



ABF FREIGHT SYSTEM, INC.®

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abf.com

July 21, 2011

Mr. James Hoffa, President  
International Brotherhood of Teamsters  
25 Louisiana Ave, NW  
Washington, DC 20001-2198

Mr. David Smith, President & CEO  
Trucking Management, Inc.  
P. O. Box 860725  
Shawnee, KS 66286-0725

Gentlemen:

In accordance with Article 3, Section 7 and Article 8, Section 6 of the National Master Freight Agreement, the Company is respectfully requesting a hearing before the National Utility Employee Review Committee to obtain authority for a change of operations. We are requesting this hearing be held in the week of August 21, 2011 at a convenient location.

The purpose of the proposed change of operations is to add Utility Employees in terminals located in the Eastern, Central, Southern and Western Regions as replacements for road drivers that are currently performing terminal to terminal work for those locations.

This change will provide for transfer opportunity for the involved road drivers to Utility Employee positions at the identified terminals contained within this change.

We are in the process of discussing and meeting with the Local Unions involved in this change and will answer any questions or concerns they may have regarding it.

If you should have any questions regarding this proposed change, please do not hesitate to contact me at any time.

Sincerely,

Michael S. Scalzo, Senior Director  
Industrial Relations

cc: Wes Kemp – ABF President  
David Evans – ABF VP Industrial Relations  
Shannon Lively – ABF VP Transportation  
Murray Babb – ABF VP Terminal Operations  
Jennifer Plumlee – ABF Director Sales/Operations Planning  
Regional VP's Operations & Sales  
Tim Treece, Director - Transportation  
Industrial Relations Directors & Regional Managers  
Branch Managers - Involved Terminal Locations

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Regional VP's Operations & Sales  
Tim Treece, Director - Transportation  
Industrial Relations Directors & Regional Managers  
Branch Managers Involved Terminal Locations  
Tyson Johnson – National Freight Director  
Gordon Sweeton – Assistant National Freight Director/Central Region Freight Coordinator  
Ernie Soehl – Eastern Region Freight Coordinator  
Bob Paffenroth – Western Region Freight Coordinator  
Ken Bryant – Southern Region Freight Coordinator

cc: Local Unions Involved

EASTERN REGION

LU 294 Albany, NY  
LU 773 Allentown, PA  
LU 560 Avenel, NJ  
LU 707 Bay Shore, NY  
LU 653 Brockton, MA  
LU 707 Brooklyn, NY  
LU 375 Buffalo, NY  
LU 449 Buffalo, NY (for informational purposes only)  
LU 776 Carlisle, PA  
LU 509 Charleston, SC  
LU 71 Charlotte, NC  
LU 312 Chester, PA  
LU 509 Columbia, SC  
LU 71 Dillon, SC  
LU 671 Enfield, CT  
LU 509 Greenville-Spartanburg, SC  
LU 992 Hagerstown, MD  
LU 771 Lancaster, PA  
LU 633 Manchester, NH  
LU 443 New Haven, CT  
LU 822 Norfolk, VA  
LU 384 Norristown, PA  
LU 560 Paterson, NJ  
LU 107 Philadelphia, PA  
LU 493 Plainfield, CT  
LU 251 Providence, RI  
LU 391 Raleigh-Durham, NC  
LU 592 Richmond, VA  
LU 170 Salisbury, MA  
LU 191 Stratford, CT  
LU 107 Vincentown, NJ  
LU 391 Winston-Salem, NC  
LU 170 Worcester, MA

## CENTRAL REGION

LU 24	Akron, OH
LU 662	Appleton, WI
LU 92	Canton, OH
LU 238	Cedar Rapids, IA
LU 26	Champaign, IL
LU 100	Cincinnati, OH
LU 407	Cleveland, OH
LU 413	Columbus, OH
LU 957	Dayton, OH
LU 299	Detroit, MI
LU 120	Dubuque, IA
LU 215	Evansville, IN
LU 414	Ft. Wayne, IN
LU 406	Grand Rapids, MI
LU 41	Kansas City, MO
LU 580	Lansing, MI
LU 89	Louisville, KY
LU 695	Madison, WI
LU 200	Milwaukee, WI
LU 371	Moline, IL
LU 160	Owatonna, MN
LU 614	Pontiac, MI
LU 43	Racine, WI
LU 662	Sheboygan, WI
LU 364	South Bend, IN
LU 705	South Chicago, IL
LU 710	South Chicago, IL
LU 600	St. Louis, MO
LU 20	Toledo, OH
LU 662	Wausau, WI
LU 377	Youngstown, OH

## SOUTHERN REGION

LU 528	Athens, GA
LU 728	Atlanta, GA
LU 657	Austin, TX
LU 612	Birmingham, AL
LU 745	Dallas, TX
LU 373	Ft. Smith, AR
LU 745	Ft. Worth, TX
LU 988	Houston, TX
LU 657	Laredo, TX
LU 878	Little Rock, AR
LU 528	Macon, GA
LU 480	Nashville, TN
LU 270	New Orleans, LA
LU 886	Oklahoma City, OK
LU 657	Rio Grande Valley, TX
LU 657	San Antonio, TX
LU 728	Savannah, GA
LU 745	Sherman, TX
LU 79	Tampa, FL
LU 528	Tifton, GA
LU 523	Tulsa, OK
LU 745	Tyler, TX
LU 745	Waco, TX
LU 745	Wichita Falls, TX

## WESTERN REGION

LU 483	Boise, ID
LU 17	Cheyenne, WY
LU 17	Colorado Springs, CO
LU 17/455	Denver, CO
LU 17	Fort Collins, CO
LU 983	Idaho Falls, ID
LU 222	Salt Lake City, UT

## OPENING STATEMENT

**An Earnings Release** in early May indicated that ABF had a \$22.1 million dollar loss for the first quarter of 2011. Our total loss over the last 10 quarters is now in excess of \$175 million. This is in spite of the fact that our first quarter revenue was up 22% and tonnage up 17%. Under the current economic market conditions, it does not make financial sense for the Company to invest in assets and other resources to handle this growth only to lose more money.

We do have alternatives available in an effort to return our company to profitability during this period of market expansion. In simple terms, we can raise prices, cut costs by downsizing our system or do a combination of the two. However, these solutions would only deprive both parties of the benefit of increasing market share and adding jobs. Another more effective and desirable solution for all stakeholders would be to achieve greater utilization of our current assets and resources. One way to achieve greater utilization and to improve service is to use "utility employees" domiciled at select end-of-line terminals to support terminal and linehaul operations.

**ABF Freight System, Inc.** has been operating as a regulated Common Carrier since 1935. Through numerous purchases and controlled expansion of our terminal network, we have provided service to customers coast-to-coast as well as internationally. As a result of our approach to problem solving, innovative technology, and our company's culture, we've earned national recognition as "the quality carrier." Our dedicated employees have catapulted ABF over many hurdles through the years and it is with that thought in mind that we present one of the most important Changes of Operations we have ever brought forward to a Committee for approval.

We seem to have survived the recession and its lingering effects that our nation has faced over the past two and one-half years. While we suffered, as have other carriers, from inadequate revenue, poor yields, and excessive costs, we now find ourselves in a growth mode. Our competitors continue to use their *cost advantages* against us by cutting prices on our profitable business to enhance their own cash flow issues. This has created an environment that has greatly reduced profits for us as we strive to maintain relationships with many of our valuable customers.

As previously stated, we can turn the trends on profit by reducing costs through shrinkage of our operations. We can close Distribution Centers (DCs), High Velocity Exchange Points (HVXPs), and consolidate end-of-line terminals. If we pursue these steps, we will stop replacing contractual employees that retire and/or lay off employees as we reduce the network. We can "price-up" to get profitable which will decrease union jobs, not grow them. These actions always result in reduced total revenue and the need for additional employees, new equipment, and modernized facilities. These extreme steps have been taken many times in the history of a number of LTL carriers. However, most of those carriers no longer exist, and those that do are close to insolvency.

There are other options and that is the intent of this instant Change. We have to utilize our current assets and employees to increase our market share. We can maximize our existing resources to eliminate redundant, high cost activities, and improve service. We can continue to work on Capital Hill to find solutions for some of the pension problems that have plagued unionized industries for many years. We can implement operational changes that will provide our employees with an excellent wage, home life, and secure future while better utilizing their experience and talent.

Our failure to adequately restore the earning power of our company will result in a loss of confidence by our stockholders and employees. It will further jeopardize job security for all of our employees. We need to conduct business differently than we have in the past. Leadership must recognize that *the old way of saying "NO" and "failure to act" must be replaced with "how do we get this done."* The changes that need to be implemented to protect and enhance the unionized trucking industry are contained for the most part within this proposal and we are excited to present them for consideration, approval, and implementation. We have an obligation as leaders of the Company and the Union to do that which is best for the greater whole by eliminating the 1940's restrictive mentality with which non-union carriers aren't constrained.

If we want the Unionized Trucking Industry to survive, it will.



## GENERAL CURRENT OPERATION – DISTRIBUTION CENTERS

*Distribution-HVXP-Linehaul Centers* involved in this change are located in:

• Carlisle, PA	Eastern Region	Local 776
• Winston-Salem, NC	Eastern Region	Local 391
• Dayton, OH	Central Region	Local 957
• Kansas City, MO	Central Region	Local 41
• South Chicago, IL	Central Region	Local 705/710
• Atlanta, GA	Southern Region	Local 728
• Dallas, TX	Southern Region	Local 745
• Little Rock, AR	Southern Region	Local 878
• Denver, CO	Western Region	Local 17/455
• Salt Lake City, UT	Western Region	Local 222

Each of these facilities has large Distribution Center (DC) dock and road operations that run in support of numerous end-of-line terminal (EOL) operations. Their methods of servicing these locations involve lay runs, turn runs, vias, warm ups or cool downs. The mode of operation accomplishes bringing inbound to the EOLs and moving their outbound back to the DCs, to relay points or to destination.

Some of the inefficiencies of this type operation surround:

- Lay drivers arriving early enough for the EOL to process the inbound they bring in, but have to lay over until that same EOL has processed that day's outbound to generate a load for them.
- Empty miles to handle balance issues, particularly on Mondays, Fridays and weekends.
- Timing of extra loads to facilitate peaks in business.
- Poor driver utilization during down periods and running out of drivers during up periods.
- Overloading the EOL with freight creating sub-contracting issues.

We will discuss each of these DCs in more detail in the following pages.

## GENERAL CURRENT OPERATION – END OF LINE TERMINALS

### EASTERN REGION

#### *Local*

<u>Union</u>	<u>Terminal</u>
LU 294	Albany, NY
LU 773	Allentown, PA
LU 560	Avenel, NJ
LU 707	Bay Shore, NY
LU 653	Brockton, MA
LU 707	Brooklyn, NY
LU 375	Buffalo, NY
LU 449	Buffalo, NY (for informational purposes only)
LU 509	Charleston, SC
LU 71	Charlotte, NC
LU 312	Chester, PA
LU 509	Columbia, SC
LU 71	Dillon, SC
LU 671	Enfield, CT
LU 509	Greenville-Spartanburg, SC
LU 992	Hagerstown, MD
LU 771	Lancaster, PA
LU 633	Manchester, NH
LU 443	New Haven, CT
LU 822	Norfolk, VA
LU 384	Norristown, PA
LU 560	Paterson, NJ
LU 107	Philadelphia, PA
LU 493	Plainfield, CT
LU 251	Providence, RI
LU 391	Raleigh-Durham, NC
LU 592	Richmond, VA
LU 170	Salisbury, MA
LU 191	Stratford, CT
LU 107	Vincentown, NJ
LU 170	Worcester, MA

The above listed terminals are located within the Eastern Region and are local cartage pickup & delivery operations. These facilities generate freight on a daily basis for a number of different DCs and the load plan they follow may vary nightly based on the freight that is generated that day.

GENERAL CURRENT OPERATION – END OF LINE TERMINALS (CONTINUED)

CENTRAL REGION

*Local*

<u>Union</u>	<u>Terminal</u>
LU 24	Akron, OH
LU 662	Appleton, WI
LU 92	Canton, OH
LU 238	Cedar Rapids, IA
LU 26	Champaign, IL
LU 100	Cincinnati, OH
LU 407	Cleveland, OH
LU 413	Columbus, OH
LU 299	Detroit, MI
LU 120	Dubuque, IA
LU 215	Evansville, IN
LU 414	Ft. Wayne, IN
LU 406	Grand Rapids, MI
LU 580	Lansing, MI
LU 89	Louisville, KY
LU 695	Madison, WI
LU 200	Milwaukee, WI
LU 371	Moline, IL
LU 160	Owatonna, MN
LU 614	Pontiac, MI
LU 43	Racine, WI
LU 662	Sheboygan, WI
LU 364	South Bend, IN
LU 600	St. Louis, MO
LU 20	Toledo, OH
LU 662	Wausau, WI
LU 377	Youngstown, OH

The above listed terminals are located within the Central Region and are local cartage pickup & delivery operations. These facilities generate freight on a daily basis for a number of different DCs and the load plan they follow may vary nightly based on the freight that is generated that day.

**GENERAL CURRENT OPERATION – END OF LINE TERMINALS (CONTINUED)**

**SOUTHERN REGION**

**Local**

<b><u>Union</u></b>	<b><u>Terminal</u></b>
LU 528	Athens, GA
LU 657	Austin, TX
LU 612	Birmingham, AL
LU 373	Ft. Smith, AR
LU 745	Ft. Worth, TX
LU 988	Houston, TX
LU 657	Laredo, TX
LU 528	Macon, GA
LU 480	Nashville, TN
LU 270	New Orleans, LA
LU 886	Oklahoma City, OK
LU 657	Rio Grande Valley, TX
LU 657	San Antonio, TX
LU 728	Savannah, GA
LU 745	Sherman, TX
LU 79	Tampa, FL
LU 528	Tifton, GA
LU 523	Tulsa, OK
LU 745	Tyler, TX
LU 745	Waco, TX
LU 745	Wichita Falls, TX

The above listed terminals are located within the **Southern Region** and are local cartage pickup & delivery operations. These facilities generate freight on a daily basis for a number of different DCs and the load plan they follow may vary nightly based on the freight that is generated that day.

GENERAL CURRENT OPERATION – END OF LINE TERMINALS (CONTINUED)

WESTERN REGION

*Local*

<u>Union</u>	<u>Terminal</u>
LU 483	Boise, ID
LU 17	Cheyenne, WY
LU 17	Colorado Springs, CO
LU 17	Fort Collins, CO
LU 983	Idaho Falls, ID

The above listed terminals are located within the Western Region and are local cartage pickup & delivery operations. These facilities generate freight on a daily basis for a number of different DCs and the load plan they follow may vary nightly based on the freight that is generated that day.

## GENERAL PROPOSED OPERATION

Many of the EOL terminal locations serviced by the identified DCs have similar type characteristics in that they are prone to large shifts in business levels and have balance problems that create empty miles. Additionally, based on the geographic location of these EOL terminals, in relationship to the servicing DC(s), being able to respond timely to business fluctuations is an extremely difficult task.

The premise of this Change of Operation is to deal with the movement of freight to and from the EOLs and DCs utilizing *Utility Employees* to either run turns to the actual DC or to run a meet & turn with a line driver at an intermediate location.

The deployment of these type tactics would be utilized as operational needs dictate. However, we recognize that to be able to position labor to be available for these type runs, we need to have them assigned to bids within the terminals. Merely assigning more local cartage bids is too restrictive. Assigning *Utility Employees*, that have the ability to work across job classifications, addresses the required flexibility needed to improve on time service and line-haul efficiency. Additionally, the *Utility Employee* would be used to supplement the local cartage operation.

## TRANSFER OPPORTUNITIES

The following pages will deal with the transfer opportunities that will become available with the approval of this instant change of operations.

Each section is listed by affected Distribution Center showing the EOL locations and the proposed work that will be done once the change is implemented.

Where the column heading shows "Meet & Turn," it is the intent to have bid UEs established by this change, run meet and turns with a linehaul driver from the applicable DC, irrespective of the exhaustion of the road board. The UE could run the meet and turn any number of nights per week as freight dictates and further supplement their home domicile local operation.

Where the column heading shows "Turn Runs," it is the intent to have a bid UE run a turn around to the applicable DC on an as needed basis, irrespective of the exhaustion of the DC road board. This greatly enhances timing and operational efficiency.

**CARLISLE, PA**

<b><u>Eastern Region</u></b>		<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 773	Allentown, PA		1
LU 560	Avenel, NJ		2
LU 707	Bay Shore, NY		2
LU 707	Brooklyn, NY		1
LU 312	Chester, PA		1
LU 992	Hagerstown, MD		1
LU 771	Lancaster, PA		1
LU 384	Norristown, PA		1
LU 443	New Haven, CT		1
LU 560	Paterson, NJ		2
LU 107	Philadelphia, PA		1
LU 592	Richmond, VA		1
LU 191	Stratford, CT		1
LU 107	Vincentown, NJ		1
LU 294	Albany, NY	1	
LU 653	Brockton, MA	2	
LU 671	Enfield, CT	1	
LU 633	Manchester, NH	1	
LU 822	Norfolk, VA	1	
LU 493	Plainfield, CT	1	
LU 251	Providence, RI	2	
LU 391	Raleigh-Durham, NC	1	
LU 170	Salisbury, MA	2	
LU 170	Worcester, MA	2	
<b><u>Central Region</u></b>		<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 407	Cleveland, OH	1	
<b>TOTAL</b>		<b>15</b>	<b>17</b>

Based on the above proposal, the Company will offer transfer opportunity to thirty-two (32) linehaul drivers in Carlisle, PA as that work is currently being performed by them and will be performed by UEs with the approval of this change.



WINSTON-SALEM, NC

<u>Eastern Region</u>	<u>Meet &amp; Turn</u>	<u>Turn Runs</u>
LU 509      Charleston, SC		1
LU 71        Charlotte, NC		1
LU 509      Columbia, SC		1
LU 71        Dillon, SC		1
LU 509      Greenville-Spartanburg, SC		1
LU 822      Norfolk, VA		1
LU 592      Richmond, VA		1
<b>TOTAL</b>		<b>7</b>

Based on the above proposal, the Company will offer transfer opportunity to seven (7) linehaul drivers in Winston-Salem as that work is currently being performed by them and will be performed by UEs with the approval of this change.

**DAYTON, OH**

<b><u>Central Region</u></b>	<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 24 Akron, OH		1
LU 92 Canton, OH		1
LU 100 Cincinnati, OH		3
LU 407 Cleveland, OH		1
LU 413 Columbus, OH		2
LU 299 Detroit, MI		1
LU 414 Fort Wayne, IN		1
LU 580 Lansing, MI		1
LU 89 Louisville, KY		1
LU 614 Pontiac, MI		1
LU 20 Toledo, OH		1
LU 377 Youngstown, OH		1
LU 406 Grand Rapids, MI	1	
LU 600 St. Louis, MO	1	
<b><u>Eastern Region</u></b>	<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 375/449 Buffalo, NY	2	
LU 71 Charlotte, NC	1	
<b><u>Southern Region</u></b>	<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 480 Nashville, TN	1	
<b>TOTAL</b>	<b>6</b>	<b>15</b>

Based on the above proposal, the Company will offer transfer opportunity to twenty-one (21) linehaul drivers in Dayton, OH as that work is currently being performed by them and will be performed by UEs with the approval of this change.

**SOUTH CHICAGO, IL**

<b>Central Region</b>	<b>Meet &amp; Turn</b>	<b>Turn Runs</b>
LU 662 Appleton, WI		1
LU 238 Cedar Rapids, IA		1
LU 26 Champaign, IL		1
LU 120 Dubuque, IA		1
LU 215 Evansville, IN		1
LU 406 Grand Rapids, MI		2
LU 695 Madison, WI		1
LU 200 Milwaukee, WI		3
LU 371 Moline, IL		1
LU 43 Racine, WI		2
LU 364 South Bend, IN		1
LU 662 Sheboygan, WI		1
LU 160 Owatonna, MN	1	
LU 662 Wausau, WI	1	
<b>TOTAL</b>	<b>2</b>	<b>16</b>

Based on the above proposal, the Company will offer transfer opportunity to eighteen (18) linehaul drivers in South Chicago as that work is currently being performed by them and will be performed by UEs with the approval of this change.

**KANSAS CITY, MO**

<b><u>Central Region</u></b>	<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 600 St. Louis, MO		1
LU 160 Owatonna, MN	1	
<b><u>Southern Region</u></b>		
LU 523 Tulsa, OK		1
<b>TOTAL</b>	<b>1</b>	<b>2</b>

Based on the above proposal, the Company will offer transfer opportunity to three (3) linehaul drivers in Kansas City, MO as that work is currently being performed by them and will be performed by UEs with the approval of this change.

**LITTLE ROCK, AR**

<b><u>Southern Region</u></b>	<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 373 Fort Smith, AR		1
LU 523 Tulsa, OK		1
LU 612 Birmingham, AL	1	
LU 745 Fort Worth, TX	1	
LU 988 Houston, TX	2	
LU 480 Nashville, TN	1	
LU 270 New Orleans, LA	1	
LU 886 Oklahoma City, OK	1	
<b>TOTAL</b>	<b>7</b>	<b>2</b>

Based on the above proposal, the Company will offer transfer opportunity to nine (9) linehaul drivers in Little Rock, AR as that work is currently being performed by them and will be performed by UEs with the approval of this change.

ATLANTA, GA

<u>Southern Region</u>		<u>Meet &amp; Turn</u>	<u>Turn Runs</u>
LU 528	Athens, GA		1
LU 612	Birmingham, AL		1
LU 528	Macon, GA		1
LU 728	Savannah, GA		1
LU 528	Tifton, GA		1
LU 79	Tampa, FL	3	
<u>Eastern Region</u>		<u>Meet &amp; Turn</u>	<u>Turn Runs</u>
LU 71	Charlotte, NC		1
LU 509	Greenville/Sptbg., SC		1
<b>TOTAL</b>		<b>3</b>	<b>7</b>

Based on the above proposal, the Company will offer transfer opportunity to ten (10) linehaul drivers in Atlanta, GA as that work is currently being performed by them and will be performed by UEs with the approval of this change.

**DALLAS, TX**

<b><u>Southern Region</u></b>	<b><u>Meet &amp; Turn</u></b>	<b><u>Turn Runs</u></b>
LU 657 Austin, TX		1
LU 988 Houston, TX		2
LU 886 Oklahoma City, OK		1
LU 657 San Antonio, TX		1
LU 745 Sherman, TX		1
LU 523 Tulsa, OK		1
LU 745 Tyler, TX		1
LU 745 Waco, TX		1
LU 745 Wichita Falls, TX		1
LU 657 Laredo, TX	2	
LU 657 Rio Grande Valley, TX	2	
<b>TOTAL</b>	<b>4</b>	<b>10</b>

Based on the above proposal, the Company will offer transfer opportunity to fourteen (14) linehaul drivers in Dallas, TX as that work is currently being performed by them and will be performed by UEs with the approval of this change.

DENVER, CO

<u>Western Region</u>	<u>Meet &amp; Turn</u>	<u>Turn Runs</u>
LU 17      Cheyenne, WY		1
LU 17      Colorado Springs, CO		1
LU 17      Fort Collins, CO		1
<b>TOTAL</b>	<b>0</b>	<b>3</b>

Based on the above proposal, the Company will offer transfer opportunity to two (2) city employees and one (1) linehaul driver in Denver, CO as that work is currently being performed by them and will be performed by UEs with the approval of this change.

NOTE: Currently, Denver city employees move the freight to Colorado Springs, CO and Fort Collins, CO. Denver linehaul employees move the freight to Cheyenne, WY. Transfer opportunity will be offered to two (2) Denver city employees to follow the work to Colorado Springs and Fort Collins and one (1) Denver linehaul driver to follow the work to Cheyenne.



SALT LAKE CITY, UT

<u>Western Region</u>	<u>Meet &amp; Turn</u>	<u>Turn Runs</u>
LU 983 Idaho Falls, ID		1
LU 483 Boise, ID	1	
<b>TOTAL</b>	<b>1</b>	<b>1</b>

Based on the above proposal, the Company will offer transfer opportunity to two (2) linehaul drivers in Salt Lake City, UT as that work is currently being performed by them and will be performed by UEs with the approval of this change.

## STAFFING STATISTICS SUMMARY

### EASTERN REGION

LU 294	Albany, NY	+1	LU 776	Carlisle, PA	-32
LU 773	Allentown, PA	+1	LU 391	Winston-Salem, NC	- 7
LU 560	Avenel, NJ	+2			
LU 707	Bay Shore, NY	+2			
LU 653	Brockton, MA	+2			
LU 707	Brooklyn, NY	+1			
LU 375/449	Buffalo, NY	+2			
LU 509	Charleston, SC	+1			
LU 071	Charlotte, NC	+3			
LU 312	Chester, PA	+1			
LU 509	Columbia, SC	+1			
LU 071	Dillon, SC	+1			
LU 671	Enfield, CT	+1			
LU 509	Greenville-Spartanburg, SC	+2			
LU 992	Hagerstown, MD	+1			
LU 771	Lancaster, PA	+1			
LU 633	Manchester, NH	+1			
LU 443	New Haven, CT	+1			
LU 822	Norfolk, VA	+2			
LU 384	Norristown, PA	+1			
LU 560	Paterson, NJ	+2			
LU 107	Philadelphia, PA	+1			
LU 493	Plainfield, CT	+1			
LU 251	Providence, RI	+2			
LU 391	Raleigh-Durham, NC	+1			
LU 592	Richmond, VA	+2			
LU 170	Salisbury, MA	+2			
LU 191	Stratford, CT	+1			
LU 107	Vincentown, NJ	+1			
LU 170	Worcester, MA	+2			

## STAFFING STATISTICS SUMMARY

### CENTRAL REGION

LU 24	Akron, OH	+1	LU 957	Dayton, OH	-21
LU 662	Appleton, WI	+1	LU 41	Kansas City, MO	- 3
LU 92	Canton, OH	+1	LU 705/710	South Chicago, IL	- 18
LU 238	Cedar Rapids, IA	+1			
LU 26	Champaign, IL	+1			
LU 100	Cincinnati, OH	+3			
LU 407	Cleveland, OH	+2			
LU 413	Columbus, OH	+2			
LU 299	Detroit, MI	+1			
LU 120	Dubuque, IA	+1			
LU 215	Evansville, IN	+1			
LU 414	Ft. Wayne, IN	+1			
LU 406	Grand Rapids, MI	+3			
LU 580	Lansing, MI	+1			
LU 89	Louisville, KY	+1			
LU 695	Madison, WI	+1			
LU 200	Milwaukee, WI	+3			
LU 371	Moline, IL	+1			
LU 160	Owatonna, MN	+2			
LU 614	Pontiac, MI	+1			
LU 43	Racine, WI	+2			
LU 662	Sheboygan, WI	+1			
LU 364	South Bend, IN	+1			
LU 600	St. Louis, MO	+2			
LU 20	Toledo, OH	+1			
LU 662	Wausau, WI	+1			
LU 377	Youngstown, OH	+1			

## STAFFING STATISTICS SUMMARY

### SOUTHERN REGION

LU 528	Athens, GA	+1	LU 728	Atlanta, GA	-10
LU 657	Austin, TX	+1	LU 745	Dallas, TX	-14
LU 612	Birmingham, AL	+2	LU 878	Little Rock, AR	- 9
LU 373	Ft. Smith, AR	+1			
LU 745	Ft. Worth, TX	+1			
LU 988	Houston, TX	+4			
LU 657	Laredo, TX	+2			
LU 528	Macon, GA	+1			
LU 480	Nashville, TN	+2			
LU 270	New Orleans, LA	+1			
LU 886	Oklahoma City, OK	+2			
LU 657	Rio Grande Valley, TX	+2			
LU 657	San Antonio, TX	+1			
LU 728	Savannah, GA	+1			
LU 745	Sherman, TX	+1			
LU 079	Tampa, FL	+3			
LU 528	Tifton, GA	+1			
LU 523	Tulsa, OK	+3			
LU 745	Tyler, TX	+1			
LU 745	Waco, TX	+1			
LU 745	Wichita Falls, TX	+1			

### WESTERN REGION

LU 483	Boise, ID	+1	LU 17/455	Denver, CO	- 3
LU 17	Cheyenne, WY	+1	LU 222	Salt Lake City, UT	- 2
LU 17	Colorado Springs, CO	+1			
LU 17	Fort Collins, CO	+1			
LU 983	Idaho Falls, ID	+1			

**GRAND TOTAL**

**+119**

**-119**

## UTILIZATION OF UTILITY EMPLOYEES

The company intends to fully utilize Article 3, Section 7 to its fullest intent as negotiated in the contract and provided for in any prior change of operations, to include performing meets and turns with linehaul drivers and perform road turn around runs as specified in this change.

The majority of end-of-line terminals affected in this change are non-road domicile terminals with the exception of Buffalo, NY, Cheyenne, WY and Nashville, TN. Buffalo's, Cheyenne's and Nashville's bid runs "in lanes" affected by this UE Change of Operations will be protected.

## IMPLEMENTATION

1. Employing the “follow the work” concept, upon approval of this change, the Company will post a transfer bid in each linehaul/DC location involved in this change and will keep said posting available for bid for a period of seven (7) days. Copies of seniority lists will be made available for each of the EOL locations transfer opportunities exist for.
2. If a position that is offered for transfer at one of the DCs does not fill, based on tonnage levels going forward, this may or may not create a lay off at that DC location.
3. Unless otherwise instructed by the Committee in the written decision, the bidding at the linehaul/DCs will be made available to the “road drivers” domiciled at those locations and not the local cartage employees, as the road operation is directly affected by this change.
4. Once implemented, the Utility Employee positions will be established at the identified locations and will be filled by the transferring individuals. If no transferees have accepted the position(s), the jobs will be made available for bid by the EOL local cartage employees.
5. All the provisions of Article 3.7 and Article 8.6 will be honored and there is nothing in this change intended to violate neither the National Master Freight Agreement nor any of its Supplemental Agreements.
6. Prior to and in concert with implementation, existing Utility Employee (UE) bid positions will be eliminated and new Utility Employee bids established in *each location involved in this change*. This will allow qualified employees the option to bid on or off the new positions. Line drivers accepting positions at the identified terminal must be completely qualified to perform local cartage city/yard/dock work as required.
7. Upon approval of this change, the Company will post transfer bids in each DC and leave such bids posted for a period of one week. Upon completion of the bid process, awarded transfers will be concluded and instructions will be given to those accepting the new positions.

## JUSTIFICATION

- While we pride ourselves with recognized “best in class” operations, sales, safety, maintenance, administration and technology, we simply are unable to compete with the pricing strategies and service offerings of lower-cost union and non-union carriers without doing irreparable harm to the financial well being of the Company.
- Once approved and implemented, this change will give us the additional tools to provide the flexibility required to improve operational efficiency and position ourselves to handle a surge of available business should one of these lower cost carriers cease operations.
- We will further benefit by greatly improving on-time service and efficiency as freight will not be sitting awaiting linehaul movement forcing EOL locations out of operational cycle which can cause expensive subcontracting.
- The characteristics of this change will provide road drivers more work opportunity and longer turn runs than are currently available.
- Empty miles expense will be reduced.
- EOL equipment utilization is maximized by this Change as is driver efficiency.
- The Utility Employee as defined in this proposal will perform combination classification work very similar to that which has been historically done by non-union carrier employees.
- This change of operations will help improve our operating results and secure the future of our company as a premier employer of IBT members.