemented. Neither party shall unreasonably withhold agreement.

If the parties are unable to reach an agreement, a grievance claiming that agreement was unreasonably withheld may be filed by either party directly with the National Safety and Health Grievance Committee in accordance with the provisions of Article 18, Section 20.2.

ARTICLE 45. DURATION

Section 1.

This Agreement shall be in full force and effect **from August 1, 2013** to and including July 31, **2018** and shall continue from year to year thereafter unless written notice of desire to cancel or terminate 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, **2018** 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, **2013** unless otherwise specifically provided. The Employer or the

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National Negotiating Committee shall be permitted all legal or economic 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.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this day of , **2013** to be effective as of ratification of this Agreement except as to those areas where it has been otherwise agreed between the parties:

IN WITNESS WHEREOF the undersigned do duly execute the NATIONAL MASTER UNITED PARCEL SERVICE AGREEMENT and Supplemental Agreements, Riders and/or Addenda.

For the Employees:

For the Employer:

Memorandum of Understanding

Teamsters United Parcel Service Negotiating Committee (Union) and United Parcel Service, Inc. agree that pursuant to the last paragraph of Article 34, Section 1 (a)(v), the maximum amount of a general wage increase that will be re-allocated to a pension contribution is thirty-five cents (\$0.35). The parties will not implement any reallocation of GWI to pension contributions in excess of thirty-five cents (\$0.35) without mutual agreement by the parties and subject to it being ratified by the affected employees.

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation) and Teamsters United Parcel Service National Negotiating Committee agree that under Article 26 the Employer may not subcontract feeder movements to outside trucking contractors solely because it is less expensive.

The parties further agree that this Memorandum of Understanding does not apply to the 2002 Memorandum of Understanding regarding the intent of Article 1, Section 4.

Memorandum of Understanding

Teamster United Parcel Service Negotiating Committee (Union) and United Parcel Service, Inc. agree that it was their mutual intent that if a part-time employee completes his assigned duties and leaves work in less than three-and-one-half hours he shall be considered to have forfeited the right to his daily three-and-one-half hour guarantee. This shall not affect an employee's right to a minimum three (3) hour daily guarantee.

Memorandum of Understanding

United Parcel Service, Inc. (Ohio and New York Corporation), as a demonstration of its commitment to maintaining jointly administered Teamster pension benefit plans, and to enhance the long term stability of pension coverage for its employees represented by Teamster Local Unions, agrees that for a period of ten (10) years from the effective date of the National Master Agreement, it will not solicit any signatory Local Union to change pension plans,

either by proposing such change during future negotiations of the National Master Agreement or by encouraging its employees to advocate withdrawal from participation in their current pension plan.

LETTER OF AGREEMENT

United Parcel Service, Inc. (“UPS” or “Company”) and the Teamsters UPS National Negotiating Committee (“Union”) agree that the following will apply to Article 26, Section 4 of the UPS National Master Agreement:

(1) In the event the Company’s competition eliminates its service comparable to Surepost, either nationwide or in any service area, the Company shall discontinue Surepost on the same basis.

(2) In the event any dispute referred to the chairs pursuant to Article 26 Section 4,(3) cannot be resolved, the matter shall be subject to expedited arbitration process which will allow the grievance to be heard within sixty(60) days of filing. The first arbitrator, in alphabetical order, on the East Panel who is available within the sixty (60) day period, will be selected to hear the case. In the event the arbitrator finds that UPS has expanded Surepost beyond the scope of Article 26, Section 4 without first obtaining the consent of the Union, he shall have the authority to fashion a remedy based on the nature and extent of the violation, including issuing a cease and desist order requiring UPS to terminate the expanded service.

Memorandum of Understanding

United Parcel Service Inc. (UPS) and the Teamsters UPS National Negotiating Committee (Union) provide the following in order to detail the benefits available through Central States Health & Welfare plan. Nothing within this Memorandum of Understanding shall affect the Central States Health & Welfare Trustee’s right to modify benefit levels.

1. The base benefits for all employees covered by the Central States Health & Welfare Fund shall be the C6 schedule.

2. Enhancements shall be made in the C6 plan in the following areas for all employees who will be covered by the Central States Health & Welfare plan for the first time effective January 1, 2014: Phased in deductible; reduced co-pays for medical office visits, physical exams and well child care and mail order prescription drugs.

3. For those employees on the payroll on July 31, 2013, who will become Central States Health & Welfare participants on January 1, 2014, and are not covered by the Central or Southern Conference Supplemental Agreements, the Company will also enhance the retiree eligibility rules.

4. Short term disability, life insurance and dental benefits will first be provided through Central States Health & Welfare. UPS will cover the differential between what Central States Health & Welfare currently provides and what the employee had as a benefit prior to January 1, 2014.

5. Details concerning any of the above benefits shall be available from the Central States Health & Welfare Plan.

6. In order to cover the costs of early retirement eligibility, for full time employees who are outside of the Central and Southern Conference Supplements but are transitioning to the CS H&W Plan, the August 1, 2013 contribution increase provided in Article 34, Section 1(a)(ii)(1) shall be seventy cents (\$0.70) instead of fifty cents (\$0.50) of the one dollar (\$1.00).

Memorandum of Understanding

United Parcel Service, Inc (UPS) and the Teamsters UPS National Negotiating Committee (Union) agree to the following in connection with Article 34 of the 2013-2018 National Master Agreement:

In recognition of the request from the Western Conference Negotiating Committee and Local Union 177 to evaluate and prepare a proposal to provide medical coverage for employees within their jurisdiction rather than having them transition to the Central States Health & Welfare Plan (CS H& W), the parties agree that any such proposal will be considered by the parties if presented before November 1, 2013. Any such plan must provide benefits equal or superior to those provided by the CS H & W Fund for a

before November 1, 2013. Any such plan must provide benefits equal or superior to those provided by the CS H & W Fund for a contribution rate that does not exceed that paid to CS H&W Fund. The proposal shall be subject to approval of the Co-Chairs of the Joint Negotiating Committee.

Memorandum of Understanding

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

1) Retirees in UPS sponsored plans (pre- and post-65) will have the following contribution rates:

Effective 1-1-2014:

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

Effective 1-1-2015:

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

Effective 1-1-2016:

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

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

3) This Agreement will be applied to retirees covered by the Health Care Program and formerly represented by Teamster Locals 118, 182, 294, 317, 449, 529, 264A, 687 and 693 in accordance with the Memorandum of Understanding between the parties identified in this paragraph dated October 22, 2010

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

**NATIONAL MASTER UNITED PARCEL SERVICE
AGREEMENT RULES OF PROCEDURE
NATIONAL GRIEVANCE COMMITTEE**

**ARTICLE I.
PREAMBLE**

These Rules of Procedure and the Committees hereunder are established pursuant to the provisions of Article 8 of the National Master United Parcel Service Agreement and appropriate grievance procedures contained in collective bargaining agreements supplemental to the National Master United Parcel Service Agreement.

**ARTICLE II.
NATIONAL GRIEVANCE COMMITTEE**

Section 1. Function of Committee

The National Grievance Committee shall be charged with the responsibility of establishing and implementing the required machinery for performing the functions required under Article 8 of the National Master United Parcel Service Agreement.

The National Grievance Committee shall have jurisdiction over

All grievances and/or questions of interpretation of the provisions of the National Master Agreement.

All grievances arising under Article 9, Section 5 of the National Master Agreement.

(3)(2) Any other cases properly referred, by mutual agreement, to this National Grievance Committee.

(B) The National Grievance Committee may, by majority vote, refuse to hear cases and/or remand such cases to the forwarding committee or party if the evidence presented is insufficient or for failure to follow the Rules of Procedure of the National Grievance Committee or the contractual grievance procedure.

(C) The National Grievance Committee does not have jurisdiction to continue to act as a “designee” in order to hear lower panel

deadlocks. The IBT Director of Parcel and Small Package Division and UPS Vice President of Labor Relations, or their designees, will meet three (3) times a year in conjunction with the Western Region panel to hear Western Region and Northern California Supplemental deadlocks. If the cases remain deadlocked they shall, then, be subject to arbitration in accordance with the Northern California or Western Region Supplement, as applicable. After two (2) years, this special procedure may be canceled by the IBT Director of Parcel and Small Package Division or the UPS Vice President of Labor Relations.

Section 2. Committee Membership

The National Grievance Committee shall be composed of an equal number of Employer and Union members and alternates on each side.

Section 3. Secretary

The Employer and the Union Chairmen shall mutually agree upon a Secretary of the Committee who shall prepare and distribute the Agenda and Minutes of the Committee upon approval of the Co-Chairmen. The secretary will, after the National Grievance Committee meeting, prepare a written decision and any interpretation of each case heard by the Committee, and will forward same to all Local Unions and to Employer representatives concerned. The Secretary shall be considered as nonparticipating member of the Committee. Other duties of the Secretary shall be determined by the Co-Chairmen.

ARTICLE III. NATIONAL GRIEVANCE COMMITTEE MEETINGS

Section 1. Time and Place

The National Grievance Committee shall meet three times year, if there are matters for it to consider, or at more frequent intervals upon call of either the Employer or Union Chairman. The meetings shall be at such time and place designated by the Co-Chairmen.

Section 2. Agenda

All Local Unions and the Employer having cases docketed to be heard shall receive notice of all National Grievance Committee meetings. The docket of cases to be heard at such National Grievance Committee meetings will be prepared by the Secretary at least thirteen (13) days in advance of the date of each meeting and a copy of such docket mailed to all parties. Once the docket has been prepared and mailed out to all interested parties, additional cases can only be added to the docket for that meeting by mutual agreement of the parties involved.

Section 3. Notice to Employee

A discharged employee, or an employee directly involved in a grievance of continuing liability, shall be notified by the Local Union, in writing, within a reasonable time prior to the hearing, preferably seven (7) days, of the time and place of the grievance meeting.

ARTICLE IV. PROCEDURES ON GRIEVANCES

Section 1. Filing of Grievances

All information pertinent in any case referred to the National Grievance Committee must be forwarded to the Employer and Union Chairmen or their designated alternates at least (15) days prior to the Grievance Committee hearing. This material shall include all grievance committee minutes, transcripts, records and documents related to the referred case.

Section 2. Selection of Panel

The Chairman of the Union Committee shall be the Director of the Package Division or his designee and the Chairman for the Company shall be the National Labor Relations Manager or his designee. The chairmanship at meetings of the National Grievance Committee shall be alternated between Employer and Union Chairmen.

Each Co-Chairman shall select his/her members of a Panel to hear each case on the docket. Any Panel of the Committee hearing a case shall consist of an equal number of Employer Committee

members and Union Committee members, not to exceed four (4) from each side, nor less than three (3) from each side, including the Chairman.

With the exception of the Co-Chairmen, neither Union nor Company representatives may participate as a panelist on the National Grievance Committee to decide the cases involving Local Unions or UPS Districts located within the IBT Conference or UPS region that they represent. Such representatives may, however, have voice but no vote in deliberations of the Panel, at the request of his Chairman.

Section 3. Postponement of Cases

Postponement of cases on the agenda will be permitted only because of physical illness of one or more of the principals involved or other serious reason. Notice of request for postponement shall be given to both Co-Chairmen by the fastest possible method of communication upon knowledge of illness or for other serious reason no later than the scheduled start time of the meeting. A mutual postponement 'shall be permitted provided the parties serve notice upon the Co-Chairmen no later than seventy-two (72) hours prior to the first day of the Committee meeting. No subsequent postponements will be permitted except upon the approval of the Co-Chairmen of the Committee.

Section 4. Failure to Appear

If a party to a docketed case scheduled for hearing fails to appear at the time the case is called, without an authorized postponement, the case shall be placed at the end of the agenda for that day and if the party fails to appear when the case is called later in the day, then the panel of the National Grievance Committee shall receive all evidence presented by the appearing party, and decision shall be rendered thereon; excepting however, that in any such case, the Co-Chairman of the group whose party fails to appear may appoint a member of the committee not sitting on the Panel to present such evidence as may be available.

The Panel shall consider all evidence presented and render its decision thereon.

If both parties fail to appear when a case is scheduled, the case shall be re-docketed for the next meeting of the National Grievance Committee. If neither party appears at such next meeting, the case shall be withdrawn.

ARTICLE V. HEARING PROCEDURES

Section 1.

The National Grievance Committee may decide a case upon transcripts, minutes and records of the Committee previously considering the case, if any.

The Committee may, in any specific case, by a majority vote, agree upon other methods and procedures by which additional evidence may be obtained.

In the hearing of cases, each party will submit a written statement of all facts involved in each case at the time of the hearing. If such written statement is not submitted to the Committee at the time of the hearing, the case will not be heard. Except in cases of discharge or suspension, the Union shall present its summary first.

Only authorized employees of the Union and the Employer shall be permitted to participate in the presentation and hearing of cases covered by these Rules of Procedure.

Arguments on the case can be cut off by majority vote after all factual information is presented.

Each side shall have one opportunity for rebuttal.

Cross-examination shall only come through, or by Panel members. The Panel will go into executive session and render a decision after each case has been presented. The Committee will mail in each case, or recall the parties for an announcement of the decision.

The National Grievance Committee shall have the authority to refer matters to Subcommittees for investigation and report, as directed, to the National Grievance Committee.

Decisions on the National Grievance Committee shall be final and binding upon all parties.

Section 2. Rules for Conduct of Hearings

The National Grievance Committee may, from time to time, adopt such supplemental rules as are deemed necessary for the orderly conduct of hearings. Such Supplemental rules may be adopted or changed by majority of the members of the National Grievance Committee, provided that both Union and Employer members of the Committee shall have the right to cast an equal number of votes for the adoption or amendment of such supplemental rules.

Section 3. Order of Cases

All cases will be heard by a Panel of the National Grievance Committee in the order in which they are docketed, except upon reasonable request, the two Co-Chairmen may agree to hear any particular case out of its regular order on the docket.

Section 4. Hearings

In the hearing of a case, either party may present any evidence bearing on the facts of the particular case and may present testimony or witnesses either in person or by sworn affidavit.

Witnesses may only be present while testifying. During the hearing, only Committee members and alternates, the Secretary and the parties presenting the case shall be allowed to sit in the immediate area where the hearing is being conducted. After each party has presented its case the Panel, in executive session, shall then render its decision.

Section 5. Docketing Fees

There will be a twenty-five dollars (\$25.00) docket fee payable by the Local Union or District each time a case is docketed or postponed on the National Grievance Panel.

The docket fees will be payable to the Committee, no later than two (2) weeks upon receipt the National Grievance Panel docket. Any party that becomes one (1) month or more delinquent must be current before any of their case(s) will be heard for the upcoming National Grievance Panel meeting.

Such funds will be expended solely by the Committee to defray the cost of carrying out the functions of the National Grievance Panel Committee, or for other legitimate functions, which serve to maintain or improve operations of the Committee. Costs to be reimbursed shall be by mutual agreement of the Chairs of the Committee.

A bank account will be established and maintained under the name of the National Grievance Panel. Checks will be signed by the Secretary. The Secretary shall be designated by mutual agreement and will perform such duties as may be designated by the Company and Union Co-Chairs.

The Secretary will engage the services of an Independent Auditor to prepare an annual written financial statement detailing each receipt and expenditure of the Committee during the preceding fiscal year. The financial statement will be mailed to the Company and Union Co-Chairs of the Committee.

ARTICLE VI. ARBITRATION

In the case of a deadlock, either party shall have the right to refer any unresolved case to arbitration in accordance with Article 8 of the National Master United Parcel Service Agreement.

ARTICLE VII. AMENDMENTS

These Rules of Procedure may be amended or modified by majority vote of the National Grievance Committee.

ARTICLE 43 – PREMIUM SERVICES COMMITTEE

Guidelines for UPS Mileage Layover, City Pair, and Sleeper Team Drivers

- 1. No Feeder Driver will be laid off or displaced from the Feeder Classification as a direct result of the implementation of a Premium Service Job.**
- 2. If the Employer's existing Feeder Network can meet the Employer's time and service needs, that network will be used first.**

In the event the Employer proposes to implement either a mileage layover, or sleeper team run in accordance with the provisions of section 1 above, the run must first be reviewed and approved by the affected Local Union(s). Such approval shall not be unreasonably denied.

After approval by the Local Union(s), the accommodation shall be submitted to the Joint Premium Service Review Committee for review.

The Employer may also submit the accommodation to the Committee for review in the event approval is denied by the Local Union(s).

No such accommodation shall be implemented without the approval of the Parcel and Small Package Division Director of **or** the General President's designee.

Approval shall not be unreasonably denied.

Any run that has been approved and is changed such change must be reviewed with the Local Union(s) involved.

City Pair (mileage turn) drivers will be paid by the actual miles driven between selected UPS locations which are more than 250 miles apart.

City Pair (mileage turn) drivers shall be scheduled for 5 working days as outlined in the applicable supplement, rider or addendum. Layover drivers will be paid by the actual miles driven between selected UPS locations, which are typically more than 500 miles apart.

Mileage jobs not scheduled to equal ten (10) hours of pay will be filled in with local hourly feeder work in the following order:

1. Local feeder or CPU/**TDP** work at origin hub or center.
2. Shifter work at origin work location.
3. Layover jobs not scheduled to equal ten (10) hours per day, may be supplemented with an additional day of work at the regular hourly rate in an effort to provide forty (40) hours of work weekly. When this occurs, the layover job will not be subjected

to the requirement of providing hourly work to equal ten (10) hours of pay.

4. Destination local work will be the last consideration.

Holidays, personal holiday, paid sick days, funeral leave and jury duty for city pair (mileage turn), layover and sleeper team drivers will be paid in accordance with the applicable supplement, rider or addendum. The layover and sleeper team drivers will be compensated for no less than forty (40) hours of work in a holiday workweek.

These holidays will be paid at ten (10) hours straight time pay for mileage drivers who are scheduled four (4) days a week, ten (10) hours a day **if the holiday falls on a day the employee is normally scheduled to work. When the holiday falls on a non-scheduled day, the employee will be paid in accordance with the applicable supplement, rider or addendum.**

When the city pair (mileage turn), layover and sleeper team drivers are required to work on a holiday, the driver will be paid at the appropriate holiday rate under the applicable supplement, rider or addendum.

City pair (mileage turn), layover and sleeper team jobs will be bid among regular origin feeder jobs as per local procedures and work rules.

Jobs not selected in normal top down seniority order will be assigned from the bottom up as per normal local work rules. As per Article 43, Section 2(1)(a).

Efforts to pre-connect city pair (mileage turn), layover and sleeper team driver's tractor/trailer units at the local origin will be made at both the start and the finish of the run in a regular location on the lot.

Pre-trip, post-trip inspection start and finish shall be part of the applicable mileage rate.

"It is the intent of the parties to make the driver whole for all justified delay time, such as waiting for late loads, unscheduled on-property work, accident delay or on-road equipment breakdown. Any disputes will be referred to the Joint Premium Service Committee."

Unless authorized otherwise by management, delays will commence at the scheduled departure time.

Mileage drivers are not paid for traffic delays when mileage is recorded within the delay except as follows:

On major highways, traffic delays will commence when a mileage driver's speed is reduced to a complete stop and then the driver continues to move at a speed less than fifteen (15) miles per hour. The delay would continue until the tractor reaches a speed of fifteen (15) miles per hour for a least one (1) consecutive minute. Traffic delays must be fifteen (15) minutes or greater and will be paid back to the first minute.

It is understood in extreme traffic delay cases, delay pay will not be unreasonably denied.

While this section clearly entitles the Team Drivers to be made whole for all justified delay time such as waiting for late loads this language applies only to sleeper cab planned runs that have been awarded through the appropriate applicable supplemental, rider or addendum provision.

When sleeper team runs require waiting time at the furthest point, such waiting time may be non-paid, but not to exceed two (2) hours. **The driver will be paid from the actual arrival time to the extent that an early arrival is not the fault of the driver. Each arrival at the home domicile will reset the furthest point.**

Upon arrival at the furthest point, the Company will have the option of providing suitable lodging of the duration of any wait time. Drivers who are provided with lodging will be in a non-pay status not to exceed eight (8) hours or until placed back on duty by the Company.

The Company may schedule a maximum of ten percent (10%) of the total approved network sleeper teams nationwide up to ten (10) hours in non-pay status at the furthest point. The Company will not unnecessarily create these types of runs or excessively schedule these runs in any one (1) Local Union. Also, the Company must have a specific business purpose to schedule such a run as well as follow the approval process set forth in the Article 43 Guidelines on any newly created runs as of March 27, 2013.

Waiting time at intermediate stops will be handled in accordance with **the** applicable local supplement, rider or addendum.

Delays of fifteen minutes or more will be paid back to the first minute, at the applicable local hourly feeder rate for both team drivers and a single person driver that is on a layover run.

“Chain-up” time will be paid to both team drivers and a single person driver that is on a layover run in the States where it is required.

City pair (mileage turn), layover and sleeper team drivers will be paid the applicable feeder hourly rate if dispatched (i.e. via) off of his/her mileage run while en route to the final destination **after a diversion occurs from the point of leaving the main highway to the facility and returning to the main highway**. Any such re-dispatch will not displace any bid feeder work.

Mileage Determination:

Sleeper Team drivers shall be paid for the scheduled miles that they drive, on a point-to-point basis, over the routes driven. The method of measurement for mileage under this provision will be Microsoft Streets and Trips mapping of similar successor software. If an extension or diversion occurs, the drivers would be paid the scheduled miles using the same methodology as above.

Fuel and Wash will be handled in the following manner:

There shall be a set fuel/wash allowance of thirty (30) minutes when a fueling event is scheduled at a non UPS facility or required in an emergency situation.

However, when sleeper teams are scheduled to fuel/wash at UPS facilities other than those designated as an intermediate stop, those stops which utilize a staging area outside of the facility the fuel/wash delay will start at the point of uncoupling and finish when re-coupling is completed. If uncoupling and re-coupling is necessary within a facility, a team will commence being paid upon entering the facility and finish upon exiting. If uncoupling is not necessary, teams will be paid a set fuel/wash allowance of forty (40) minutes.

Re-route:

A re-route occurs when a sleeper team is taken off their scheduled path due to weather, road closure, accident, etc. When a team is re-routed to other comparable roadways, the team's additional miles will be compensated at the applicable mileage rate of pay. If a mileage driver is re-routed to a non-comparable main highway, he will be paid at the applicable hourly rate of pay.

Extension:

An extension occurs when an exception such as inclement weather, breakdown, traffic delay, etc. requires a sleeper team to be extended beyond their furthest point. These miles will be paid at the regular mileage rate of pay.

Shuttle service to a sanitary hotel and lodging expenses will be paid for, or provided by, the Employer.

It is understood that supplemental language, regarding impassable highways, shall continue to apply. If a mileage driver pulls doubles any part of his/her day, he/she will be paid the doubles rate for the entire day. Double forty (40) foot trailers will be categorized the same as triples.

For Sleeper Team Drivers, the greatest number of trailers actually pulled will be used for compensating all legs from domicile to return to domicile. Each turn at domicile will reset the trailer compensation rate. Applicable wage rates **are** listed under Article 43 and apply to all drivers. There is no wage progression for full-time package car and feeder drivers hired on or prior to August 1st, 1997.

In the event city pair (mileage turn), layover and sleeper team mileage drivers are offered work on a regular scheduled day off from his/her workweek, the following shall apply:

1. Mileage drivers who work on their days off shall be paid the applicable feeder premium rate of pay in his/her Supplemental Agreement.
2. Mileage drivers scheduled for four (4) runs at ten (10) hours a day – When the drivers work on the fifth (5th) punch, such drivers shall be paid the applicable premium rate of pay in his/her Supplemental Agreement for the sixth (6th) day of work.

3. Mileage drivers scheduled for four (4) runs at ten (10) hours a day – When the drivers work on the sixth (6th) punch, such drivers shall be paid the applicable premium rate of pay in his/her Supplemental Agreement for the seventh (7th) day of work.

4. Sleeper team drivers who work on their first (1st) scheduled day off will be paid at the applicable premium rate of pay as a sixth (6th) day of work in accordance with his/her Supplemental Agreement. Any subsequent days worked thereafter within their scheduled workweek will be paid as a seventh (7th) day of work in accordance with his/her Supplemental Agreement.

A premium service layover and sleeper team driver equals in four (4) days the same benefits as a five (5) day hourly driver.

Hourly work performed **at the beginning or** end of a mileage run shall be paid at the applicable hourly feeder one and one-half (1 ½) rate of pay or the applicable premium rate **of pay** in the driver's Supplemental Agreement. **This would include mileage runs that may have multiple beginnings and endings at the home domicile.**

Subsistence allowance shall cover the cost of showers; however, where practical and when possible, UPS may provide a shower at the destination facility.

The cost of fees for bridges, turnpikes, expressways and weigh stations shall be paid by the Employer.

Each driver will be issued two (2) sheets, two (2) pillow cases, and one (1) blanket each year, provided however, that if a driver requests a replacement set of sheets, pillow cases, and blankets because of the material being worn out prior to one (1) year, such request will not be unreasonably denied by UPS. Laundry service shall be paid by the drivers.

Planned mileage runs must be bid with designated work days and days off (i.e. four-day runs and five-day runs)
Mileage drivers shall be paid the applicable mileage rate of pay for all miles driven.

Each sleeper team driver will receive subsistence allowance of twenty five dollars (\$25.00) for every one-thousand (1000) miles driven.

Miles driven under one-thousand (1000) each work week shall be adjusted within a thirty (30) day period. For example, three-thousand five-hundred (3,500) miles in a week, five-hundred (500) miles of the total miles driven will be prorated.

VACATED SLEEPER POSITION SELECTION

Each Local Union may elect to follow this procedure for the replacement of the senior driver work assignment or continue the practice that presently exists in their Local Union area. In the event the senior driver (A driver), of a bid team permanently vacates the team for any reason, the junior driver (B driver), will become the senior (A driver), for that team for the purpose of selection of his/her replacement. The selection will be in accordance with Article 43, Section 2 (1) (a) of the National Master Agreement.

NEGOTIATING COMMITTEE

For the Employees:

TEAMSTERS NATIONAL UNITED PARCEL SERVICE
NEGOTIATING COMMITTEE

For the Employer:

UNITED PARCEL SERVICE