



TEAMSTERS

UPS Freight National Negotiating Committee

25 Louisiana Avenue, NW, Washington, DC 20001

MEMORANDUM

TO: All UPS Freight Members

**FROM: Kris Taylor, Co-Chairman
Teamsters National UPS Freight Negotiating Committee**

DATE: October 25, 2018

SUBJECT: Urgent Contract Update

The Teamsters National UPS Freight Negotiating Committee has received a Last, Best and Final (LBFO) contract proposal from UPS Freight. You may view the proposal at <http://ibt.io/UPSFreightupdate>

Please read the proposal in preparation for voting scheduled November 9, 10 or 11 at your local union hall or other local area. Your local union will notify you of the time, date and locations for voting.

As you are aware, on October 5, the proposed tentative agreement was rejected. The Teamsters UPS Freight National Negotiating Committee (negotiating committee) notified the company that the 30-day extension agreement would terminate effective Monday, November 12, 2018, at 12:01 a.m. Meanwhile, all members of the negotiating committee have been talking to you about the issues that caused you to reject the tentative agreement.

On Monday, October 22, the negotiating committee met and formulated a list of issues that have been presented to the company. The negotiating committee demanded: 1) tighter restrictions and limits on subcontracting and rail usage; 2) higher wage increases that are not split; 3) earning protection for city drivers when they perform dock work; 4) elimination of the new qualifiers for pension and vacation benefits; and 5) a week's worth of vacation pay for all classifications based on 1/52 of the prior year's earnings.

The negotiating committee has met with the company but has not been able to reach a revised tentative agreement. We have, however, won the following changes over the tentative agreement you rejected:

1) In Article 25, Section 6, the 1,800-hour qualifier for a full year of pension credit will be reduced to the prior 1,500-hour level;

2) In Article 25, Section 5, the 182 reports qualifier for full vacation benefits will be reduced to the prior 156-day level; and

3) In Article 26, Section 1, pick-up and delivery drivers will receive their applicable driver rate of pay rate when performing dock work; and

4) In Article 26, Section 2, road drivers will maintain their applicable local/road driver hourly rate when performing dock work if they are not otherwise entitled to the Article 44(d) \$37.61 rate.

One additional change is in Article 44(e) where the percentages that subcontracting will be reduced over the life of the agreement will be adjusted so that the overall (4) percentage points remain the same but that the annual reductions will now be reallocated as: .5% by July 31, 2019; .5% by July 31, 2020; 1% by July 31, 2021; 1% by July 31, 2022; and 1% by July 31, 2023.

The negotiating committee has determined that the LBFO does not sufficiently address the issues raised by the members. Nevertheless, because of the company's insistence that there is no more money to be had and in order to allow you to make an informed decision on a question that will affect you and your family, the negotiating committee decided to submit the LBFO for acceptance or rejection. You have already authorized a strike. While a strike is a last resort, if you reject this final offer from the company there will be no other options and there will be a strike at a time and location(s) determined by the negotiating committee.

While the national negotiating committee makes no recommendation for or against this offer, we have agreed to forward it to you for your acceptance or rejection as the consequences of this decision are yours alone to make.

Sample picket sign language and picket line instructions will also be forwarded to all UPS Freight local unions for use in the event you reject the LBFO. It is important to note that any strike against UPS Freight is directed only at UPS Freight and not against UPS parcel or any other UPS entity.

As noted above, the extension agreement will expire on Monday, November 12, at 12:01 a.m. No work stoppage can take place until after that time and then only with the approval of the negotiating committee.

*To view the proposal, go to: <http://ibt.io/UPSFreightupdate>