

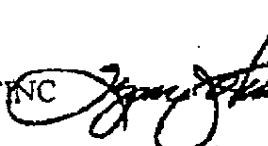
TEAMSTERS

National Freight Industry Negotiating Committee



VIA FACSIMILE

TO: All Freight Local Unions

FROM: Tyson Johnson, Co-Chairman, TNFINC 

RE: TMI Negotiations on DOT Hours of Service Regulations

DATE: February 20, 2004

The purpose of this memorandum is to update you on negotiations between TMI and TNFINC on the DOT hours of service regulations that went into effect on January 4, 2004. On February 17, 2004, TNFINC met with TMI representatives to negotiate what, if any impact, the new hours of service regulations have on the contract.

The attached letter to TMI chief negotiator Jim Roberts sets forth TNFINC's position on the impact of the new regulations on the NMFA, Supplemental Agreements, and local work rules. As indicated in the attached letter, the new regulations do not mandate that any changes be made to the contract or local work rules. In addition, TNFINC's position is that any negotiations with the freight employers regarding the hours of service regulations should be conducted at the national level, rather than with the supplemental committees or Local Unions.

Accordingly, the Local Unions should not negotiate changes to local work rules regarding the hours of service regulations without first contacting the National Freight Division.

If you have any questions on this matter, please do not hesitate to contact me. In the event that the Employers have made unilateral changes in violation of the contract or work rules as a result of the new regulations, grievances should be processed to address such violations.

cc: Area Freight Coordinators
Gordon Sweeton, International Representative
LaMont Byrd, Director, Safety and Health Department
James McCall, Special Counsel

TEAMSTERS

National Freight Industry Negotiating Committee



February 20, 2004

VIA FACSIMILE AND FIRST CLASS MAIL

Mr. James Roberts, Executive Director
TMI Division
Motor Freight Carriers Association
566 El Dorado Street, Suite 101
Pasadena, California 91101

Re: Hours of Service Regulations

Dear Jim:

The purpose of this letter is to provide written confirmation of TNFINC's position stated at our negotiation meeting on February 17, 2004 in Scottsdale, Arizona on the impact on the NMFA, Supplemental Agreements, and local work rules of the new DOT regulations on hours of service that went into effect on January 4, 2004. Generally, TNFINC informed you and representatives of Yellow Freight, Roadway, ABF, USF Holland, and New Penn that the new hours of service regulations do not mandate that any changes be made to the NMFA, Supplements, or local work rules.

TNFINC gave the following responses to the attached five (5) TMI proposals on the implementation of the hours of service regulations:

1. The regulations do not mandate that the 34-hour restart be implemented and therefore TNFINC does not agree to permit the Employers to carte blanc revamp its schedules and runs because of the change in the regulations. However, TNFINC stated that, if the Employers have runs that conceivably could be run 3 times per week under the new regulations, such runs should be identified and presented to TNFINC for consideration. For example, there may be runs that are now bid to be run 3 times in

one week and 2 times in the following week. TNFINC emphasized that any future changes in runs must be made pursuant to a change of operations.

2. If there is no violation of local work rules, TNFINC does not oppose the Employers calling drivers at a "lay point" who have not less than eight (8) hours rest at the time of a call block or, absent a call block, at the time a call for dispatch is made, provided the driver is not actually dispatched prior to the 10th hour off duty.
3. Employers can only elect to convert their city operation from a 60-hour in 7 day application to a 70 hour in 8 day application if the Employer, prior to January 1, 2003, had a written agreement with the Local Union permitting such conversion.
4. TNFINC rejected TMI's proposal to make the 16-hour rule applicable to both city and over-the-road drivers. However, as in Item No. 1 above, TNFINC indicated that the Employers should identify any specific runs for TNFINC's consideration for the applicability of the 16-hour rule.
5. TNFINC informed TMI that all negotiations relating to the hours of service regulations should be conducted at the TNFINC level and not with Supplemental Negotiating Committees.

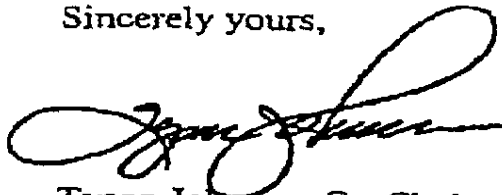
In addition to the above-referenced positions, TNFINC informed TMI that there would be no 34-hour restart for "extra board" drivers, because such a restart would eliminate jobs.

Following the presentation of TNFINC's position, the TMI representatives stated that they would not unilaterally implement any contract changes as a result of the new hours of service regulations.

Mr. James Roberts
February 20, 2004
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If you have any questions regarding the positions stated in this :
please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tyson Johnson", with a large, stylized flourish at the end.

Tyson Johnson, Co-Chairman
TNFINC

cc: Area Freight Coordinators
Gordon Sweeton, International Representative
LaMont Byrd, Director, Safety and Health Department
James McCall, Special Counsel