

TEAMSTERS

National Freight Industry Negotiating Committee



BLAST FAX

TO: ALL YRCW FREIGHT LOCAL UNIONS

FROM: Ernie Soehl, National Freight Division Director and Co-Chair, TNFINC

DATE: November 15, 2018

RE: YRCW– New Pilot Programs

Attached are two “Memoranda of Understanding” between YRCW operating Companies, YRC Freight, Holland, and New Penn and TNFINC concerning pilot programs. After discussions with the Company and the regional freight coordinators, we have arrived at the attached MOUs concerning: 1) the utilization of the 34-hour restart and a 70 hour in 8 day schedule; and 2) non-CDL driving positions. The intent of these programs is to insource work and increase earning opportunities for the bargaining unit while at the same time help reduce the amount of work performed by third parties and non-union contractors. The programs should also allow the Companies to better service freight particularly in areas where they are having extreme difficulty hiring.

Protections are built in for Teamsters in these programs. For example, the use of the 34-hour restart and “70 in 8” schedule is **100% voluntary** on the part of the driver and **cannot** be used to alter bids or force overtime or increase work beyond what currently exists. Furthermore, Local Unions that are not interested in participating have the ability to decline participation in either or both programs.

Please review these MOUs carefully. They are pretty much self-explanatory but feel free to contact your regional coordinator if questions arise. We will monitor the programs to make sure they fulfill the objectives.

cc: Regional Freight Coordinators



MEMORANDUM OF UNDERSTANDING

HOURS OF SERVICE & 34-HOUR RESTART - PILOT PROGRAM

YRC Inc. (d/b/a/ YRC Freight), USF Holland LLC, and New Penn Motor Express LLC (the "Companies") and the Teamsters National Freight Industry Negotiating Committee ("TNFINC") enter into this Memorandum of Understanding concerning a pilot program for increasing hours of service and utilizing the 34-hour restart. The parties recognize that there may be circumstances where CDL-qualified employees are interested in working additional hours, but do not have sufficient hours of service available in that week under the current system. The current system also can result in freight either not being serviced or being moved by a third party carrier, given the Companies' ongoing challenges recruiting and retaining CDL-qualified drivers.

The purpose of this pilot program is to: 1) increase earning opportunities for bargaining unit employees on a voluntary basis; 2) decrease the need for and use of contractors; and 3) allow the Companies to service customers, acquire new business and reduce backlogs. This pilot program will not alter the bidding or job opportunities that currently exist. Rather, the pilot program is intended to allow bargaining unit personnel the voluntary option of performing additional work that likely would otherwise be performed by contractors or third parties.

The "34-hour restart" had previously not been used because it was introduced by the Federal Motor Carrier Safety Administration at a time when there were sufficient numbers of CDL-A drivers. There was, therefore, concern that a few drivers would monopolize the work while others would not have sufficient work opportunities. In today's climate where there is a severe shortage of CDL-A drivers, not using the 34-Hour Restart artificially limits the earning opportunities for bargaining unit drivers and results in more contractors being used and/or freight delays.

In order to address these issues, the parties have agreed as follows on a pilot basis:

1. The Companies shall change Department of Transportation ("DOT") logging requirements from sixty (60) hours in seven (7) days to seventy (70) hours in eight (8) days (the "70/8 Rule") for road and city operations, to the extent not in place already. In addition, the Federal Motor Carrier Safety Administration's thirty-four (34) hour restart ("34-Hour Restart") shall be available for all road and city operations. The 70/8 Rule and the 34-Hour Restart shall remain in place for the entire pilot period on a voluntary basis. If the involved local union does not agree with this pilot program, however, the program shall not be used in that location.
2. The Companies shall utilize the 70/8 Rule and/or the 34-Hour Restart only for the purpose of offering additional work opportunities to employees on a voluntary basis, in accordance with the applicable Supplement and any local agreements, work rules or practices.
3. The 70/8 Rule and the 34-Hour Restart may not be used to force or otherwise require additional hours of overtime. This Memorandum also does not create the ability to force

overtime or otherwise require additional work by CDL-qualified employees, beyond what exists today in the Supplements and any local agreements, work rules or practices.

4. The 70/8 Rule and the 34-Hour Restart may not be used to restructure driving bids to cover weekend operations, absent agreement between the Employer and the applicable Local Union. Employees will not be denied their normal bids as a result of this pilot program even if they decline extra work opportunities.
5. In the event an employee voluntarily accepts additional work opportunities created by the 70/8 Rule and the 34-Hour Restart, he or she shall be required to utilize the 34-Hour Restart and be available for his or her next regular shift. For example, a P&D driver who works twelve (12) hour shifts during his or her normal Monday through Friday bid and then voluntarily accepts an opportunity to work on Saturday must utilize the 34-Hour Restart to be available for his or her normal bid start time on Monday.
6. This pilot program shall remain in effect for a period of sixty (60) days, at which time this Memorandum of Understanding no longer shall apply and the pilot program will expire. The Companies shall provide written notice when the pilot goes into effect.

FOR YRC FREIGHT:

Mitchell Lilly

11/14/18

Date

FOR USF HOLLAND:

Samuel A. Pilgers

11-15-2018

Date

FOR NEW PENN MOTOR EXPRESS:

D. Schmidt

11/14/18

Date

FOR TNFINC:

Ernie Soell

John A. Murphy

Paul E. ...

Paul ...

11/14/2018

Date

MEMORANDUM OF UNDERSTANDING

NON-CDL DRIVING POSITIONS – PILOT PROGRAM

YRC Inc. (d/b/a/ YRC Freight), USF Holland LLC, and New Penn Motor Express LLC (the “Companies”) and the Teamsters National Freight Industry Negotiating Committee (“TNFINC”) enter into this Memorandum of Understanding concerning a pilot program for non-CDL driving positions. The parties recognize that the recruitment and retention of CDL-qualified drivers continues to be challenging, even with recent pay rate increases and ongoing recruitment efforts. As a result, the Companies in connection with their local pick-up-and-delivery operations frequently must rely on local cartage companies and other third parties to pick up and deliver freight. This is the case even though the use of Company employees to perform this work is strongly preferred.

Moreover, the local cartage companies and other third party carriers do not even use CDL-A drivers to perform portions of this work. The Companies and TNFINC realize that this is core bargaining unit work that if possible should be performed by bargaining unit personnel.

In recognition of these challenges and in an effort to recapture local pick-up-and-delivery work that currently is being performed by third parties, the parties have agreed as follows on a pilot basis:

1. The Companies may establish Non-CDL Driver bids at the pilot locations listed on Exhibit A, each of which has put in place Market-Based Pay. Non-CDL Drivers may be assigned to operate box trucks and other equipment in the city operation that does not require the possession of a CDL license, as well as to work the dock. If the involved local union does not agree with this pilot program, the program shall not be used in that location.
2. Non-CDL Drivers shall be paid at a rate of \$20.14 per hour. This rate shall not be subject to a new hire progression or any fifteen percent (15%) reduction.
3. To the extent any non-CDL qualified employee bidding into a Non-CDL Driver position is at a rate that is higher than the current Non-CDL Driver rate, he or she shall maintain that higher rate. Existing CDL-qualified employees shall not be eligible to bid on Non-CDL Driver positions, except as otherwise provided herein.
4. Employees in or seeking to obtain a Non-CDL Driver position shall be subject to the same motor vehicle record requirements as CDL-qualified drivers.

5. Non-CDL Drivers may not be used to substitute for or otherwise replace available CDL-qualified City or P&D Drivers in the following manner:
 - a. The Companies may not utilize Non-CDL Drivers at any location where there are CDL-qualified City or P&D Drivers on layoff.
 - b. The Companies may not deny an available CDL-qualified City or P&D Driver work on a given day without first offering him or her the opportunity to perform work normally handled by Non-CDL Drivers, including through the operation of equipment that does not require a CDL license. In the event this occurs, the CDL-qualified City or P&D driver shall receive his or her normal rate of pay for the shift.
 - c. The Companies may not use Non-CDL Drivers to avoid filling vacant CDL-qualified positions or to avoid utilizing CDL-qualified drivers in the city or P&D operations.

6. Pilot programs shall remain in effect for a period of sixty (60) days at each applicable location, at which time this Memorandum of Understanding no longer shall apply and the pilot program will expire at that location. The Companies shall provide written notice when the pilot goes into effect at each of the locations on Exhibit A.

FOR YRC FREIGHT:

Mitch Lilly

11/14/18
Date

FOR USF HOLLAND:

Samuel O. Bulger

11-15-2018
Date

FOR NEW PENN MOTOR EXPRESS:

Michael Schmidt

11/14/18
Date

FOR TNFINC:

Ernie Soell

John A. Murphy

[Signature]

Jason Graham

[Signature]

11/14/2018
Date

EXHIBIT A

Box Truck Pilot Sites		
Holland	Code	Local Union
Detroit, MI	DE	299
YRC Freight	Code	Local Union
Columbus, OH	857	413
Cleveland, OH	218	407
Detroit, MI	261	299
Seattle, WA	642	174
Denver, CO	890	17
Trenton, NJ	112	701
New Penn	Code	Local Union
Newburgh, NY	22	641
South Kearny, NJ	06	641

Sam D. Bulger 11-15-18
Holland

Da. Schmitt 11/15/18
New Penn.

Michael Lill 11/15/18

Ernie Soell 11/15/2018

John A. Murphy 11/15/2018

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