

**DHL Express
Change of Operations**



November 19, 2008

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

25 Louisiana Avenue, NW
Washington, DC 20001



C. THOMAS KEEGEL
General Secretary-Treasurer

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BLAST FAX

TO: ALL MASTER DHL LOCAL UNIONS
John Murphy, Eastern Region DHL Coordinator - (LU 25)
Joe Smith, Eastern Region DHL Coordinator - (LU 326)
Kevin Moore, Central Region DHL Coordinator - (LU 299)
Frank Burdell, Central Region DHL Coordinator - (LU 407)
W.C. 'Willie' Smith, Southern Region DHL Coordinator - (LU 891)
Mike Scott, Southern Region DHL Coordinator - (LU 769)
Chris Griswold, Western Region DHL Coordinator - (LU 986)
Bill Degroot, Western Region DHL Coordinator - (LU 961)

FROM: William Hamilton, International Vice President & Director
Express Division

DATE: November 20, 2008

RE: DHL Express Multi-Region Change of Operations MR-DHL-CO-01-12/2008

A request has been received from the above-referenced company for an emergency Multi-Region Change of Operations to be held the week of December 1st, 2008. Meeting dates and hotel information to be announced. Attached for your perusal you will find the proposed multi-region change of operations. Also for your review, you will find an agreement between DHL and the International Brotherhood of Teamsters. Please be prepared to discuss these documents on the scheduled conference call.

The affected Local Union number(s):

100, 135, 299, 344, 364, 407, 486, 600, of the Central Region;
25, 107, 118, 170, 249, 317, 326, 355, 375, 391, 493, 500, 671, 822, 851, of the Eastern Region;
745, and 769 of the Southern Region; and,
70, 85, 162, 174, 222, 287, 483, 624, 856, 912, 961 and 986 of the Western Region.

To be heard as case number:
MR-DHL-CO-01-12/2008

To be assigned to the:
DHL National Grievance Hearing;

Commencing:
(Dates and Times to be announced)
Lido Beach Resort
700 Ben Franklin Drive
Sarasota, FL 34236
Phone: 941/388-5634

BH/du
Attachments

WILLIAM HAMILTON, Director, Express Division
25 Louisiana Avenue, NW, Washington, DC 20001 • phone: (202) 624-8746 fax: (202) 624-8722

Ⓢ



BLAST FAX

TO: DHL LOCAL UNIONS: 25, 70, 85, 100, 107, 118, 135, 162,
170, 174, 222, 249, 287, 299, 317, 326, 355, 364, 375, 391,
407, 483, 486, 493, 500, 600, 624, 671, 745, 769, 822, 851,
856, 912, 961, 986
John Murphy, Local Union 25
Joe Smith, Local Union 326
Kevin Moore, Local Union 299
Frank Burdell, Local Union 407
W.C. "Willie" Smith, Local Union 891
Mike Scott, Local Union 769
Chris Griswold, Local Union 986
Bill Degroot, Local Union 961

FROM: William Hamilton, International Vice President &
Director, Express Division

DATE: November 19, 2008

RE: Conference Call – Update on the Restructuring and Downsizing
of DHL

Please make the necessary arrangements to participate in a conference call
on Friday, November 21, 2008, commencing at 12:30 p.m. EST, 11:30 a.m.
CST or 9:30 a.m. PST depending on your location. The following
information is for participants in the above-captioned conference call:

DATE: Friday, November 21, 2008
TIME: 12:30 p.m. EST, 11:30 a.m. CST, 9:30 a.m. PST
TOLL FREE DIAL IN NUMBER: 1-877-322-9654
PARTICIPANT CODE: 145355

Thank you.

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November 19, 2008

Bill Hamilton
Each Local Leader
[Addressee]

Dear Committee Members:

In accordance with Article 5 of the DHL – Teamsters Pickup and Delivery and Office Clerical Operational Supplements, I am providing you notice of a change in its operation involving DHL Express' transition to international-only service offerings in the US.

Under DHL's new operational model, DHL's business will focus exclusively on its international service offering. Accordingly, DHL will substantially eliminate its domestic ground and air express products effective January 30, 2009. This fundamental shift in business direction will result in the consolidation of DHL service centers due to the reduction in package volume across the DHL system and the closure of all DHL ground hubs. This consolidation and reduction in volume will result in a corresponding reduction in DHL's domestic workforce. DHL will also adjust the remaining stations' service areas to align each service area with that station's international freight volume. These station consolidations, work force reductions, and service area adjustments will be complete by January 30, 2009.

Details concerning the Company's change are contained in this filing. Following your review of this information, we will be available to discuss this change and answer any additional questions you may have.

In accordance with Article 6 of the DHL – Teamsters Pickup and Delivery and Office Clerical Operational Supplements, any outstanding issues related to the change will be resolved by the National Grievance Panel. The Company and TDHLNNC have agreed to convene this panel on December 2, 2008, in Sarasota, Florida. Please contact me with any questions concerning this matter or with any request for additional information.

Sincerely,

Patricia Ann Burke
Vice President, Labor Relations

cc:

Involved and Interested Local Unions

- Local 25 (Boston, Massachusetts)
- Local 70 (Oakland, California)
- Local 85 (San Francisco, California)
- Local 100 (Cincinnati, Ohio)
- Local 107 (Philadelphia, Pennsylvania)
- Local 118 (Rochester, New York)
- Local 135 (Indianapolis, Indiana)
- Local 162 (Portland, Oregon)
- Local 170 (Worcester, Massachusetts)
- Local 174 (Seattle, Washington)
- Local 222 (Salt Lake City, Utah)
- Local 249 (Pittsburg, Pennsylvania)
- Local 287 (San Jose, California)
- Local 299 (Detroit, Michigan)
- Local 317 (Syracuse, New York)
- Local 326 (Wilmington, Delaware)
- Local 344 (Appleton, Wisconsin)
- Local 355 (Baltimore, Maryland)
- Local 364 (South Bend, Indiana)
- Local 375 (Buffalo, New York)
- Local 391 (Raleigh, North Carolina)
- Local 407 (Cleveland, Ohio)
- Local 483 (Boise, Idaho)
- Local 486 (Saginaw, Michigan)
- Local 493 (Bozrah, Connecticut)
- Local 500 (Philadelphia, Pennsylvania)
- Local 600 (St. Louis, Missouri)
- Local 624 (Santa Rosa, California)
- Local 671 (Bloomfield, Connecticut)
- Local 745 (Dallas, Texas)
- Local 769 (Miami, Florida)
- Local 822 (Virginia Beach, Virginia)
- Local 851 (Metro New York and New Jersey)
- Local 856 (San Francisco, California)
- Local 912 (Santa Cruz, California)
- Local 961 (Denver, Colorado)
- Local 986 (Los Angeles, California)

Opening Statement

On November 10, 2008, DHL announced a major shift in the focus of its operations in the United States. Beginning on January 30, 2009, DHL will focus entirely on its international offerings and substantially discontinue its domestic-only air and ground services, resulting in a substantial curtailment of DHL's United States operations. Because of this shift in operations, DHL will reduce the system-wide number of service centers covered by the National Master DHL Agreement from one-hundred six (106) to thirty-four (34). DHL intends to complete these station consolidations by January 30, 2009. DHL's station consolidation plan encompasses the following:

- (1) Consolidation of Company facilities where the same Local Union represents the employees at all impacted facilities; or
- (2) Consolidation of Company facilities where a different Local Union represents the employees at the facilities.

In the "Proposed Operations" section of this proposal, DHL discusses in broad terms how the work performed at the remaining stations will change after the transition to international-only operations. DHL also lists the closed stations, stations remaining open, the affected Local Unions, and sets out DHL's proposals for seniority list integration and health and welfare and pension benefits transition at each of those facilities.

- DHL's station consolidation will result in the loss of approximately 6,000 jobs from the National Master DHL Agreement PU&D and Office Clerical active seniority lists. This estimate is based on the current economic environment and assumes that there is no net loss or gain in international freight volume after August 2008.

Figure 1. Projected National Agreement Headcount

<u>Current National Agreement Headcount</u>	<u>January 30, 2009, Projected Headcount</u>
5,849	421 to 574

DHL anticipates that these workforce reductions will begin gradually between now and January 2009, with the bulk of reductions occurring during late January 2009.

DHL presents this proposed Change of Operations to the National Committee in expectation that the Union will work in partnership with management to ensure the long-term financial health and operational stability of DHL Express in the United States, as well as the continued positive relationship between the Teamsters and DHL.

General Current Operations

DHL currently conducts pick-up and delivery, office clerical, and/or dock-shuttle operations at one-hundred six (106) stations where a Teamsters Local Union represents DHL employees under the National Master DHL Agreement. DHL currently employs approximately 5,849 Teamsters-represented employees in these operations covered by the National Master DHL Agreement. Most of these employees and stations are located in major metropolitan areas, with the largest concentration in the Northeastern section of the country (including New England and Philadelphia). There is also a substantial concentration of union-represented employees and stations in the San Francisco and Los Angeles, California areas.

Over the twelve month period preceding the November 10 announcement, DHL's current system-wide freight volume, including International, Ground, and Air Express shipments, fluctuated between approximately 1 million and 1.2 million packages per day. System-wide, each station had an average of thirty-five (35) routes and approximately 3,300 inbound packages per station per day. Company stations (not including stations operated by independent contractors) had, on average, fifty-eight (58) routes and approximately 5,500 inbound packages per station per day.

Office Agents answer phones, call and research on bad addresses or other frustrated shipments be it domestic or international, and perform other clerical work regarding shipments. In some markets, Office Agents also image and process all international shipments, including coding, checking of the invoice, document review, and checking the commodity. In other markets, Couriers perform these functions for international shipments.

Dock-Shuttle Drivers transport freight to and from the Air Nodes, and, in markets where DHL employees service an aircraft on the ramp, recover in-bound shipments from the aircraft, and deliver out-bound shipments to the aircraft. Once the freight arrives at a station, Dockworkers scan the freight and sort it into the shipments on each delivery route. DHL Couriers then deliver and pick-up freight along a bid route.

DHL's Air Network system currently has ninety (90) Air Nodes, including twenty (20) locations where Teamsters-represented employees subject to the National Master DHL Agreement perform ramp operations:

- Baltimore, Maryland (BWI)
- Boston, Massachusetts (BOS)
- Buffalo, New York (BUF)
- Dallas/Fort Worth, Texas (DFW)
- Denver, Colorado (DEN)
- Detroit, Michigan (DTW)
- Hartford, Connecticut (BDL)
- Los Angeles, California (LTR)
- Long Beach, California (BUR)
- Ontario, California (ONT)
- Philadelphia, Pennsylvania (PHL)
- Pittsburgh, Pennsylvania (PIT)
- Portland, Oregon (PDX)
- Rochester, New York (ROC)
- San Jose, California (SJC)
- St. Louis, Missouri (STL)
- Seattle, Washington (BFI)
- Syracuse, New York (SYR)
- Raleigh, North Carolina (RDU)
- Oakland, California (OAK)
- Fort Lauderdale, Florida (FLL)

General Proposed Operations

DHL will substantially eliminate its domestic Ground and Air Express products effective January 30, 2009. After that time, DHL will provide in-bound and out-bound international service in the United States. This change in the scope of DHL's pick-up and delivery operations will result in substantial curtailment of DHL's freight volume in the United States. DHL's operational and staffing model assumes that there will be no net gain or loss in international freight volumes after August 2008.

DHL will not continue operations at stations that have insufficient international package volume or low service density. DHL will close low volume stations and consolidate those stations' service areas into the service areas of higher density stations. DHL intends a reduction in the number of service centers employing individuals covered by the National Master DHL Agreement from four-hundred one-hundred six (106) to thirty-four (34). Given the dramatic reduction in overall package volumes, workforce reductions are necessary at stations that remain open after the transition to international-only operations.

Under DHL's international-only operations, duties of the Dock-Shuttle Drivers and Couriers will remain essentially the same, and in markets where DHL employees service aircraft on the ramp, the Dock-Shuttle Drivers will continue to recover in-bound shipments from the aircraft and deliver out-bound shipments to the aircraft. (Except in locations where DHL will discontinue utilizing dedicated aircraft into a current ramp operation.) All dock work of sorting and scanning will remain the same as DHL's current operations, with considerably lower volume. The Couriers will have the same duties of deliveries and pick up's and the scanning of both but with much lower volume.

Office Agent duties will not change except for the volume of work associated with performing clerical work for international shipments only.

DHL will continue international-only pick-up and delivery, office clerical and/or dock-shuttle operations (as indicated) at the following stations where DHL employs

Pick-up and Delivery, Office Clerical, and Dock-Shuttle Operations

- Morrisville, North Carolina (RDU) - 10 to 14 PU&D/Dock and 1 OC

Pick-Up and Delivery and Office Clerical Operations

- Boston, Massachusetts (BOS) - 30 to 40 PU&D and 2 to 3 OC
- Detroit, Michigan (DTW) - 25 to 32 PU&D and 1 to 2 OC
- Fremont, California (NUQ) - 55 to 65 PU&D and 2 to 4 OC
- Philadelphia, Pennsylvania (PHL) - 25 to 32 PU&D and 1 to 2 OC
- Pittsburgh, Pennsylvania (PIT) - 15 to 20 PU&D and 1 to 2 OC
- San Francisco, California (JCC) - 30 to 38 PU&D and 2 to 3 OC
- South Bend, Indiana (SBN) - 6 to 10 PU&D and 1 OC
- Strongsville, Ohio (CLE) - 15 to 20 PU&D and 1 to 2 OC
- Syracuse, NY (SYR) - 8 to 10 PU&D and 1 OC
- West Hartford, Connecticut (HHH) - 20 to 25 PU&D and 1 to 2 OC

Office Clerical and Dock-Shuttle Operations

- Rochester, New York (ROC) - 3 to 4 positions
- Burbank, California (BUR) - 5 to 6 Dock and 1 to 2 OC
- Coppell, Texas (COP) - 5 to 7 Dock and 2 to 3 OC
- Denver, Colorado (DEN) - 5 to 6 Dock and 2 to 3 OC
- Irvine, California (SEE) - 3 to 4 Dock and 1 to 2 OC
- Los Angeles, California (ELA) - 3 to 5 Dock and 1 to 2 OC
- Ontario, California (ONT) - 3 to 5 Dock and 2 to 3 OC
- Van Nuys, California (VNY2) - 3 to 5 Dock and 1 to 2 OC

Pick-up and Delivery Operations

- Baltimore, Maryland (PAS) - 13 to 18 positions
- Erlanger, Kentucky (FFT) - 18 to 22 positions
- N.E. Indianapolis, Indiana (SER) - 15 to 20 positions
- Portland, Oregon (PDX) - 25 to 35 positions

¹ *Where the Company has provided an estimated number of post-consolidation positions at a given station in the lists that follow, the rough estimate is on the current economic conditions and the international shipping volume as of August 2008. All estimates are subject to change based on increases or attrition of international volume and/or route engineering. The numbers in no way constitutes a guaranteed number of positions at any station.*

- Seattle, Washington (BFI) - 30 to 40 positions
- St. Louis, Missouri (STL) - 18 to 22 positions

Dock-Shuttle Operations

- Miami, Florida (TMB) - 10 to 11 positions

Office Clerical Operations

- East Windsor, New Jersey (TTN) - 1 to 2 positions
- Elizabeth, New Jersey (ELZ) - 2 to 3 positions
- Melville, New York (FRG) - 1 position
- Newburg, New York (SWF) - 1 to 2 positions
- New York, New York (ZYP) - 4 to 6 positions
- Norwalk, Connecticut (NWK) - 1 to 2 positions
- West Valley, Utah (SLC) - 1 to 2 positions
- Woodside, New York (LGA) - 2 to 3 position

At the end-state of the transition to international-only operations, the following four (4) Air Nodes where DHL employs Teamsters-represented employees subject to the DHL - Teamsters National Agreement who perform ramp operations will remain open:

- o Boston, Massachusetts (BOS)
- o Dallas/Fort Worth, Texas (DFW)
- o Baltimore, Maryland (BWI)
- o Seattle, Washington (BFX)

(Denver employees will deliver shipments to/from the airport at the tender point established with commercial airline transporting the shipments.)

- o In addition to residual stations, DHL intends to utilize remote meet points ("RMPs") to facilitate transfer of in-bound and out-bound international freight in certain areas that are either too distant from the service center or where the density is too little to justify a route directly into or out of the service center. Pick-up and delivery work from such RMPs shall be conducted by non-employee third party vendors, but shall not occur within any Zip codes currently serviced by employees covered by the National Master DHL Agreement. Additionally, the Company will utilize third party vendors to transport in-bound and out-bound shipments from the service center to the RMP, and such transportation shall not be deemed a violation the National Master DHL Agreement.

Station Closures and Consolidations

DHL's plan consolidates the following stations where the same Teamsters Local Union represents employees at the closed station and the station gaining the zip codes previously serviced by that station.

Pursuant to the Change of Operations provision in Article 6 of the DHL – Teamsters Pick-up and Delivery and Office Clerical Operational Supplements, DHL will dovetail the seniority lists at these facilities in accordance with master seniority. The affected employees are entitled to follow the work of the consolidated station to the station remaining open. DHL will utilize this "dovetailed" seniority list at the station remaining open to provide employment opportunities at that station after the transition to international-only operations. DHL will pay affected employees' moving expenses if any of these consolidations trigger that obligation.

Pursuant to the Change of Operations Article, DHL will continue contributing to the health and welfare and pension benefit funds for active employees currently in a Teamsters benefit fund or will continue to provide Company health and welfare and pension/401(k) benefits for active employees currently receiving those benefits following these station consolidations.

<u>Closed Station</u>	<u>Consolidated Station</u>	<u>Affected Local(s)</u>
<u>New England Region</u>		
Needham, MA (NED)	Boston, MA (BOS)	Local 25
Stonham, MA (NES)	Boston, MA (BOS)	Local 25
Windsor Locks, CT (BDL)	West Hartford, CT (HHH)	Local 671
<u>New York City Area</u>		
Manasquan, NJ (ETW)	Elizabeth, NJ (ELZ)	Local 851 (OC Ops Only)
Parsippany, NJ (MMU)	Meville, NY (FRG)	Local 851 (OC Ops Only)
South Hackensack, NJ (TEB)	Woodside, NY (LGA)	Local 851 (OC Ops Only)
South Plainfield, NY (CDVV)	Norwalk, CT (NWK)	Local 851 (OC Ops Only)
Inwood, NY (FLU)	Newburgh, NY (SWF)	Local 851 (OC Ops Only)
Jamaica, NY (JFB)	East Windsor, NJ (TTN)	Local 851 (OC Ops Only)
Ronkonkoma, NY (ISP)	New York, NY (ZYP)	Local 851 (OC Ops Only)
Brooklyn, NY (BKL)		Local 851 (OC Ops Only)
White Plains, NY (HPN)		Local 851 (OC Ops Only)
Danbury, CT (DXR)		Local 851 (OC Ops Only)
Wallingford, CT (HVN)		Local 851 (OC Ops Only)
New York, NY (JRA)		Local 851 (OC Ops Only)
New York, NY (TSS)		Local 851 (OC Ops Only)
<u>Upstate New York</u>		
Syracuse, NY (RME)	Syracuse, NY (SYR)	Local 317

Philadelphia Area

Atlantic City, NJ (AIY)	Philadelphia, PA (PHL)	Local 107
Runnemede, NJ (LLY)	Philadelphia, PA (PHL)	Local 107 and Local 500
Philadelphia, PA (PTW)	Philadelphia, PA (PHL)	Local 107 and Local 500
Bristol, PA (DYL)	Philadelphia, PA (PHL)	Local 107 and Local 500)
Trooper, PA (KPD)	Philadelphia, PA (PHL)	Local 107 (PUD Ops only)

Pittsburgh

Pittsburgh, PA (BSI)	Pittsburgh, PA (PIT)	Local 249
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Mid-Atlantic Region

Linthicum Heights, MD (BWI)	Baltimore, MD (PAS)	Local 355
Hunt Valley, MD (MTN)	Baltimore, MD (PAS)	Local 355
Raleigh, NC (CEW)	Morrisville, NC (RDU)	Local 381

Central Region

Beachwood, OH (PVZ)	Strongsville, OH (CLE)	Local 407
Troy, MI (DEO)	Detroit, MI (DTW)	Local 299
Southfield, MI (FAM)	Detroit, MI (DTW)	Local 299
Sharonville, OH (HAO)	Erlanger, KY (FFT)	Local 100
Anderson, IN (AND)	North East Indianapolis, IN (SER)	Local 135 (PU&D Ops Only)
Bloomington, IN (BMG)	North East Indianapolis, IN (SER)	Local 135 (PU&D Ops Only)
Indianapolis, IN (IND)	North East Indianapolis, IN (SER)	Local 135 (PU&D Ops Only)
Lafayette, IN (LAF)	North East Indianapolis, IN (SER)	Local 135 (PU&D Ops Only)
St. Louis, MO (VIH)	St. Louis, MO (STL)	Local 600

Southern Region

Farmers Branch, TX (BRO)	Coppell, TX (COP)	Local 745 (D-S and OC Ops Only)
Dallas, TX (DAL)	Coppell, TX (COP)	Local 745 (D-S and OC Ops Only)
Dallas/Fort Worth, TX (DFW)	Coppell, TX (COP)	Local 745 (D-S and OC Ops Only)
Fort Worth, TX (FTW)	Coppell, TX (COP)	Local 745 (D-S and OC Ops Only)
Plano, TX (PLN)	Coppell, TX (COP)	Local 745 (D-S and OC Ops Only)
Fort Lauderdale, FL (FLL)	Miami, FL (TMB)	Local 769 (D-S Ops Only)
Miramar, FL (MMR)	Miami, FL (TMB)	Local 769 (D-S Ops Only)

Denver

Englewood, CO (APA)	Denver, CO (DEN)	Local 961 (D-S and OC Ops Only)
Loveland, CO (FNL)	Denver, CO (DEN)	Local 961 (D-S and OC Ops Only)
Louisville, CO (WEU)	Denver, CO (DEN)	Local 961 (D-S and OC Ops Only)
Arvada, CO (WDN)	Denver, CO (DEN)	Local 961 (D-S and OC Ops Only)

Pacific Northwest

Bellevue, WA (BLV)	Seattle, WA (BFI)	Local 174
Everett, WA (EAT)	Seattle, WA (BFI)	Local 174
Kent, WA (LKE)	Seattle, WA (BFI)	Local 174
Bothell, WA (TIV)	Seattle, WA (BFI)	Local 174
Tigard, OR (WPC)	Portland, OR (PDX)	Local 162

American Fork, UT (CDC)	West Valley, UT (SLC)	Local 222 (OC Ops Only)
Ogden, UT (PVU)	West Valley, UT (SLC)	Local 222 (OC Ops Only)

Northern California

Petaluma, CA (JBK)	San Francisco, CA (JCC)	Local 856 (OC Ops Only)
South San Francisco, CA (OYS)	San Francisco, CA (JCC)	Local 856 (OC Ops Only)
Corte Madre, CA (SFR)	San Francisco, CA (JCC)	Local 856 (OC Ops Only)
Redwood City, CA (SSF)	San Francisco, CA (JCC)	Local 85 and Local 856
Dublin, CA (JBS)	San Francisco, CA (JCC)	Local 85 and Local 856
Dublin, CA (JBS)	Fremont, CA (NUQ)	Local 85 and Local 856
Monterey, CA (MRY)	Fremont, CA (NUQ)	Local 856 (OC Ops Only)
Oakland, CA (OAK)	Fremont, CA (NUQ)	Local 70 and Local 856
San Jose, CA (SJC)	Fremont, CA (NUQ)	Local 856 (OC Ops Only)
Sunnyvale, CA (ZSM)	Fremont, CA (NUQ)	Local 856 (OC Ops Only)

Los Angeles Basin

Fullerton, CA (FRD)	Burbank, CA (BUR)	Local 986 (D-S and OC Ops Only)
Irvine, CA (PMD)	Burbank, CA (BUR)	Local 986 (D-S and OC Ops Only)
Irvine, CA (SEE)	Burbank, CA (BUR)	Local 986 (D-S and OC Ops Only)
Westchester, CA (JBP)	Los Angeles, CA (ELA)	Local 986 (D-S and OC Ops Only)
Santa Monica (SBP)	Los Angeles, CA (ELA)	Local 986 (D-S and OC Ops Only)
Riverside, CA (RIV)	Ontario, CA (ONT)	Local 986 (D-S and OC Ops Only)
City of Industry, CA (SOP)	Ontario, CA (ONT)	Local 986 (D-S and OC Ops Only)
Burbank, CA (FOX)	Van Nuys, CA (VNY2)	Local 986 (D-S and OC Ops Only)
Van Nuys, CA (VNY)	Van Nuys, CA (VNY2)	Local 986 (D-S and OC Ops Only)

DHL's operational plan consolidates the following stations where different Teamsters Local Unions covered by the DHL - Teamsters National Agreement represent employees at the closed station and the station gaining the zip codes previously serviced by that station.

Pursuant to the Change of Operations Article, DHL will dovetail the seniority lists at these facilities in accordance with master seniority. The affected employees are entitled to follow the work of the consolidated station to the station remaining open. DHL will utilize this "dovetailed" seniority list at the station remaining open to provide employment opportunities at that station after the transition to international-only operations. DHL will pay affected employees' moving expenses if any of these consolidations trigger that obligation.

Pursuant to the Change of Operations Article, DHL will continue making contributions to the health and welfare and pension benefit funds for active employees currently in a Teamsters benefit fund or will continue to provide Company health and welfare and pension/401(k) benefits for active employees currently receiving those benefits following these station consolidations. To the extent that DHL transfers an active employee out of the jurisdiction of their prior Teamsters benefit fund into the jurisdiction of another Teamsters benefit fund, DHL will contribute to that employee's original benefit fund (and the employee will continue to participate in that fund) to the extent permitted by the benefit fund trustees.

<u>Closed Station</u>	<u>Consolidated Station</u>	<u>Affected Local(s)</u>
<u>New England Region</u>		
Shrewsbury, MA (MXG)	Boston, MA (BOS)	Local 25 and Local 170
Bozrah, CT (EHT)	West Hartford, CT (HHH)	Local 493 and Local 671
<u>Upstate New York</u>		
Rochester, NY (ROC)	Syracuse, NY (SYR)	Local 317 and Local 375
Buffalo, NY (BUF)	Rochester, NY (ROC)	Local 118 and Local 375
<u>Philadelphia</u>		
Atlantic City, NJ (AIY)	Philadelphia, PA (PHL)	Local 107 and Local 500 (OC Ops Only)
Wilmington, DE (ILG)	Philadelphia, PA (PHL)	Local 107, Local 326, and Local 500 (PU&D and OC Ops)
Trooper, PA (KPD)	Philadelphia, PA (PHL)	Local 107 and Local 500 (OC Ops Only)
<u>Central Region</u>		
Bloomington, IN (BMG)	Erlanger, KY (FFT)	Local 100 and Local 135 (PU&D Ops Only)
Indianapolis, IN (IND)	Erlanger, KY (FFT)	Local 100 and Local 135 (PU&D Ops Only)
Saginaw, MI (MBS)	Detroit, MI (DTW)	Local 486 and Local 299 (OC Ops Only)
<u>Northern California</u>		
Petaluma, CA (JBK)	San Francisco, CA (JCC)	Local 85 and Local 624

South San Francisco, CA
(OYS)
Corte Madera, CA (SFR)

Oakland, CA (OAK)

Monterey, CA (MRY)
San Jose, CA (SJC)
Redwood City, CA (SSF)
Sunnyvale, CA (ZSM)

San Francisco, CA
(JCC)
San Francisco, CA
(JCC)
San Francisco, CA
(JCC)
Fremont, CA (NUQ)
Fremont, CA (NUQ)
Fremont, CA (NUQ)
Fremont, CA (NUQ)

Local 85 and Local 624
Local 85 and Local 624
Local 70 and Local 85
Local 70 and Local 912
Local 70, Local 85, and Local 287
Local 70 and Local 85
Local 70 and Local 287

Western Region

Boise, ID (BOI)

West Valley, UT (SLC)

Local 483 and Local 222 (OC Ops Only)

Agreement

This Agreement, dated this 19th day of November, 2008, by and between DHL, hereinafter "Company", and TDHLNNC, on behalf of its locals, sets forth the agreement of the parties as set forth below:

1. The parties have scheduled an emergency change of operations to be heard by the National Grievance Panel in Sarasota, Florida, the week of December 1, 2008. A precondition of severance payments set forth below is the approval of that change, as well as the other agreements contained herein.

2. The following grievances (2a-2d) shall be considered settled on the basis of the terms set forth herein, and such grievances shall be considered withdrawn with prejudice. These settlements cover all grievances filed, nationwide, relating to the issues set forth below:

a. Application of overtime for laid-off full-time employees working two part-time positions: From the date of this agreement, the parties agree that daily overtime will apply for all hours worked in excess of eight hours for such employees.

b. Application of weekly hours cap for laid-off full-time employees accepting two part-time positions: From the date of this agreement, the parties agree that such employees may work a maximum of fifty hours per week.

c. Restrictions on part-time employees engaged in non-revenue driving. From the date of this agreement, the parties agree that the restrictions contained in the PUD Operational supplement shall be interpreted to include non-revenue driving.

d. Application of the 40-hour weekly guarantee. The parties have previously agreed to the application of the 40-hour guarantee.

3. The parties agree that there shall be no back pay associated with the settlement of any grievance in categories (a) through (d) above. However, any Local Union advancing a grievance in the categories (a) through (d) in Section 2 above may opt to pursue a back pay remedy by providing the Company and TDHLNNC written notice on or before November 25, 2008. If a particular Local Union opts out, no member represented by that Local Union shall be eligible to receive severance under this agreement. However, such Local Union's choice to opt out shall not affect the eligibility of employees represented by any other Local Union affected by the proposed change of operations to receive severance. Further, any opt out grievances that are docketed to the National Grievance hearings scheduled for the week of December 1, 2008, shall be postponed and re-docketed at the next scheduled National Grievance hearing.

4. A further agreement of the parties which shall act as a condition of payment of severance set forth herein, shall be the agreement of the parties to meet to discuss opportunities in their mutual interest, including potential modifications to the current agreements better suited to the restructured operation that could enhance future job

opportunities for Teamster members, including insourcing work from third parties. Those meetings shall be held between January 5 and March 30, 2009.

5. Severance- The Company will implement a severance plan for affected employees covered by the National Master DHL Agreement on the following terms:

a. From the date of approval of this change of operations until February 15, 2009, each time the Company reduces employee headcount in operations covered by the National Master DHL Agreement, it shall first offer severance by Local Union master seniority within the classification to employees in the affected operations. In the event an insufficient number of employees elect to receive severance at the time of a given reduction in force, the Company shall implement the layoff by inverse Local Union master seniority per the terms of the applicable Operational Supplement, Regional Supplement, and/or Local Rider and offered severance.

b. Employees covered by the PUD or Office Clerical Operational Supplements with more than one year of Company Seniority who terminate their employment other than for cause after June 6, 2008 up to and including February 15, 2009 pursuant to a reduction in force, shall be eligible to receive a severance amount equivalent to two weeks' pay (eighty hours at their current base rate of pay for full-time employees, and twice the amount contractually required for a week's vacation for part-time employees) for each year of service, up to a maximum of eleven weeks' pay.

c. The severance amounts for employees shall be paid as salary continuation and shall run concurrent with any obligations under the federal WARN Act and/or any similar state law, and employees receiving such severance amounts shall remain eligible for Company contributions to health and welfare and retirement benefits for the duration of the period of salary continuation.

d. Any employee who elects to receive severance under this program shall thereby terminate his or her seniority for all purposes under the National Master DHL Agreement.

6. The Company will pay out accrued, unused vacation to employees who elect to receive severance under this agreement. Such payments shall be made at the end of the severance period.

7. If any Local Rider or Supplement covered by this agreement provides for severance benefits that are greater than those contained herein, then the Local Union shall be entitled to opt for such benefits instead of those contained herein.

This Agreement, dated this 19th day of November, 2008, satisfies and resolves any and all bargaining obligations of the Company relating to its restructuring.

William Hamilton
I. B. T. Express Division
Director
11-19-08

Patricia J. [unclear]
VP Labor Relations
DHL Express (USA) Inc
11-19-08