NATIONAL MASTER FREIGHT AGREEMENT

For the Period of
April 1, 200~~3~~**8**
through
March 31, 20~~08~~**13**

covering:

Operations in, between and over all of the states, territories and possessions of the United States, and operations into and all of all contiguous territory.

The _____ (Company or Association) hereinafter referred to as the EMPLOYER and the TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No.——— which Local Union is an affiliate of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

ARTICLE 1. PARTIES TO THE AGREEMENT – *No Change*

ARTICLE 2. SCOPE OF AGREEMENT – *No Change*

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the Teamsters National Freight Industry Negotiating Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees in the classifications of work covered by this National Master Freight Agreement, and those Supplements thereto approved by the Joint National Negotiating Committees for the purpose of collective bargaining as provided by the National Labor Relations Act.

Subject to Article 2, Section 3 - Non-covered Units, this provision shall apply to all present and subsequently acquired over-the-road and local cartage operations and terminals of the Employer.

This provision shall not apply to wholly-owned and wholly independently operated subsidiaries which are not under contract with local IBT unions. “Wholly independently operated” means, among other things, that there shall be no interchange of freight, equipment or personnel, or common use, in whole or in part, of equipment, terminals, property, personnel or rights.

Union Shop

(b) All present employees who are members of the Local Union on the effective date of this subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union as a condition of employment. Union membership for purposes of this Agreement, is required only to the extent that employees must pay either (i) the Union's initiation fees and periodic dues or (ii) service fees which in the case of a regular service fee payer shall be equal to the Union's initiation fees and periodic dues, and in the case of an objecting service fee payer shall be the proportion of the initiation fees and dues corresponding to the portion of the Union's total expenditures that support representational activities. All present employees who are not members of the Local Union and all employees who are hired hereafter shall become and remain members of the Local Union as a condition of employment on and after the thirty-first (31st) calendar day following the beginning of their employment or on and after the thirty-first (31st) calendar day following the effective date of this subsection or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after his/her Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, but not retroactively.

For purposes of this Article, "present employees" and "employees who are hired hereafter" shall include "casual employees" as defined in Article 3, Section 2 of this Agreement. Such "casual employees" will be required to join the Union prior to their employment on or after the thirty-first (31st) calendar day following their first (1st) day of employment for any Employer signatory to this Agreement.

Hiring

When the Employer needs additional employees **covered by this Agreement,** it shall give the Local Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Local Union. **Upon a written request from the referring Local Union, the Employer shall inform the Local Union of whether an applicant is being hired or not hired, or whether no decision has been made.** Violations of this subsection shall be subject to the Grievance Committee. **It is recognized that the Employer legally is not permitted to share with the Local Union information regarding the reasons for a refusal to hire an applicant.**

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violations of this subsection shall be subject to the Grievance Committee.

State Law

(d) No provision of this Article shall apply in any state to the extent that it may be prohibited by state law. If under applicable state law additional requirements must be met before any such provisions may become effective, such additional requirements shall be first met.

Agency Shop

(e) If any agency shop clause is permissible in any state where the provisions of this Article relating to the Union Shop cannot apply, the following Agency Clause shall prevail:

(1) Membership in the Local Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Local Union, as they see fit. Neither party shall exert any pressure on, or discriminate against, an employee as regards such matters.

(2) Membership in the Local Union is separate, apart and distinct from the assumption by one of his/her equal obligation to the extent that he/she receives equal benefits. The Local Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Local Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Local Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Local Union is the choice of a majority of the employees in the bargaining unit. Accordingly, it is fair that each employee in the bargaining unit pays his/her own way and assume his/her fair share of the obligations along with the grant of equal benefits contained in this Agreement.

(3) In accordance with the policy set forth under subparagraphs (1) and (2) of this Section, all employees shall, as a condition of continued employment, pay to the Local Union, the employee's exclusive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Local Union, which shall be limited to an amount of money equal to the Local Union's regular and usual initiation fees, and its regular and usual dues. For present employees, such payments shall commence thirty-one (31) days following the effective date or on the date of execution of this Agreement, whichever is the later, and for new employees, the payment shall start thirty-one (31) days following the date of employment.

Savings Clause

(f) If any provision of this Article is invalid under the law of any state wherein this Agreement is executed, such provision shall be modified to comply with the requirements of state law or shall be renegotiated for the purpose of adequate replacement. If such negotiations shall not result in mutually satisfactory agreement, either party shall be permitted all legal or economic recourse.

Employer Recommendation

(g) In those instances where subsection (b) hereof may not be validly applied, the Employer agrees to recommend to all employees that they become members of the Local Union and maintain such membership during the life of this Agreement, to refer new employees to the Local Union representative, and to recommend to delinquent members that they pay their dues since they are receiving the benefits of this Agreement.

Business agents shall be permitted to attend new employee orientations in right-to-work states. The sole purpose of the business agent's attendance is to encourage employees to join the Union.

Future Law

(h) To the extent such amendment may become permissible under applicable federal and state law during the life of this Agreement as a result of legislative, administrative or judicial determination, all of the provisions of this Article shall be automatically amended to embody the greater Union security provisions contained in the 1947-1949 Central States Area Over-The-Road Motor Freight Agreement, or to apply or become effective in situations not now permitted by law.

No Violation of Law

(i) Nothing contained in this Section shall be construed so as to require the Employer to violate any applicable law.

Section 2. Probationary and Casual Employees

(a) Probationary Employees

(1) A probationary employee shall work under the provisions of this Agreement, but shall be employed on a trial basis as provided for in each Supplement.

(2) During the probationary period, the employee may be terminated without further recourse; provided, however, that the Employer may not terminate the employee for the purpose of evading this Agreement or discriminating against Union members. A probationary employee who is terminated by the Employer during the probationary period and is then worked again at any time during the next full twelve (12) months at any of that Employer's locations within the jurisdiction of the Local Union covering the terminal where he/she first worked, except in those jurisdictions where the Local Union maintains a hiring hall or referral system, shall be added to the regular seniority list with a seniority date as of the date that person is subsequently worked. The rules contained in subsection (a) (2) are subject to provisions in the Supplements to the contrary.

(3) Probationary employees shall be paid at the new hire rate of pay during the probationary period; however, if the employee is terminated by the Employer during such period, he/she shall

be compensated at the full contract rate of pay for all hours worked retroactive to the first (1st) day worked in such period.

CDL-qualified employees hired into driving positions who are not currently on the seniority list at an NMFA carrier and who for two (2) or more years regularly performed CDL-required driving work for a commonly-owned NMFA carrier shall be compensated at 90% of the full contract rate of pay for a period of one (1) year and go to the full contractual rate thereafter, provided they have not had a break in service in excess of three (3) years.

(4) The Union and the Employer may agree to extend the probationary period for no more than thirty (30) days, but the probationary employee must agree to such extension in writing.

(b) Casual Employees

(1) A casual employee is an individual who is not on the regular seniority list and who is not serving a probationary period. A casual may be either a replacement casual or a supplemental casual as hereinafter provided. Casuals shall not have seniority status. Casuals shall not be discriminated against for future employment.

(2)a. Replacement casuals may be utilized by an Employer to replace regular employees when such regular employees are off due to illness, vacation or other absence, except when an absence of a regular employee continues beyond three (3) consecutive months, a replacement casual shall not thereafter be used to fill such absence, unless the Employer and the Local Union mutually agree to the continued use of a replacement casual. **If a CDL-qualified casual filling a position has been regularly employed for a period of six (6) months or more, he will not be required to go through a probationary period if hired into a full-time position.**

b. Where the Company is using casuals as vacation replacements for regular employees, and the Area Supplemental Agreement does not provide a method to add regular employees based on the use of casuals to replace vacation absence, the vacation schedules shall be broken into yearly quarters beginning January 1st, and subsequent vacation quarters shall begin on April 1st, July 1st, and October 1st thereafter.

Starting with the quarter beginning April, 1991, and continuing each quarter thereafter, the Employer shall add one (1) additional employee to the regular seniority list for each sixty-five (65) vacation replacement days worked by a casual during each vacation quarter.

The application of this formula shall not result in pyramiding.

New employees shall be placed on the respective seniority lists on the first (1st) day of the following quarter unless there are employees in layoff status, in which case such new employees shall be placed on the respective seniority list at the time the laid-off employees are recalled from layoff status.

Employees shall first be added to the regular seniority list from the preferential list, if applicable. Thereafter, employees to be added to the regular seniority list shall be determined by the respective Supplement and shall be subject to the probationary provisions of that Supplement.

In the application of this formula, employees specifically designated under an appropriate reporting procedure to replace absence other than vacations shall not be included as vacation replacements. It is the intent of the parties, in the application of this formula, to add regular employees to the seniority list to replace employees on vacation where there is regular work opportunity for such additional employees.

The implementation of this provision may raise issues particular to a respective Supplemental Agreement. Failure to resolve the issues, such Supplemental Negotiating Committee may agree to waive this provision, or submit the disputed issues to the National Grievance Committee.

(3) Supplemental casuals may be used to supplement the regular work force as provided for in each respective Supplement. Once the number of new employees to be added as required in the Supplement is determined, the Employer must initiate the processing of the new probationary employees immediately, and complete such processing as provided for in the Supplements.

(4) Unless waived in writing by any Joint Supplemental Negotiating Committee, all Supplements shall provide for a preferential casual hiring list and shall provide the qualifications for placement on such list. Casuals on the preferential hiring list shall be offered available extra work and future regular employment in seniority order by classification as among themselves. A preferential casual employee's seniority date shall be the date he/she becomes a regular employee; and such employee shall not be subject to any probationary period.

Casual employees on the preferential hiring list shall have full access to the grievance procedure.

The provisions of Article 3, Section 3, shall apply to casual employees on the preferential hiring list who are paid on the regular payroll.

Local Unions employing an exclusive hiring hall under the terms of the Supplemental Agreement may petition the respective Joint Area Supplemental Negotiating Committee for approval to waive this subparagraph (4).

(5) Casual road employees, where permitted by Supplemental Agreement, may only be used within the jurisdiction of their respective Regional Area and shall gain preferential status and/or regular seniority status as provided in the respective Supplement, except on approved two-man operations when the extra boards are exhausted.

(6) Any casual employee who declines regular employment shall be terminated without recourse and will not be used by the Employer for any further work.

(7) a. Casual Employment

The Employer agrees to give first opportunity for work as a casual employee to those **CDL-qualified** employees on layoff **at a commonly-owned NMFA carrier.** ~~or whose employer has gone out of business if said employees regularly performed work of the kind, nature or type performed by carriers covered by the NMFA.~~ This obligation shall apply only at terminals located within the jurisdiction of the employee's Local Union. The Local Union will furnish Employer with the names, addresses, and telephone numbers of those laid off employees interested in casual work opportunity and the job each employee is qualified to perform. Where applicable, casual employment may not be offered to laid off employees under this provision ahead of preferential casuals, nor shall this provision supersede an established order of call in a supplemental agreement.

(7) b. Regular Employment

The Employer agrees to offer regular employment to those employees on letter of layoff from **a commonly-owned NMFA carrier** ~~an Employer member of the TMI multi-employer unit~~ at other terminals located within the jurisdiction of the employee's Local Union who have made application for regular employment at the terminal offering regular employment. Employment shall be offered in accordance with the following order, unless the Supplemental Agreement or an agreed to practice provides a different order of call, in which case such other order of call shall prevail:

1. Preferential casuals, where applicable.
2. Employees of the Employer, on a seniority basis.
3. Employees of **a commonly-owned NMFA carrier** ~~other TMI Employer members~~ based on the date such employees made application.

Employees who for two (2) or more years regularly performed CDL-required driving work for a commonly-owned NMFA carrier shall be compensated at 90% of the full contract rate of pay for a period of one (1) year and go to the full contractual rate thereafter. Other E~~E~~employees hired into regular employment shall be paid in accordance with the new hire rate set forth in Article 36, herein and shall establish seniority in accordance with the applicable Supplemental Agreement. Employees who accrue seniority under this provision who are on layoff from another Employer shall retain seniority rights at the terminal they are laid off from until such time as they are recalled to that terminal. Employees who accrue seniority under this provision who are on layoff from another terminal of the same Employer shall retain their seniority at the terminal they are laid off from until such time as recalled to that terminal. At that time, the employee must either accept recall and forfeit seniority at the new terminal or refuse recall and forfeit seniority at the terminal he/she is being recalled to.

In order to be eligible for either casual or regular employment opportunity under this provision, the laid off employee must meet the minimum hiring standards established by the Employer and be otherwise qualified to perform the work available and must be able to report for work in compliance with the Employer's established call-time procedures. The Employer's hiring standards and examinations shall be applied uniformly to all applicants for employment. The

Employer shall provide the hiring standards and examinations upon written request of the Local Union. Employees who are offered work opportunity under this provision must be able to furnish proof of their qualification to perform the work available.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violation of this subsection shall be subject to the grievance procedure.

(8) Fringe benefits will be paid on casuals in accordance with the terms of the Supplemental Agreement. Minimum daily guarantees will be governed by the respective Supplemental Agreement.

(9) A monthly list of all casual and/or probationary employees used during that month shall be submitted to the Local Unions by the tenth (10th) day of the following month. Such list shall show:

a. the employee's name, address, and social security number;

b. the date worked;

c. the classification of work performed each date, and the hours worked; and,

d. the name, if applicable, of the employee replaced.

This list shall be compiled on a daily basis and shall be available for inspection by a Union representative and/or job shop steward.

(10) Unless otherwise agreed to in any Supplemental Agreement, the following will apply:

Supplemental casuals may be used to supplement the regular work force (dock only) and shall be subject to a four (4) hour guarantee when called to work. Four (4) hour casuals shall be started on an established starting time; or when called to work at a time other than an established starting time, must end his/her shift at the conclusion of that established starting time shift. Four (4) hour casuals shall be eligible for pension and/or health welfare contributions in accordance with the applicable supplemental agreement.

For the purpose of adding regular employees in accordance with the supplemental agreement casuals who work six (6) hours or more or back to back on a shift shall be considered as having worked a supplemental day towards seniority. Once regular employees are required to be added in accordance with the applicable supplement the employer must initiate the processing of the new probationary employees immediately and complete such processing as provided for in the applicable supplement.

(c) Employment Agency Fees

If employees are hired through an employment agency, the Employer is to pay the employment agency fee. However, if the Local Union was given equal opportunity to furnish employees under Article 3, Section (1) (c), and if the employee is retained through the probationary period, the fee need not be paid until the thirty-first (31st) day of employment.

Section 3. Checkoff

The Employer agrees to deduct from the pay of all employees covered by this Agreement the dues, initiation fees and/or uniform assessments of the Local Union having jurisdiction over such employees and agrees to remit to said Local Union all such deductions. Where laws require written authorization by the employee, the same is to be furnished in the form required. The Local Union shall certify to the Employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorization, together with an itemized statement of dues, initiation fees (full or installment), or uniform assessments owed and to be deducted for such month from the pay of such member. The Employer shall deduct such amount within two (2) weeks following receipt of the statement of certification of the member and remit to the Local Union in one (1) lump sum within three (3) weeks following receipt of the statement of certification. The Employer shall add to the list submitted by the Local Union the names and Social Security numbers of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed. Checkoff shall be on a monthly or quarterly basis at the option of the Union. The Local Union and Employer may agree to an alternative option to deduct Union dues bi-monthly.

When an Employer actually makes a deduction for dues, initiation fees and assessments, in accordance with the statement of certification received from an appropriate Local Union, the Employer shall remit same no later than three (3) weeks following receipt of the statement of certification and in the event the Employer fails to do so, the Employer shall be assessed ten percent (10%) liquidated damages. All monies required to be checked off shall become the property of the entities for which it was intended at the time that such checkoff is required to be made. All monies required to be checked off and paid over to other entities under this Agreement shall become the property of those entities for which it was intended at the time that such payment or checkoff is required to be made.

Where an employee who is on checkoff is not on the payroll during the week in which the deduction is to be made, or has no earnings or insufficient earnings during that week, or is on leave of absence, the employee must make arrangements with the Local Union and/or the Employer to pay such dues in advance.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all week worked. The phrase “weeks worked” excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each

employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

In the event that an Employer has been determined to be in violation of this Article by the decision of an appropriate grievance committee, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours' written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof. Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Upon written request of an employee, the Employer shall make payroll deductions for the purchasing of U. S. Savings Bonds.

The Employer hereby agrees to participate in the Teamsters National 401(k) Savings Plan (the "Plan") on behalf of all employees represented for purposes of collective bargaining under this agreement, **and shall authorize the Plan to allow for participating employee, upon his request, to take loans on his contributions to the Plan.** The Employer is not required to participate in the Teamsters National 401(k) if Teamsters employees were eligible to participate in an Employer sponsored 401(k) as of January 1, 1998.

The Employer will make or cause to be made payroll deductions from participating employee's wages, in accordance with each employee's salary deferral election subject to compliance with ERISA and the relevant tax code provisions. The Employer will forward withheld sum to State Street Bank or its successor at such time, in such form and manner as required pursuant to the Plan and Declaration of Trust (the "Trust").

The Employer will execute a Participation Agreement with TNFINC and the Trustees of the Plan evidencing Employer participation in the Plan effective prior to any employee deferral being received by the Plan.

Section 4. Work Assignments – *No Change*

Section 5. – *No Change*

Section 6. Electronic Funds Transfer – *No Change*

New Section 7.

UTILITY EMPLOYEE

The parties recognize the need for the Employers to compete effectively in a changing environment. To this end, there shall be established a new position on the local cartage seniority list called a Utility Employee. The intent of the parties' creation of the Utility Employee position is to generate additional job opportunities and enhance employee earnings, by enhancing the Employer's ability to compete and grow.

Subject to the approval of the National Utility Employee Review Committee, the Employer may establish Utility Employee positions at any facility at its discretion as-needed, and CDL-qualified road or local cartage employees may bid for Utility Employee positions in accordance with established terminal bidding procedures. All CDL-qualified drivers with the required endorsements shall have the opportunity to transfer to the local cartage operation, if necessary, and bid for open Utility Employee positions with full seniority rights. There shall be no retreat rights for employees who transfer to the local cartage operation to bid an open Utility Employee position. For example, if a road driver bids into the Utility Employee position, he relinquishes his road seniority for bidding purposes and cannot return to the road driver classification, unless through a change of operations, or bid back rights consistent with the applicable Supplement. The Employer shall be permitted to assign a qualified local cartage employee to a Utility Employee position on a temporary basis when necessary to pursue business opportunities that become available, as long as the temporary assignment is made in seniority order and if senior employees do not accept the temporary positions, less senior employees are forced from the bottom of the seniority list. Temporary vacancies in the Utility Employee position, for things such as sickness, vacations, leaves of absences, will be filled consistent with practices under the applicable Supplemental Agreement.

The Utility Employee shall work across all classifications as assigned and as necessary to meet business needs, and there shall be no restrictions on the type of freight or work handled. A Utility Employee's duties during a tour of duty may, at his/her home terminal, include performing Utility-related dock work, P&D (local cartage) work, hostling/yard work (drop & hooks), and any driving work. At larger facilities where the Employer utilizes Utility Employees and there is more than Utility work performed, the Employer will designate a specific area on the dock where freight to be handled by Utility Employees will be staged. Non-utility freight will be staged at a designated area and the employees at the destination terminal will handle the non-utility freight.

A Utility Employee shall perform all local cartage functions at his home terminal. Notwithstanding anything in this Agreement or any Supplemental Agreement to the contrary, Utility Employees also may be required to work across Local Union jurisdictional lines. It is not the intent to use Utility Employees to perform local peddle runs or P&D work outside their Local Union's jurisdiction. At away terminals, a Utility Employee may perform Utility-related dock work, hostling and drop and hooks on his/her own equipment. A Utility Employee shall fuel his/her own equipment at away terminals, if there are no

fuelers available. All Utility Employees shall be returned to his home domicile at the end of his shift, absent bona fide extenuating circumstances, in which case they shall be paid on all hours.

The Employer shall pay each Utility Employee an hourly premium of $ 1.00 per hour over the highest rate the Employer pays to local cartage drivers under the Supplemental Agreement covering the Utility Employee's home domicile. Employees in progression who bid into Utility Employee positions or individuals the Employer hires into Utility Employee positions shall complete the progression for local cartage drivers outlined in the applicable Supplemental Agreement. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

A Utility Employee's work week shall consist of any four (4) ten (10) hour or five (5) eight (8) hour consecutive days starting Sunday, Monday, or Tuesday, subject to a forty (40) hour guarantee during that period. With four (4) ten (10) hour days, the Utility Employee shall have three (3) consecutive days off and with five (5) eight (8) hour days the Utility Employee shall have two (2) consecutive days off. The Employer may establish multiple start times bid by Utility Employees and may slide such start times on a daily basis by either thirty (30) minutes before or thirty (30) minutes after the bid start times.

The parties recognize that most, if not all locations will have Utility Employees regardless of facility size, geographic and/or service area. Subject to the approval of the National Utility Employee Review Committee or the Committee Chairman or their designees, the Employer may establish and modify Utility Employee positions and bids without the approval of a change of operations or other Union approval. All bids shall be offered in seniority order, and, if senior employees do not bid open positions, less senior employees shall be forced from the bottom of the seniority list.

In the event the Employer's proposed use of a Utility Employee position causes a transfer, change or modification of any driver's present terminal, breaking point or domicile, the proposed change shall be submitted to a National Utility Employee Review Committee comprised of three representatives designated by the President of TMI and three representatives designated by the Chairman of TNFINC. The President of TMI or his designee and the Chairman of TNFINC or his designee shall be the TMI and the TNFINC Chairmen of the National Utility Review Committee. The National Utility Employee Review Committee shall establish rules of procedure to govern the manner in which proposed Utility Employee operational changes are to be heard.

The National Utility Employee Review Committee shall have the authority to determine the seniority application of employees affected by the operational change and such determination shall be final and binding. No proposed operational change will be approved which violates this Agreement. In the event the National Utility Employee Review Committee is unable to resolve a matter, the case shall be submitted to the National Review Committee on an expedited basis. Neither the Union nor the Employer shall unreasonably delay the scheduling or completion of any requested meeting, or the submission of any dispute to the National Review Committee. In no event shall a Utility

Employee operational change hearing be held more than fifteen (15) business days after the Employer meets with the affected Local Unions to discuss the written operational change proposal.

Any grievance concerning the application or interpretation of Article 3, Section 7 shall be first referred to the National Utility Employee Review Committee for resolution. If the National Utility Employee Review Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the National Grievance Committee. The National Utility Employee Review Committee shall have jurisdiction over alleged violations of seniority rights in the bidding of the Utility Employee positions, issues regarding the utilization of the Utility Employee position consistent with this Section, and issues regarding the seniority rights of employees bidding into the Utility Employee position.

Subject to the approval of the National Utility Employee Review Committee, the Employer may establish the number of Utility Employee positions at any location.

The parties agree that nothing in this Article 3, Section 7 shall alter the Employer's ability to engage in layoffs in accordance with the layoff provisions of the applicable Supplemental Agreement. In the event a Utility Employee is laid off, the Employer may re-bid that position in accordance with seniority provisions of the applicable Supplemental Agreement.

ARTICLE 4. STEWARDS – ***No Change***

ARTICLE 5.

Section 1. Seniority Rights – ***No Change***

Section 2. Mergers of Companies-General – ***No Change***

Section 3. Intent of Parties – ***No Change***

Section 4. Equipment Purchases – ***No Change***

Section 5. Work Opportunity

Over-the-road **and CDL-qualified local cartage** employees who ~~are~~ **have been** on letter of layoff, **for more than thirty (30) days** shall be given an opportunity to ~~transfer~~ **relocate** to permanent ~~over-the-road~~ employment (prior to the employment of new hires) occurring at other ~~over-the-road~~ domiciles of the Employer l~~ocated within the Regional area~~ provided they notify the Employer and Local Union in writing of their interest in a ~~transfer~~ **relocation** opportunity. ~~**It shall be the employees sole responsibility to identify available relocation opportunities.**~~ The offer of ~~transfer~~ **relocation** will be made in the order of ~~continuous over-the-road~~ **applicable** seniority of the laid-off ~~drivers~~ **employees** domiciled within the Regional area. The Employer

shall be required to make additional offers of ~~transfer~~ **relocation** to an employee who has previously rejected a ~~transfer~~ **relocation** opportunity provided the employee again notifies the Employer in writing of his/her continued interest in additional ~~transfer~~ **relocation** opportunities. However, the Employer will only be required to make one ~~transfer~~ **relocation** offer in any six (6) calendar month period. Any employee accepting such offer shall be paid at the employee's applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. A ~~transferring~~ **relocating** employee shall pay his/her own moving expenses and shall, upon reporting to such new domicile, be deemed to have relinquished his/her right to return with seniority to the domicile from which he/she ~~transferred~~ **relocated**. The provisions of this Section shall not supersede an established order of call/hiring in the Supplemental Agreement.

Section 6. Overtime

On a weekly basis, the Employer shall be permitted to work the active seniority board 25% of the straight time hours in overtime. In the event the Employer exceeds the 25% overtime allowance, the number of overtime hours in excess of the allowance will be applied in the next following week for determining the number of employees to recall from lay-off.

For example, if the Employer has 120 employees on the seniority board with 100 actively working and 20 laid-off, the Employer shall be permitted 4000 hours straight time hours plus 1000 hours overtime (25% of 4000) for a total of 5000 hours to be worked that week by the active seniority board. If during that week, the Employer actually worked the 100 active employees a total of 5600 hours, there would be 600 hours in excess of the 25% overtime allowance. The 600 hours would be divided by 50 (40 straight time hours plus 25% of 40 or 10) which equals 12 employees to be recalled from lay-off in the week following the violation of the 25% overtime allowance.

ARTICLE 6.

Section 1. Maintenance of Standards

The Employer agrees, subject to the following provisions, that all conditions of employment in his/her individual operation relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement.

Local Standards

(a) The Local Unions and the Employer shall, within one hundred eighty (180) days following ratification of this Agreement, identify and reduce to writing, and submit to the appropriate Regional Joint Area Committee, those local standards and conditions practiced under this Article. Such standards and conditions when submitted in accordance with this Section shall be

currently dated. Those local standards and conditions previously practiced hereunder which are not so submitted shall be deemed to have expired.

The appropriate Regional Joint Area Committee shall, not later than ninety (90) days following ratification, adopt a procedure to consider the disposition of the local standards and conditions submitted including the right to appoint a subcommittee to make recommendations. The Regional Joint Area Committee shall provide to the parties the opportunity to present their views. The Regional Joint Area Committee shall have the sole discretion to determine the disposition of the submitted local standards and conditions which determination shall be final and binding.

Individual Employer Standards

(b) Individual Employers may during the life of this Agreement file with the appropriate Regional Joint Area Committee and request review of those individual standards and conditions claimed or practiced under this Article which exceed the provisions of this Agreement and Supplemental Agreements.

The Regional Joint Area Committee shall develop a procedure to review the filing including the right to appoint a subcommittee to make recommendations. The Committee shall make every effort to adjust the matter. If the Committee reaches agreement concerning the disposition of the individual standards or conditions, the decision of the Committee shall be final and binding. In the event of deadlock, the submitted standards and/or conditions shall continue as practiced.

General

(c) It is agreed that the provisions of this Article shall not apply o inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement. Such bona fide errors may be corrected at any time.

In the event a Local Union and/or employee notifies the manager at the applicable Employer facility in writing by certified mail that employees' wages are being overpaid and the Employer does not correct the overpayment within thirty (30) calendar days following receipt of such notice, the Employer shall not be permitted to recoup such overpayment. The Employer shall, however, be permitted to correct the wage error by paying employees the appropriate contractual wage prospectively from the date of notice by the Local Union and/or employee, provided the correction is made prior to the expiration of this Agreement.

No other Employer shall be bound by the voluntary acts of another Employer when he/she may exceed the terms of this Agreement.

Any disagreement between the Local Union and the Employer with respect to this matter shall be subject to the grievance procedure.

This provision does not give the Employer the right to impose or continue wages, hours and working conditions less than those contained in this Agreement.

Local Standards – *No Change*

Individual Employer Standards – *No Change*

Section 2. Extra Contract Agreements – *No Change*

Section 3. Workweek Reduction – *No Change*

Section 4. New Equipment – *No Change*

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY

Section 1. – *No Change*

Section 2. Grievant's Bill of Rights

All employees who file grievances under this Agreement and its Supplemental Agreements are entitled to have their cases decided fairly and promptly. In order to satisfy these objectives and promote confidence in the integrity of the grievance procedures, all employees who file grievances are entitled to the following Rights:

1. Grievants and stewards shall be informed by their Local Union of the time and place of the hearing.

2. Grievants and stewards are permitted to attend, at their own expense, the hearing in cases in which they are involved.

3. The Employer must provide any information relevant to a grievance containing specific factual allegations within fifteen (15) days of receipt of a written request by the Local Union, steward or grievant. The Local Union or grievant must provide information relevant to such a grievance within fifteen (15) days of receipt of a written request by the Employer. **Information requested must relate to the specific issues and general time periods involved in the grievance.** ~~Failure by a party to provide timely requested information at least seven (7) business days prior to a case being heard will preclude the information from being used at the hearing, unless otherwise mutually agreed~~. **In the event a party fails to provide available information that was specifically requested on a timely basis and the applicable grievance committee agrees that the information is relevant to the case, the claim of the party requesting the information shall be upheld.**

4. All cases involving a discharge or suspension shall be recorded, except for executive sessions. Transcriptions of these proceedings shall be prepared in response to written requests by the Local Union at the reasonable cost of transcription. No recording devices shall be used in any

grievance committee proceeding except as specifically authorized under the Rules of Procedure or by mutual consent of the co-chairpersons.

5. All Employer and Union panel members for each case shall be identified prior to the hearing. No Employer or Union representative who is directly involved in a case may serve as a panel member except at a local level committee where there is only one Local Union subject to the jurisdiction of the committee.

6. A grievant or steward may request permission to present evidence or argument in support of the case in addition to the evidence or argument presented by the Local Union.

7. All grievance committees shall, upon request, issue a copy of the grievance decision or transcript pages containing the hearing proceedings and the decision to the grievant and/or a Local Union.

8. The Local Union and the Employer may postpone a case once each, and any further postponements must be approved by the co-chairpersons of the grievance committee. In those areas where there are presently local grievance committees, each party shall be entitled to one additional postponement at the local grievance committee level only.

9. Unless mutually agreed by the Local Union and the Company, Local Unions shall file all approved grievances with the appropriate grievance committee or association for decision no later than thirty (30) days after the date the Local Union receives the grievance.

10. A copy of the grievance committee Rules of Procedure, including the Grievant's Bill of Rights, must be provided, upon request, to the grievant prior to the commencement of the grievance hearing.

Section 3. – ***No Change***

Section 4. – ***No Change***

Section 5. Timely Payment of Grievances

All monetary grievances that have been resolved either by decision or through **a signed, dated written** settlement **agreement** shall be paid within ~~twenty-one (21)~~ **fourteen (14)** calendar days of formal notification of the decision or **the** date of **the** settlement **agreement.** If an Employer fails to pay a monetary grievance in accordance with this Section, the Employer shall pay as liquidated damages to each affected grievant eight (8) hours straight time pay for each day the Employer delays payment, commencing the date the grievant(s) notified the Employer of such non-payment.

Section 6. – ***No Change***

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1. – ***No Change***

Section 2. – *No Change*

Section 3. Work Stoppages

(a) The parties agree that all grievances and questions of interpretation arising from the provisions of this Agreement shall be submitted to the grievance procedure for determination. Accordingly, except as authorized by law, as provided below or as specifically provided in other Articles of the National Master Freight Agreement, no work stoppage, slowdown, walkout or lockout shall be deemed to be permitted or authorized by this Agreement.

A "representation dispute" in circumstances under which the Employer is not required to recognize the Union under this Agreement is not subject to the grievance procedure herein and the provisions of this Article do not apply to such dispute.

(b) In the event an Employer is delinquent in its health & welfare or pension payments in the manner required by the applicable Supplemental Agreement, the Local Union shall have the right to take whatever action it deems necessary until such delinquent payments are made. The Local Union shall give the Employer a seventy-two (72) hour, (excluding Saturdays, Sundays, and holidays), prior written notice of the Local Union's authorization of strike action which notice shall specify the failure to make health & welfare or pension payments providing the basis for such strike authorization. In no event shall the Union have the right to strike over a dispute concerning the eligibility and/or payment of health & welfare or pension contributions by an Employer on behalf of specific individuals and such disputes shall be subject to the grievance procedure.

(c). In the event the Employer fails to comply with a decision rendered by a grievance committee **or a grievance settlement, provided a settlement has been reduced to writing, dated and signed by both** the Local Union **and the Employer** the Local Union shall give the Employer a seventy-two (72) hour (excluding Saturday, Sunday and holidays) prior written notice of the Local Union's authorization of strike action, which notice shall specify the basis for the compliance failure. If the Employer believes that it is in compliance or that there is a clarification needed in order to comply, the matter of compliance and/or clarification shall be submitted to the grievance committee that decided the case. The question of compliance or clarification shall be determined by the grievance committee within forty-eight (48) hours after receipt of the Employer request. The forty-eight (48) hour period for the grievance committee to determine the question of compliance or clarification shall run concurrently with the seventy-two (72) hour notice prior to a strike. The grievance committee may meet telephonically to consider and decide questions of compliance or clarification.

Section 4. – *No Change*

Section 5. – *No Change*

Section 6. Change of Operations

Change of Operations Committee – *No Change*

Change of Operations Committee Procedure – *No Change*

Moving Expenses

(c) The Employer shall pay reasonable expenses to demount and remount an employee's mobile home, if used as his/her residence and in such instance shall pay normal expenses to move such mobile home, including the use of other modes of transportation where required by law. However, it is mutually understood that the cost of such move shall not exceed nine thousand dollars ($9,000.00) per move. Commencing April 1, 2004 and every April 1st thereafter under this agreement, this amount will be increased by the prior year's average annual increase in the CPI-W, U.S. city average, Housing, Household Operations expenditure category titled "Moving, storage, freight expense". A decrease in the percent change in the Index will not result in a decrease of the mobile home moving allowance once established. In the event the index is no longer published by BLS, the parties will agree to meet and find a substitute Index as an escalator.

Where an employee is required to transfer to another domicile in order to follow employment as a result of a change of operations, the Employer shall move the employee and assume the responsibility for proven loss or damage to household goods due to such move, including insurance against loss or damage. Should any employee possess household items of unusual or extraordinary value which will be included in the move, such items shall be declared and an appraised value determined prior to the move. The Employer shall provide packing materials for the employee's household goods when requested or at the employee's request pay all costs and expenses of moving such household goods, including packing.

An employee shall have a maximum of one (1) year to move in accordance with the provisions of an approved change of operations unless, prior to the expiration of such year, he/she requests, in writing, an extension for a reasonable period of time due to an unusual or special problem. The Employer shall provide lodging for the employee at the point of redomicile, not to exceed ninety (90) calendar days, and in addition, shall reimburse the employee ~~thirty five cents (35¢)~~ **forth cents (40¢**)per mile to transport one (1) personal automobile to the new location.

The Employer shall not be responsible for moving expenses if the employee changes his/her residence as a result of voluntary transfer.

None of the Employer obligations set forth in this Subsection (c) - Moving Expenses shall apply to transfers of domiciles within a fifty (50) - mile radius.

Change of Operations Seniority – *No Change*
Closing, Partial Closing of Terminals-Transfer of Work – *No Change*
Closing of Terminals-Elimination of Work – *No Change*
Layoff – *No Change*
Opening of Terminals – *No Change*
Definition of Terms – *No Change*

Qualifications and Training – *No Change*
Intent of Parties – *No Change*

Section 7. – *No Change*

Section 8. Sleeper Cab Operations

Unless specifically addressed in this section the provisions of the applicable supplemental agreement relating to sleeper cab operations remain in full force and effect.

A. Work Rules

The Local Union and the Company shall meet and negotiate dispatch and/or work rules. If no agreement is reached disputes shall be subject to the grievance machinery.

B. Team Classifications

1. "Bid Team Drivers" and "Bid Team Extra Board Drivers"

Team Drivers who are classified as bid destination drivers or bid team extra board drivers will be guaranteed a minimum of thirteen hundred (1300) miles round trip when dispatched. If the dispatch of a bid sleeper team is broken between A & B (1st dispatch the drivers will be paid no less than their original dispatch). If the broken dispatch results in more miles the drivers shall be paid their actual miles driven and work performed. There will be no free time at any point reached.

2. "Extra Board Team Drivers"

Teams who are classified as extra board drivers will receive a minimum of thirteen hundred (1300) miles round trip when dispatched.

3. Turning In The Yard Home Terminal (Non-Scheduled Teams)

When mutually agreed between the sleeper team and the Employer, sleeper teams may be allowed to turn in the yard at their home domicile provided the dispatch wheel is exhausted and/or there are no other teams rested and available for dispatch. When the Employer turns a sleeper team at their home domicile any delay in excess of one (1) hour shall be compensable.

The above referenced mileage guarantees are in addition to any other earnings after dispatch.

C. Dispatch Method

Sleeper cab operations shall be between the designated home terminal and a designated area and/or a destination terminal unless otherwise agreed. The A, B, C, dispatch principle shall apply.

All regular sleeper runs shall be posted for bid once each six (6) months unless otherwise agreed. The number of regular runs or teams in designated areas shall be determined by taking fifty percent (50%) of the average number of runs operated by sleeper teams between two (2) or more designated points for a period of six (6) months. Disputes over bids will be referred to the Sleeper Resolution Committee.

The sleeper trip must equal a minimum of thirteen hundred (1300) paid miles.

All sleeper trips are limited to one via on the return home dispatch, (B-A), (C-A), unless otherwise mutually agreed or as approved by the appropriate committee.

All sleeper teams must be sent to their home terminal on the third dispatch unless otherwise mutually agreed.

D. Laypoint and Layover

The layover provision of this section shall apply at only one away from home terminal, and all time spent at all other points touched on a round trip from the home terminal exclusive of meal time shall be paid for at the full hourly rate for each driver.

The layover point shall be the destination of the A-B dispatch and shall be designated on the driver's original orders prior to the dispatch from the point of origin and shall remain the same whether or not the drivers reached that point. If the team does not reach the original dispatch point there shall be no free time.

Upon arrival at a team's designated lay point, the Employer shall advise as soon as possible, but not later than thirty (30) minutes after the team signs-in, whether the team will be turned or put to bed.

In the event the team is put to bed, they shall be compensated at the straight-time hourly rate of pay from the time they signed in until the time they were so notified.

However, in the event of unforeseen circumstances (e.g., road closures; equipment breakdown; government declared emergency), the Employer may cancel a previously assigned dispatch prior to the expiration of the one hour free time and put the team to bed. In this circumstance, the team will be compensated at the straight time hourly rate of pay from the time they signed in until the time they were so notified. Failure by the Employer to make a load shall not be considered an unforeseen circumstance.

If the drivers are advised they are turning, the Company will have one-**half** (1/**2**) free hour at the laypoint **and one (1) free hour at the home domicile** in which to turn the drivers provided there are safe and sanitary shower facilities equipped with hot and cold water for showering. If the drivers are not dispatched within the above-mentioned one-**half** (1/**2**) **or one (1) hour free time** period after arrival they shall be paid for all time spent in excess ~~of the one (1) hour free time~~ at the applicable rate.

If the team is relieved of duty on arrival and signs for eight (8) hours off and then is recalled within four (4) hours, they shall be paid for all time spent.

Where sleeper teams are required to layover away from their home terminal, layover paid shall commence following the tenth (10th) hour after the end of the run. If the driver is held over the tenth (10th) hour the driver shall be guaranteed two (2) hours pay in any event for the layover time. If the driver is held over more than two (2) hours the driver shall receive layover pay for each hour up to eight (8) hours in the first eighteen (18) hours of layover period, commencing after the run ends. The same principle shall apply to each succeeding eighteen (18) hours, and layover pay shall commence after the tenth (10th) hour.

E. Abuse of Free Time – ***No Change***

F. Mark-Off Procedure For Non-Scheduled Sleeper Cab Drivers

In the event the Company and the Local Union are unable to agree to a mark-off procedure, the following shall apply **unless the supplement provides otherwise.**

1. For the purposes of time off, one thousand (1000) tractor miles equals one (1) sleeper trip. (for each driver)

2. After the completion of four (4) consecutive trips, the drivers will be entitled to forty-eight (48) hours off, plus an additional eight (8) hours rest. The drivers may waive the forty-eight (48) hours off.

3. After the completion of six (6) consecutive trips the drivers will be entitled to seventy-two (72) hours off, plus an additional eight (8) hours rest. Drivers entitled to such time off privileges may at their option, exercise time off privilege at the completion of either the sixth (6th), eighth (8th), or tenth (10th) trips. An extra board team that exercises their maximum time off after the eighth (8th) or tenth (10th) trip is subject to no more than fifteen percent (15%) of the active board off at one time.

4. Where drivers fail to exercise time off privilege after the tenth (10th) trip, they shall forfeit such time off and the cycle will revert back to subsection 2.

5. Time off privileges may be exercised only at the completion of the fourth (4th), sixth (6th), eighth (8th) or tenth (10th) trips upon the drivers returning home. An extra board team that exercises their maximum time off after the eighth (8th) or tenth (10th) trip is subject to no more than fifteen percent (15%) of the active board off at one time. A driver shall not be denied the

time off in accordance with the fifteen percent (15%) rule more than once prior to receiving such time off.

6. The only exception to the above is that the Employer shall provide in the dispatch rules and/or procedures for thirty-six (36) consecutive hours off duty at the home terminal at least once a week unless otherwise agreed to, provided the driver has been on the board and required to be available.

7. Where only one driver of an established team marks off for any reason, other than "9" below, he shall remain off until his partner returns to the home terminal, except as mutually agreed.

8. In those instances where an extra board driver makes a combination of single operation and sleeper operation trips each driver will earn one tour for each one thousand (1000) tractor miles while on a sleeper trip.

9. Bid team drivers must take their earned time off at the same time as outlined above.

10. Sleeper drivers are entitled to ten (10) hours off duty at their home domicile upon the completion of each round trip exclusive of the two (2) hour call.

H. Bedding and Linen

Change first sentence to read as follows:
Bedding and fresh linen, excluding pillows, for sleeper cabs shall be furnished and maintained by the Employer in a clean and sanitary condition. Complaints with respect to width, depth, and condition of mattresses shall be subject to the grievance procedure. **Upon expiration of current linen provider contracts, the drivers will be compensated seven dollars ($7.00) each per trip to furnish and maintain their linens. A trip is defined as beginning and ending at home domicile.**

I. Sleeper Cab Equipment

All sleeper cab equipment must be provided with air conditioning and heating appliances in accordance with Article 16, Section 6 of this Agreement. In the event of mechanical failure of such air conditioning and heating appliances, repairs shall be made at the first point of repair enroute where qualified, certified service and parts are available. Drivers shall be paid for all time waiting for repairs to be made to heating appliances. In the event an air conditioning appliance becomes inoperable, the time necessary to complete the repairs cannot cause an unreasonable delay in the movement of freight and therefore will be limited to ~~three (3)~~ **four (4)** hours, for which drivers will be paid. In the event parts and/or qualified, certified service are not available, necessary repairs shall be completed prior to the equipment being dispatched from the next scheduled point of dispatch.

J. Sleeper Cab Occupants – *No Change*

K. Method of Dispatch At Foreign Domiciles – *No Change*

L. Foreign Power Courtesy Dispatch – *No Change*

M. National Sleeper Cab Grievance Committee – *No Change*

ARTICLE 9. PROTECTION OF RIGHTS – *No Change*

ARTICLE 10. LOSS OR DAMAGE

Section 1.

In the event loss, damage or theft of freight, equipment, materials, or supplies is incurred as a direct result of a **proven** willful gross negligent act by an employee in the performance of assigned work, when such act knowingly may result in such loss, damage or theft, the employee may be held responsible for such acts and may be required to assume liability for any such loss, damage or theft, in whole or in part. The term "willful, gross negligent acts" is intended to describe independent actions of any employee who knowingly violates established rules or policies that, when adhered to, clearly prevent loss, damage or theft described herein. Employees shall not be held responsible or required to assume liability for loss or damage or theft unless clear proof of willful, gross negligence is shown. In no event will an employee be held responsible for, or required to assume any liability for any loss, damage or theft when performing assigned work in a manner as specifically instructed by a supervisor. This Article shall not be utilized in any manner to hold an employee liable for any loss or damage of equipment under any conditions or for any damage to cargo as a result of a vehicular accident.

Section 2. – *No Change*

ARTICLE 11. BONDS AND INSURANCE

Section 1.

Should the Employer require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer. The primary obligation to procure the bonds shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements, standard premiums only on said bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

Every driver must maintain a valid ~~chauffeur's~~ **commercial driver's** license and be covered by insurance. If an Employer cannot cover a driver under an existing fleet policy, the Employer will promptly apply to the state assigned risk-pool to provide any comparable coverage. During the pendency of the application and until insurance is obtained, the driver will not be terminated, but will be taken out of driving service. When any comparable insurance is obtained, the employee will be responsible for paying any excess over the standard charges.

Section 2. Corporate Owned Life Insurance – *No Change*

ARTICLE 12. UNIFORMS

Before the Employer purchases uniforms, it must present a sample of the material for the uniforms to the Union for approval. If the sample material type is not used in the finished uniforms, the Union employees are under no obligation to wear the uniforms. The Union's approval shall not be unreasonably withheld. The Employer agrees that if any employee is required to wear any kind of uniform as a condition of his/her continued employment, such uniform shall be furnished and maintained by the Employer, free of charge, at the standard required by the Employer. Said uniforms shall be made in the United States by union vendors, if possible, and will have the Teamster emblem appropriately applied.

The Employer shall replace all clothing, glasses, hearing aids and/or dentures not covered by company insurance or worker's compensation which are destroyed or damaged in a wreck or fire with company equipment.

The Employer has the right to establish and maintain reasonable standards for wearing apparel and personal grooming.

The following provisions shall govern the wearing of shorts, unless the Employer and Local Union has a prior existing practice:

During the period May 1, through September 30, employees shall be allowed to wear appropriate shorts, subject to the guidelines set forth herein. Appropriate shorts shall be defined as walking or Bermuda style shorts with at least two (2) pockets and belt loops and which cannot be shorter than two (2) inches above the knee, properly hemmed at the bottom and of a conservative basic solid color, (black, blue, brown or green). Socks and appropriate foot wear must be worn at all times.

Short shorts, cut offs, unhemmed, athletic, gym, biking, spandex and calf length shorts shall not be allowed.

ARTICLE 13. PASSENGERS – *No Change*

ARTICLE 14. COMPENSATION CLAIMS

Section 1. Compensation Claims

(a) The Employer agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. The Employer shall provide worker's compensation protection for all employees even though not required by state law, or the equivalent thereof, if the injury arose out of or in the course of employment. No employee will be disciplined or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, **at a hospital or any location outside the employee's home terminal** without his/her consent.

(b) At the time an injury report is turned in, the Employer shall provide the injured employee with an information sheet briefly outlining the procedure for submitting a worker's compensation claim to include the name, address and phone number of the company's worker's compensation representative and other pertinent information relative to claim payment.

(c) An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. An employee who has returned to his/her regular duties after sustaining a compensable injury who is required by the worker's compensation doctor to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time. Where not prohibited by state law, employees who sustain occupational injury or illness shall be allowed to select a physician of their own choice and shall notify the Employer in writing of such physician.

(d) Road drivers sustaining an injury while being transported in company-provided transportation for Company purposes at a layover terminal shall be considered as having been injured on the job.

(e) In the event that an employee sustains an occupational illness or injury while on a run away from his/her home terminal, the Employer shall provide transportation by bus, train, plane, or automobile to his/her home terminal if and when directed by a doctor.

(f) The Employer agrees to provide any employee injured locally transportation at the time of injury, from the job to the medical facility and return to the job, or to his/her home if required.

(g) In the event of a fatality arising in the course of employment, while away from the home terminal, the Employer shall return the deceased to his/her home at the point of domicile.

(h) The Employer may publish reasonable safety rules and procedures and provide the Local Union with a copy. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action in accordance with the disciplinary procedures in the applicable Supplemental Agreement. However, the time limitation relative to prior offenses shall be waived to permit consideration of the employee's entire record of failure to observe reasonable

safety rules and/or procedures resulting in lost time personal injuries. This provision does not apply to vehicular accidents.

When issuing progressive discipline under the terms and conditions of Article 14 Section 1(h), it is understood that the time limitation relative to prior offenses of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries is waived and may be included in the disciplinary process.

However it is also understood that when an employer issues progressive discipline, the employer shall not utilize prior discipline that is in excess of three (3) years old when issuing additional progressive discipline, unless the employee has shown a pattern of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries.

Section 2. Modified Work – *No Change*

Section 3. Workers Compensation Pay Dispute

Should an employee have a undisputed pay claim concerning the established state worker compensation amount required by Law, the Employer will provide each individual an emergency dispute phone number which will be operational twenty four (24) hours, seven (7) days a week. The Employer's Work Compensation Manager will have authority to make immediate payment. The pay shortage will be reconciled by check delivered by express overnight mail within twenty four (24) hours of the call. If the disputed pay is not received within the twenty-four hour period, an eight (8) hour penalty will be paid the employee for every day until the pay is received.

Section ~~3~~ 4. Americans with Disabilities Act

The Union and the Employer recognize their obligations under the Americans with Disabilities Act. It is agreed that the Employer shall determine whether an employee is a qualified individual with a disability under the ADA and, if so, what reasonable accommodations, if any, should be provided. In the event that the Employer determines that a reasonable accommodation is necessary, the Employer shall notify the Local Union before providing the reasonable accommodation to a qualified bargaining unit employee to ensure that the reasonable accommodation selected by the Employer does not impact another employee's seniority or other contract rights.

Any dispute over whether the Employer complied with its duty to notify the Local Union before implementing a proposed reasonable accommodation or whether providing the reasonable accommodation violates any employee's rights under any other provision of the NMFA shall be subject to the grievance procedure. Disputes over whether the Employer has complied with its legal requirements under the ADA, including the ADA requirements to provide a reasonable accommodation, however, shall not be subject to the grievance procedure.

ARTICLE 15. MILITARY CLAUSE – *No Change*

ARTICLE 16. EQUIPMENT, SAFETY AND HEALTH

Preamble

Section 1. Safe Equipment – *No Change*

Section 2. Dangerous Conditions – *No Change*

Section 3. Accident Reports – *No Change*

Section 4. Equipment Reports – *No Change*

Section 5. Qualifications on Equipment – *No Change*

Section 6. Equipment Requirements

(a) All tractors must be equipped as necessary to allow the driver to safely enter and exit the cab, and hook and unhook the air hoses. All equipment used as city peddle trucks, and equipment regularly assigned to peddle runs, must have steps or other similar device to enable drivers to get in and out of the body. All twin trailers used in LTL pick-up and delivery operation with roll up doors purchased after April 1, 1985 shall be equipped with a hand hold and a DOT bumper which may serve as a step.

All equipment purchased, ordered, and/or introduced to the Pickup And Delivery operations after April 1, 2003 will be equipped with air-conditioning and will be maintained in proper operating condition during the period of May 31st through September 30th. The Company will not exceed two weeks in making necessary air conditioning repairs during this period. It shall not be a violation of this section to operate any unit while waiting for repairs.

(b) The Employer shall install heaters and defrosters on all trucks and tractors.

(c) There shall be first-line tires on the steering axle of all road and local pick-up and delivery power units.

(d) All road equipment regularly assigned to the fleet shall be equipped with an air-ride seat on the driver's side. Such equipment shall be maintained in reasonable operating condition. All new air ride seats shall oscillate and have an adjustable lumbar support, height, backrest and seat tilt.

(e) Tractors added to the road fleet and assigned to road operations on a regular basis, whether newly manufactured or not newly manufactured, shall be air conditioned.

(f) When the Employer weighs a trailer, the over-the-road driver shall be furnished the resulting weight information along with his/her driver's orders.

(g) All company trailers shall be marked for height.

(h) No driver shall be required to drive a tractor designed with the cab under the trailer.

(i) All road and city equipment shall have a speedometer operating with reasonable accuracy.

(j) The following minimum measurements for fuel tank placement shall apply to tractors added to the fleet after March 1, 1981, with the understanding that there shall be no retrofit of equipment currently in use: (1) front of fuel tank to rear of front tire-not less than 4 inches; (2) rear of fuel tank to front of duals-not less than 4 inches; (3) bottom of fuel tank to ground-provide clearance not less than 7.5 inches, measured on a flat surface; and (4) all fuel tank measurements as stated herein include brackets, return lines, etc. in determining clearance.

Any alleged violation of the above requirements shall not be cause for refusal of the equipment, but shall be subject to the grievance procedure as a safety and health issue.

(k) The following shall apply to shock absorbers on tractor front axles with the purchase of newly manufactured tractors which are placed in service after March 1, 1981, and with the understanding that there shall be no retrofit of equipment currently in use: Where the manufacturer recommends and provides shock absorbers as standard equipment with the tractor front suspension assembly, properly maintained shocks on such new equipment shall be considered as a necessary and integral part of that assembly.

Where the manufacturer does not recommend and provide shock absorbers as standard equipment with the tractor front suspension assembly, shocks shall not be considered as a necessary or integral part of that suspension system.

Any alleged violation of the above, including maintenance of existing equipment, shall not be cause for refusal of equipment but shall be subject to the grievance procedure as a safety and health issue.

(l)(1) The following shall apply for the minimum interior dimensions of the sleeper berths on newly manufactured over-the-road tractors purchased and placed in service after January 1, 1987.

a. Length - 80 inches; b. Width - 34 inches; and, c. Height – 24 inches.

It is understood that a “manufacturing tolerance of error” of one inch (1”) is permissible, provided the original specifications were in conformity with the above recommended dimensions. It is understood that there shall be no retrofit of equipment currently in service.

(2) Interior cab dimensions. Effective January 1, 1988, the Employer, in placing orders for newly manufactured over-the-road tractors, shall request of the manufacturer in writing that there will be compliance with as many of the following October, 1985 SAE recommended practices as possible: J941-E, J1052, J1521, J1522, J1517, J1516, and J1100. The carrier, upon request, will

furnish proof to the National Safety and Health Committee that a request was made to the manufacturer for compliance with the aforementioned SAE recommended practices.

(m) The Employer and the Union recognize the need for safe and efficient twin-trailer operations. Accordingly, the parties agree to the following:

(1) The Employer shall make available to all drivers involved in the twin-trailer operations training in the proper procedures for the safe hooking and unhooking of dollies and jiff-lox. Upon request, the Company will furnish to the Union a copy of their training program.

(2) Dollies and jiff-lox shall be counter-balanced or equipped with a crank-down wheel to support the weight of the dolly tongue or jiff-lox. A handle will also be provided on the tongue of the dolly or jiff-lox and shall be maintained.

(3) A tractor equipped with a pintle hook will be made available to drivers required to drop and hook twin trailers or triples at closed terminals.

The Employer shall make a bona fide attempt to make a telephone available for the driver at closed terminals during the trailer switch.

(4) Whenever possible, the Company will hook up the heaviest trailer in front in twin-trailer operations. In those instances where it is not possible because of an intermediate drop of less than one hundred and fifty (150) miles or scaling of the drive axle, the driver after driving the unit at any point on the trip, determines, at his/her sole discretion, the unit does not handle properly, may have the Company switch the unit or authorize the driver to switch the unit and be paid for such time.

(n)(1) There will be a moratorium on the purchase of diesel powered forklifts and sweepers.

(2) It shall be standard work practice that every diesel-powered sweeper shall be shut off whenever the operator leaves the seat. Under no circumstances shall diesel-powered sweepers be allowed to idle when not attended.

(3) Diesel-powered sweepers shall be tuned and maintained in accordance with schedules recommended by their manufacturers. The Employer shall provide copies of such recommendations to the Union upon request.

(4) Improperly maintained diesel-powered sweepers may produce visible emissions after start-up. Therefore, any such diesel powered sweeper that is found to be smoking shall be taken out of service as soon as possible until repairs are made and that condition corrected.

(5) The Employer agrees to cooperate with those government and/or mutually agreed private agencies in such surveys or studies designed to analyze the use and operation of diesel-powered sweepers and diesel-powered sweeper emissions.

(o) As of July 1, 1988, as new equipment is ordered or existing equipment requires brake lining replacement, all brake linings shall be of non-asbestos material where available and certifiable.

(p) Slack adjuster equipment (snubbers) used in multiple trailer operations, whether on the trailers or on the converters, shall be maintained in proper working order. However, it shall not be a violation of this provision for the unit to be pulled to the next point of repair if the snubber is inoperative.

(q) Converter dollies may be pulled on public roads by bobtail tractors if all of the following conditions are met:

(1) Tractors used in this type of operation shall have a pintle hook installed which has the proper weight capacity and is designed for highway use;

(2) Neither supply nor control air lines are to be connected to the converter dolly when being pulled by a bobtail tractor, and the tractor protection valve shall be set in the normal bobtail position;

(3) After October 1, 1991, tractors used to pull converter dollies bobtail must be equipped with a type of bobtail proportioning valve (BPV) in the tractor braking system, unless equipped with ABS;

(4) It is further agreed such configuration must comply with state and federal law.

(r) All newly manufactured road tractors regularly assigned to the fleet after July 1, 1991, shall be equipped with heated mirrors. All road tractors ordered after April 1, 2003 shall be equipped with a power mirror on the curbside. However, it shall not be a violation of this provision for the tractor to be dispatched to the next Company point of repair if the heated and/or power mirror is inoperative.

(1) All new diesel tractors and new yard equipment shall be equipped with vertical exhaust stacks.

(2) All road and city tractors shall be equipped with large spot mirrors (6” minimum) on both sides of the tractor by January 1, 1995.

(3) All road tractors and switching equipment shall be equipped with an operable light of sufficient wattage on the back of the cab.

(4) All new road and city equipment shall have operable sun visors.

(5) Seats on forklifts and sweepers shall be maintained in good repair.

(6) On all road and city tractors, the cab door locks shall remain operable and be properly maintained. Both parties agree that the Employer will have reasonable time to repair the locks.

(7) The Employer shall repair inoperable door locks on linehaul tractors that are reported on a driver vehicle inspection report. The Employer shall perform such repairs at the first Employer maintenance location.

(s) All newly manufactured city tractors regularly assigned to the city pickup and delivery operation after July 1, 1991, shall be equipped with power steering and an air-ride seat on the driver's side.

(1) All new road and yard equipment shall have power steering.

(2) All new forklifts and sweepers shall be equipped with power steering.

(t) All hand trucks and pallet jacks shall be maintained in good repair.

(u) All portable and mechanical dock plates shall be maintained in good working condition.

(v) The parties will maintain a safe and healthy working environment in sleeper operations. The parties agree to establish a committee composed of four (4) members each to review the comfort and/or safety aspects of sleeper berths pertaining to ride. Such committee shall meet by mutual agreement of the Co-chairmen as to time and place. The committee shall confer with appropriate representatives of equipment manufacturers and/or other experts on this subject as may be available. The intent of the committee is to identify any problems with the comfort and/or safety aspects of sleeper berths pertaining to ride that may exist, and through its deliberations with the manufacturers and/or other experts, develop ways and means to correct such situations. The committee shall report its findings and make recommendations to the National Grievance Committee.

(1) All new sleeper tractors purchased or leased after February 8, 1998, shall, at a minimum, be equipped with the manufacturer's original equipment standard dual heat/air conditioning systems. This is not intended to preclude the Company from purchasing newer technology on future purchases, should such become available prior to the expiration of this Agreement.

(2) Bunk restraint strap/net buckles on sleeper equipment shall be mounted on the entrance side of the sleeper berth by April 1, 1995.

(3) New sleeper equipment purchased on or after April 1, 1995, shall be equipped with a power window on the passenger's side of the cab that is operable from the driver's side of the cab.

(4) All sleeper cabs added to the Employer's fleet after April 1, 200~~3~~**8** will be walk-in sleeper berths **with at least the following dimensions:**

The measurement of 15-3/4 inches from the front of the mattress to the closed sleeper curtain, at any point across the cab, shall apply for the minimum interior walk-in dimension on newly manufactured over-the-road sleeper tractors ordered after April 1, 2008. It is understood that the contractual width of a sleeper mattress is 34 inches when determining the 15-3/4 inches from the front of the mattress to the sleeper curtain.

All walk-in sleeper units introduced into operation after April 1, 2008 will have a minimum sleeper berth height of 65 inches from the floor to interior ceiling of the sleeper berth. It is also understood that the entrance opening into the sleeper berth area will be a minimum of 64 inches.

This will not apply to triple runs as the length now prohibits. However, if and when it becomes legal to run walk-in sleepers on triple lanes, all new equipment ordered after that effective date will be equipped with walk-in sleeper berths.

(5) All sleeper tractors introduced into Employer linehaul operations after April 1, 2008 will be equipped with an engine and/or exhaust brake. The parties understand that a unit with an inoperable engine brake system will not be considered out of service. Repairs will be performed at the team's home terminal at the end of that team's tour.

(6) All sleeper tractors will be set so that the unit will continue to idle, except if (a) federal, state, or local laws or regulations require the Employer to limit or eliminate tractor idle time or (b) the unit is equipped with an auxiliary power pack that provides heat and air conditioning to the sleeper berth area.

(w) Employee will not be required to climb on unguarded trailer roofs for snow removal.

(x) At least one vent on the sleeper to open front or back.

(y) The Employer shall repair inoperable air conditioning systems on Employer city tractors between the dates of March 15 and November 15. The Employer shall perform such repairs within fourteen (14) days of written notification from an employee or the Local Union that the air conditioning system on a particular city tractor is inoperable.

(z) All linehaul tractors introduced into Employer linehaul operations after April 1, 2008 will be equipped with a cab filter system that is designed and available from the tractor's manufacturer.

(aa) The Employer understands tractor interiors should be maintained in a clean condition so units are safe to operate. Concerns about the cleanliness of tractor interiors must first be raised and reviewed at the local level. In the event the parties are unable to resolve the issue locally, the parties shall refer the issue to the Employer's V.P. or Equipment Services for resolution.

Section 7. National Safety, Health & Equipment Committee – *No Change*

Section 8. Hazardous Materials Program – *No Change*

Section 9. Union Liability – *No Change*

Section 10. Government Required Safety & Health Reports – *No Change*

Section 11. Facilities

Dock floors shall be maintained in good repair and reasonably free from potholes.

Yards shall be maintained reasonably free from potholes and reasonably effective dust control measures shall be implemented as necessary.

Breakrooms and storage areas for linens, mattresses and individual towels shall be maintained in a sanitary condition.

Restrooms and showers shall be maintained in a sanitary condition. Showers, where provided, shall have body soap or other appropriate cleansing agents and clean individual towels. The requirement to provide a shower which is maintained in a sanitary condition is not satisfied by the availability of a Hazmat shower.

The Employer agrees to maintain clean restrooms and breakrooms on a regular basis throughout the day.

Suitable windshield/window cleaning materials shall be available to include a long handled brush/squeegee.

ARTICLE 17. PAY PERIOD

The Joint Area Committee or the National Grievance Committee and the Employer may, by mutual agreement, waive the provisions of Local Supplements dealing with pay periods upon a satisfactory showing of necessity by the Employer, provided such waiver is not a violation of a state or federal law or regulation.

Timely Pay For Drivers

The Employer will make every effort to accommodate drivers, who are away from their home terminal at the conclusion of a pay period, to ensure that those drivers are paid on a timely basis.

ARTICLE 18. OTHER SERVICES

In the event an Employer, party to this Agreement, may require the services of employees coming under the jurisdiction of this Agreement in a manner and under conditions not provided for in this Agreement, then and in such instances the Local Union and the Employer concerned may negotiate such matters for such specific purposes, subject to the approval of the Multi-Region Change of Operations Committee.

~~The Parties recognize the need to attract and establish new business in the same day, next day, and second day market, and to regain business lost to non-union expedited carriers. To this end and for the purpose of competing effectively against non-union carriers that are able to utilize employees without regard to strict employee classifications, there shall be established a new position (Premium Service Employee). The "Premium Service Employee" will operate in accordance with the NMFA and its Supplemental Agreements and subject to the final approval of the Multi-Region Change of Operations Committee.~~

ARTICLE 19. POSTING – *No Change*

ARTICLE 20. UNION AND EMPLOYER COOPERATION – *No Change*

ARTICLE 21. UNION ACTIVITIES – *No Change*

ARTICLE 22. OWNER-OPERATORS – *No Change*

ARTICLE 23. SEPARATION OF EMPLOYMENT

~~Upon discharge, the Employer shall pay earned wages due to the employee during the first (1st) payroll department working day following the date of discharge~~. **The Employer must mail earnings to discharged employees by certified mail the next business day, unless the employee is paid by direct deposit. The foregoing shall not apply to unused vacation, unless required otherwise by law.** Vacation pay for which the discharged employee is qualified shall be paid no later than the first (1st) day following final determination of the discharge.

Upon a permanent terminal closing and/or cessation of operations, the Employer shall pay all money due to the employee during the first (1st) payroll department working day following the date of the terminal closing and/or cessation of operations.

Failure to comply shall subject the Employer to pay liquidated damages in the amount of eight (8) hour's pay for each day of delay. Upon quitting, the Employer shall pay all money due to the employee on the next regular payday for the week in which the resignation occurs.

ARTICLE 24. INSPECTION PRIVILEGES AND EMPLOYER AND EMPLOYEE IDENTIFICATION

No employee will be required to have their drivers license reproduced in any manner except by their employer, law enforcement agencies, government facilities and facilities operating under government contracts that require such identification to enter the facility.

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that the Agreement is being adhered to; provided, however, there is no interruption of the firm's working schedule.

Company representatives, if not known to the employee, shall identify themselves to employees prior to taking disciplinary action.

Safety or other company vehicles shall be identified when stopping company equipment.

The Employer agrees to supply company identification to minimize the problem of having to use their personal identification. It is agreed that new ID's will be made within a twelve (12) month period of the new contract.

ARTICLE 25. SEPARABILITY AND SAVINGS CLAUSE – *No Change*

ARTICLE 26. TIME SHEETS, TIME CLOCKS, VIDEO CAMERAS, AND COMPUTER TRACKING DEVICES - *No Change*

ARTICLE 27. EMERGENCY REOPENING – *No Change*

ARTICLE 28. SYMPATHETIC ACTION – *No Change*

ARTICLE 29. SUBSTITUTE SERVICE

Section 1. Piggyback Operations – *No Change*

Section 2. Maintenance of Records

(a) Trailers piggybacked as a substitute service as provided in Section 1 are to be signed in and signed out on the regular dispatch sheet in road operations, and where there are no road operations sign-in and sign-out sheets shall be maintained at an appropriate location, including trailers taken to and from the rail yard by city employees. These sheets will be made available, upon request, to the drivers for a period of thirty (30) days. The Employer shall report in writing on a monthly basis to the Local Union at the rail origin point, or in cases where there are no drivers domiciled at the rail origin point to the Local Union at the first driver relay point affected, the number of trailers put on the rail at the rail origin point. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard. The time limits set forth in the Supplemental Agreement for

filing claims based upon the monthly report shall commence to run upon the receipt of the report by the Local Union.

(b) With regard to use of substitute service as provided in Section 1, full and complete records of handling, dispatch and movement of such units system-wide shall be kept by the Employer and a report, which will include the date of all outbound rail movement, all points of origin and destination, all trailer numbers and the name of each railroad/routing, shall be sent on a quarterly basis to the office of the National Freight Director and the affected Area Regional Freight Director.

Where inspection of the records indicates that piggyback is being used as a substitute for road operations, as defined in Section 1 of this Article, over an established relay, rather than handling overflow traffic, the grievance procedure may be invoked at the appropriate Regional Joint Area Committee by the Regional Freight Coordinator or the office of the National Freight Director to provide a reasonable remedy for the improper usage of piggyback, including the revocation of the use of substitute service, for repeated violations over such relay.

(c) With regard to trailers moved on rail as an approved intermodal operations set forth in Section 3, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers put on the rail at the rail origin points of the approved intermodal operations. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard.

In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total intermodal rail miles as reported on line 6 of the Bureau of Transportation Statistics (BTS) Schedule 600 annual report and the total miles as reported on line 7 of the BTS Schedule 600 annual report.

(d) With regard to the use of a Preferred Company as provided in Section 6, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers tendered to any Preferred Company. The Employer also shall report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard.

In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total number of miles the Employer utilized any Preferred Company consistent with the requirements of Article 29, Section 6.

Section 3. Intermodal Service

(a) The parties recognize that in 1991, Congress passed the Intermodal Surface Transportation Efficiency Act of 1991 and declared the policy of the United States to be one of promoting the development of a national intermodal transportation system consisting of all forms of transportation in a unified, interconnected manner. The parties have, therefore, entered into this Agreement to enhance the Employer's opportunities to secure the benefits which flow from this national policy of encouraging intermodal transportation, including long-term stable and secure

employment. At the same time, the parties recognize the need to minimize and provide for the impact which intermodal operations may have on certain employees covered by this Agreement.

(b) Use of Intemodal Service

1. Subject to the conditions set forth hereinafter, an Employer may establish a new intermodal service over the same route where the Employer has established relay runs or through runs.

Present relay or through operations may not be reduced, modified or changed in any other manner as the result of the implementation of a new intermodal service until such time as the proposed intermodal operation has been approved by the National Intermodal Committee. The Employer shall submit to the National Intermodal Committee an application for approval which shall identify the road operation(s) the intended intermodal service will reduce and/or eliminate; a list identifying the name and seniority date of each driver affected by the intended intermodal service(s); and a list by domicile of each of the road drivers openings available.

In the event the National Intermodal Committee is unable to agree on whether or not the Employer's proposed intermodal operations meet the criteria set forth below, the proposed operation shall not be approved until such time as those issues are resolved. This provision shall not be utilized as a method to delay and/or deny a proposed intermodal operation when the criteria set forth below have been clearly satisfied.

(a) There shall be no more than two (2) intermodal changes approved during the term of this Agreement; and

(b) No more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, 1998 shall be affected by the intermodal changes approved during the term of this Agreement.

In the event a proposed intermodal operation also includes the transfer of work that is subject to the provisions of Article 8, Section 6, the proposed intermodal operations and the transfer of work subject to Article 8, Section 6, may be heard by a combined National Intermodal/Change of Operations Committee on a joint record, and the seniority rights of all affected employees shall be determined by Article 29, Section 3 95 such Committee, which shall have the authority granted in Article 8, Section 6(g).

2. An approved intermodal operation that provides service over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board drivers during each dispatch week at each of the affected domiciles.

For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when violations occur.

3. When transporting any shipment by intermodal service within the Employer's terminal network, the Employer shall utilize its drivers subject to the applicable respective area

supplemental agreements to pickup such shipments from the shipper at point of origin and/or the Employer's terminal and deliver them to the applicable intermodal exchange point. The Employer also shall use its drivers to deliver intermodal shipments to the consignee or the Employer's terminal. A driver may be required to drive through other terminal service areas to the intermodal exchange point to pickup and deliver intermodal shipments without penalty.

4. Total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 28 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event intermodal rail miles exceed this 28 percent maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile. Effective for Calendar Year 2005 and thereafter, the maximum amount of rail miles as a percent of total miles as calculated above will be reduced from 28% to 26%. **Subject to the provisions of Section 6 of the Article, total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 24 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event intermodal rail miles exceed this 24% maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile.**

The parties recognize that the current shipping markets demand expedited delivery of freight in a manner that may not be accomplished by hauling certain freight by rail. These market demands create a need to reduce the amount of freight hauled by rail and to use alternative methods of substitute service. As contemplated by Article 20, Section 4, new business opportunities may be pursued that promote new Teamster job opportunities while protecting existing Teamster jobs, benefits, and working conditions. With these facts in mind, the rail miles as a percentage of total miles will be reduced as follows: effective Calendar Year 2010, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 24% to 21.5%. Effective Calendar Year 2011, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21.5% to 21%. Effective Calendar Year 2012, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21% to 19%. The reduction in rail miles during the term of this Agreement is subject to the provisions of Article 29, Section 6.

The National Intermodal Committee shall establish rules and guidelines that will allow the Union the opportunity to verify and audit the Employer's BTS rail reports. In the event the Union establishes through the grievance procedure that an Employer has falsified the BTS reports in order to increase the maximum amount of intermodal rail miles permitted under this Article, the remedy for such a violation shall include a cessation of the Employer's affected intermodal service until such time as the issue has been resolved to the satisfaction of the Union.

In the event the BTS rail and/or line haul miles reporting requirements are modified and/or eliminated, the parties will meet to develop a substitute reporting procedure consistent with those of the BTS.

(c) Job Protection for Current Road Drivers

1. Rail operations that are subject to the provisions of Section 1(b) above shall not result in the layoff or involuntary transfer of any driver at any affected road driver domicile.

2. During the term of this Agreement, an Employer shall be permitted no more than two (2) Intermodal Changes whereby the Employer may reduce and/or eliminate existing road operation(s) through the use of intermodal service. It is specifically agreed that a total of no more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, 2003, shall be affected by the Intermodal Changes during the term of this Agreement.

Any road driver who is adversely affected by an approved Intermodal Operation and would thereby be subject to layoff, or who is on layoff at an affected domicile at the time an Intermodal Operation is approved, shall be offered work opportunity at other road driver domiciles within the Employer's system. The Employer shall include in its proposed Intermodal Operations specific facts that adequately support the Employer's claims that there will be sufficient freight to support the work opportunities the Employer proposes at each gaining domicile. In the event there is more than one (1) domicile involved, the drivers adversely affected shall be dovetailed on a master seniority list and an opportunity to relocate shall be offered on a seniority basis, subject to the provisions of Article 8, Section 6. The "hold" procedures set forth in Article 8, Section 6 of the NMFA shall be applicable. Where the source of the proposed work opportunity is presently being performed by bargaining unit employees over the road, the Employer shall be required to make reasonable efforts to fill the offered positions as set forth in Article 8, Section 6(d)(6).

Drivers who relocate under this provision shall be dovetailed on the applicable seniority list at the domicile they bid into. Health & welfare and pension contributions shall be remitted in accordance with the provisions of Article 8, Section 6(a) and moving and lodging shall be paid in accordance with Article 8, Section 6(c) of the NMFA.

It is understood and agreed that the intent of this provision is to provide the maximum job security possible to those drivers affected by the use of intermodal service. Therefore, the number of drivers on the affected seniority lists at rail origin points at the time an intermodal change becomes effective shall not be reduced during the term of this Agreement other than as may be provided in subsequent changes of operations. Drivers on the affected seniority lists at gaining domiciles at the time an intermodal change becomes effective, shall not be permanently laid off during the term of this Agreement.

The senior driver voluntarily laid off at an intermodal losing domicile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) within any thirty (30) calendar day period on a primary run of such domicile, not affected by a Change of Operations.

For the purposes of this Section, short-term layoffs (1) that coincide with normal seasonal freight flow reductions that are experienced on a regional basis and that include a reduction in rail freight that corresponds to the reduction in truck traffic, or (2) that are incidental day-to-day

layoffs due to reasons such as adverse weather conditions and holiday scheduling, shall not be considered as a permanent layoff. Layoffs created by a documented loss of a customer shall not exceed thirty (30) days. Any layoff for reasons other than as described above shall be considered as a permanent layoff. The Employer shall have the burden of proving that a layoff is not permanent.

In order to ensure that the work opportunities of the drivers at the gaining domiciles are not adversely affected by the redomiciling of drivers, the bottom twenty-five percent (25%) of the drivers at a gaining domicile shall not have their earnings reduced below an average weekly earnings of seven hundred dollars ($700). This seven hundred dollar ($700) average wage guarantee shall not start until the fourth (4th) week following the implementation of the approved Intermodal Change of Operation.

It is not the intent of this provision to establish a seven hundred dollar ($700) per week as an artificial base wage but rather a minimum guarantee. This provision shall not preclude the short-term layoffs as defined above. The Employer shall have the burden of proving that drivers at the gaining domiciles have not had their work opportunities adversely affected by the redomiciling of drivers.

The seven hundred dollar ($700) average wage guarantee shall be determined based on the average four (4) weeks earnings of each active protected driver on the bottom twenty-five percent (25%) of the seniority roster. When the earnings of any active protected driver in the bottom twenty-five percent (25%) of the seniority roster totals less than two thousand, eight hundred dollars ($2,800) during each four (4) week period, the driver shall be compensated for the difference between actual earnings and two thousand, eight hundred dollars ($2,800).

The four (4) week average shall be calculated each week on a “rolling” basis. A “rolling” four (4) week period is defined as a base week and the previous three consecutive weeks. Where an Employer makes a payment to an employee to fulfill the guarantee, the amount paid shall be added to the employee’s earnings for the base week of the applicable four (4) week period and shall be included in the calculations for subsequent four (4) week “rolling” periods to determine whether any further guarantee payments to the employee are due.

Time not worked shall be credited to drivers for purposes of computing earnings in the following instances:

a. Where a driver is offered a work opportunity that the driver has a contractual obligation to accept, and the driver elects not to accept such work, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the seven hundred dollar ($700) average wage guarantee.

No driver shall be penalized by having contractual earned time off credited for purposes of determining the seven hundred dollar ($700) average wage guarantee. However, where a driver takes earned time off in excess of forty-eight (48) hours during any work week, that work week shall be excluded from the rolling four (4) week period used to determined the seven hundred dollar ($700) average wage guarantee.

b. Where a driver uses a contractual provision to refuse or defer work so as to knowingly avoid legitimate work opportunity and therefore abuse the seven hundred dollar ($700) average wage guarantee, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the seven hundred dollar ($700) average wage guarantee.

Nothing in this subsection applies to or shall be construed to limit claims by any driver on the seniority roster at a gaining domicile alleging that the driver's work opportunity was adversely affected following the implementation of the Intermodal Change of Operations because of the Employer's failure to provide adequate work opportunities for existing and redomiciled drivers. However, after the point that the Employer has provided adequate work opportunities for protected drivers (existing and redomiciled), the wage protection for active drivers in the bottom twenty-five percent (25%) of the seniority roster shall be limited to the seven hundred dollar ($700) guarantee.

As soon as a factual determination has been made that a driver in the bottom twenty-five percent (25%) of the seniority roster is entitled to the seven hundred dollar ($700) average wage guarantee, the driver's claim shall be paid. All other types of claims that the driver's work opportunities have been adversely affected shall be held in abeyance until determined through the intermodal grievance procedure.

Section 4. National Intermodal Committee – *No Change*

Section 5. – *No Change*

Section 6.

~~The parties recognize that there may be additional business opportunities in the truckload market which could provide job opportunities, particularly in pick-up and delivery work. Recognizing the need to ensure adequate protection for existing bargaining unit employees, the parties have agreed to use their best efforts to negotiate an intermodal truckload agreement that would permit Employers under this Agreement to compete in the truckload market, which is primarily handled by nonunion companies. Any intermodal truckload agreement must be submitted for approval by the Union designated committee, the Local Unions involved and thereafter, must be ratified in a secret ballot by a majority of all of the Employer's Teamster represented employees in its nationwide bargaining unit.~~

1. Notwithstanding anything in this Agreement to the contrary, the Employer shall be permitted to utilize companies for over-the-road purchased transportation substitute service. The parties shall designate at least one (1) Preferred Company for over-the-road purchased transportation substitute service under this Section. Until December 31, 2009, the maximum amount of over-the-road purchased transportation shall be limited to 4% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. During Calendar Year 2010, the maximum amount of over-the-road purchased transportation shall be increased from 4% to 6.5% of the

Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. During Calendar Year 2011, the maximum amount of over-the-road purchased transportation shall be increased from 6.5% to 7% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. During Calendar Year 2012, the maximum amount of over-the-road purchased transportation shall be increased from 7% to 9% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event the parties fail to designate at least one (1) Preferred Company for over-the-road purchased transportation substitute service, the maximum amount of rail miles provided for in Section 3(b)(4) of the Article shall be returned to 26% for the remainder of this Agreement. It is agreed that any Preferred Company utilized under this Section shall be permitted to drop and pick-up trailers at the Employer's terminal locations, but shall be required to do so in areas of the terminal specifically designated for such exchange.

2. For purposes of the Employer's existing rail origin points as described in Article 29, Section 3, the use of a Preferred Company under this Section over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board drivers during each dispatch week at the originating domiciles. For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when violations occur. In the event that the Employer uses a Preferred Company as substitute service, the Article 29, Section 3 job protections for current road drivers shall apply.

3. All disputes arising under this Article 29 Section 6 shall be referred for resolution to the National Review Committee.

ARTICLE 30. JURISDICTIONAL DISPUTES – ***No Change***

ARTICLE 31. MULTI-EMPLOYER, MULTI-UNION UNIT – ***No Change***

ARTICLE 32. SUBCONTRACTING

Section 1. Work reservation – *No Change*

Section 2. Diversion of Work – Parent or Subsidiary Companies – *No Change*

Section 3. Subcontracting – *No Change*

Section 4. Expansion of Operations – *No Change*

Section 5. – *No Change*

Section 6.

MEMORANDUM OF UNDERSTANDING ON ARTICLE 32 – SUBCONTRACTING

During negotiations for the National Master Freight Agreement to replace the Agreement which is scheduled to expire on March 31, 2003, the parties discussed employer subcontracting under Article 32 of the NMFA. As a result of these discussions, the parties agreed to the following understandings and clarifications as to the intent of the work preservation, diversion of work, and subcontracting provisions of Article 32:

A. It is a violation of Article 32 to use vendors to perform work, other than overflow, of the kind, nature, or type currently or previously performed by bargaining unit employees. For example, it is a violation of Article 32 for the size of the bargaining unit to decrease by attrition and the Employer not replace the employees while using vendors to perform work of the kind, nature, or type previously performed by that bargaining unit. Bargaining unit work of the kind, nature, or type includes any pick-up or delivery of freight, dockwork, clerical, or maintenance work functions performed by the bargaining unit under the Agreement.

B. Although Article 32 permits the Employer to subcontract overflow work, it is a violation for the Employer to regularly subcontract work of the kind, nature, or type currently or previously performed by the bargaining unit, rather than hiring additional employees over and above the existing complement to perform the regularly subcontracted work. Subject to employee availability (for example, inability to hire and/or absenteeism), work is subcontracted regularly in violation of Article 32 when there is a pattern of bargaining unit work being subcontracted on a daily or weekly basis. Nothing in this Memorandum of Understanding is intended to change the triggers for hiring in the applicable Supplemental Agreements.

C. Recognizing that shippers may consign freight within their control to/from Mexico at any point in the United States, Article 32 prohibits the Employer from subcontracting work under its control to be performed in the United States of the kind, nature, or type currently or previously performed by the bargaining unit to employees employed by Mexican companies.

D. It is a violation of Article 32 for the Employer to knowingly subcontract bargaining unit work to be performed by a subcontractor while any regular scheduled or regular unscheduled

employees, including "shapes" or "10 percenters" are on lay off. Subterfuge by any party is a serious offense and violates Article 32. Examples of subterfuge may include:

a. Tendering an amount of freight to a vendor on a given day that exceeds the capacity of that vendor; and

b. Tendering freight to a subcontractor that knowingly will not be attempted for delivery on the day subcontracted.

Section ~~6~~ 7. National Subcontracting Review Committee

The parties shall establish a National Subcontracting Review Committee composed of two (2) Union representatives appointed by the Union Chairman of the National Grievance Committee and two (2) Employer representatives appointed by the Employer Chairman of the National Grievance Committee. The National Subcontracting Review Committee shall have the authority to review and adjudicate alleged violations of the work preservation, diversion of work and subcontracting provisions of Article 32, including practices by an Employer that are an alleged subterfuge to avoid the requirements of Article 32.

All other grievances arising under this Article shall be processed on an expedited basis pursuant to the procedures contained in Article 8, Section 1(a).

ARTICLE 33. WAGES, CASUAL RATES, PREMIUMS AND COST-OF-LIVING (COLA) – *SEE: SUMMARY OF ECONOMICS*

3. ~~Premium Service~~ Utility Employee and Sleeper Team Premiums

(a) In the event an employer subject to this Agreement ~~commences an approved~~ **utilizes the utility**~~Premium Service Operation, those Premium Service Employees shall receive an additional $0.20 per hour and/or .500 cents per mile over and above the applicable Supplemental rates.~~**employee classification, those utility employees shall receive an additional one dollar ($1.00) per hour over and above the applicable supplemental rate.**

(b) Effective April 1, 2003, the Sleeper Team Premium will be a minimum of 2 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

4. Cost of Living Adjustment Clause

All regular employees shall be covered by the provisions of a cost-of living allowance as set forth in this Article.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban

Wage Earners and Clerical Workers", CPI-W (Revised Series Using 1982-84 Expenditure Patterns), All Items (1982-84=100), published by the Bureau of Labor Statistics, U.S. Department of Labor and referred to herein as the "Index".

Effective April 1, 2004, and every April 1 thereafter during the life of the agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, 2003 (published February 2003) and the Index for January, 2004 (published February 2004) with a similar calculation for every year thereafter, as follows:

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.0%, there will be a 1 cent increase in the hourly wage rates payable on April 1, 2004, and every April 1 thereafter. These increases shall only be payable if they equal a minimum of five cents ($.05) in a year.

All cost-of-living allowances paid under this agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each 1 cent increase in hourly wages.

5. Education and Training

The employer will pay each regular employee that completes CDL training and certification after April 1, 2008 the sum of two hundred and fifty dollars ($250.00).

ARTICLE 34. GARNISHMENTS – ***No Change***

ARTICLE 35. – ***No Change***

ARTICLE 36. NEW ENTRY (NEW HIRE) RATES – ***REFER TO NATIONAL ECONOMIC SUMMARY IN THE MASTER AGREEMENT.***

ARTICLE 37. NON-DISCRIMINATION – ***No Change***

ARTICLE 38.

Section 1. Sick Leave

Effective April 1, 1980 and thereafter, all Supplemental Agreements shall provide for five (5) days of sick leave per contract year.

Sick leave not used by March 31 of any contract year will be paid on March 31 at the applicable hourly rate in existence on that date. Each day of sick leave will be paid for on the basis of eight (8) hours' straight-time pay at the applicable hourly rate.

Sick leave will be paid to eligible employees beginning on the third (3rd) working day of absence due to sickness or accident except where the employee is hospitalized prior to that date when it will be paid beginning on the date of hospitalization.

~~**Employer proposal to convert**~~ **Effective January 1, 2009, the accrual and cash out dates for sick leave will become April 1 to January 1. As an example, employees will be entitled to cash out accrued unused sick leave on April 1, 2008, and will accrue an additional 5 days sick leave between April 1, 2008, and December 31, 2008, and will be entitled to cash out any unused sick leave on January 1, 2009. In addition, no employee will lose their entitlement to the cash out of unused sick leave on January 1, 2009, because they were not able to satisfy the present eligibility provision of having received 90 days of compensation during the shorten qualifying period of April 1, 2008, through December 31, 2008.**

The additional sick leave days referred to above shall also be included in those Supplements containing sick leave provisions prior to April 1, 1976. The National Negotiating Committees may develop rules and regulations to apply to sick leave provisions negotiated in the 1976 Agreement and amended in this Agreement uniformly to the Supplements. The Committee shall not establish rules and regulations for sick leave programs in existence on March 31, 1976.

Section 2. Jury Duty

Effective April 1, 2003, all regular employees called for jury duty will receive the difference between eight (8) hours pay at the applicable hourly wage and actual payment received for jury service for each day of jury duty to a maximum of fifteen (15) days pay for each contract year.

When such employees report for jury service on a scheduled workday, they will not unreasonably be required to report for work that particular day.

Time spent on jury service will be considered time worked for purposes of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements to a maximum of fifteen (15) days for each contract year.

Employees who have been selected to serve on a jury, including those selected as an alternate jury member and who are scheduled to work shifts beginning after 4:00 p.m. will be given the option of working either the day their jury duty begins or the day following the day their jury duty begins and thereafter shall not be required to work on any day in which the jury is in session.

Section 3. Family and Medical Leave Act

All employees who worked for the Employer for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Eligible employees are entitled to up to a total of 12 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth or adoption of a child or the placement of a child for foster care;

2. To care for a spouse, child or parent of the employee due to a serious health condition;

3. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this Section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the twelve (12) week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense. If the second opinion conflicts with the initial certification, a third opinion from a health care provider selected by the first and second opinion health care providers, at the Employer's expense may be sought, which shall be final and binding. Failure to provide certification shall cause any leave taken to be treated as an unexcused absence.

As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must be medically qualified to perform the functions of his/her job. In cases where employees fail to return to work, the provisions of the applicable Supplemental Agreement will apply.

It is specifically understood that an employee will not be required to repay any of the contributions for his/her health insurance during FMLA leave. No employee will be disciplined

for requesting or taking FMLA leave under the contract absent fraud, misrepresentation, or dishonesty.

Disputes arising under this provision shall be subject to the grievance procedure.

The provisions of this Section are in response to the federal FMLA and shall not supersede any state or local law which provides for greater employee rights.

The Employer may not force an employee to use pre-scheduled vacation time as FMLA leave, provided the vacation involved was prescheduled in accordance with the applicable supplemental agreement.

The Employer may not force an employee who has taken separate hours of unpaid leave for medical reasons to substitute those hours as accrued leave under the FMLA.

The Employer may not force an employee to substitute accrued leave for FMLA leave if the employee is receiving supplemental loss-of-time disability benefits from a benefit plan under the Agreement.

ARTICLE 39. DURATION

Section 1.

This Agreement shall be in full force and effect from April 1, 200~~3~~,**8** to and including March 31, 20~~08~~**13**, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

When notice of cancellation or termination is given under this Section, the Employer and the Union shall continue to observe all terms of this Agreement until impasse is reached in negotiations, or until either the Employer or the Union exercise their rights under Section 3 of this Article.

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to March 31, 20~~08~~**13** or March 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

The Teamsters National Freight Industry Negotiating Committee, as representative of the Local Unions or the signatory Employer or the authorizing Employer Associations, shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after April 1, 20~~08~~**13**, unless agreed to the contrary.

Section 4.

Revisions agreed upon or ordered shall be effective as of April 1, 20~~08~~**13** or April 1st of any subsequent contract year.

Section 5. – ***No Change***

Section 6. – ***No Change***

NATIONAL ECONOMIC SETTLEMENT

1. General Wage Increases: Full-Time

Effective Dates	Hourly	Mileage
April 1, 2008	$0.50 per hour	1.250 cents per mile
April 1, 2009	$0.40 per hour	1.000 cents per mile
April 1, 2010	$0.45 per hour	1.125 cents per mile
April 1, 2011	$0.40 per hour	1.000 cents per mile
April 1, 2012	$0.45 per hour	1.125 cents per mile
TOTAL:	**$2.20 per hour**	**5.500 cents per mile**

2. Full-Time New Hire Wage Progression and Casual Rates

A. **CDL Qualified Driver or Mechanics** Effective April 1, 2008, all regular employees hired on or after that date and employees who are in progression shall receive the following hourly and/or mileage rates of pay:

(a) Effective first (1st) day of employment - eighty-five percent (85%) of the current rate.

(b) Effective first (1st) day of employment plus one (1) year - ninety percent (90%) of the current rate.

(c) Effective first (1st) day of employment plus two (2) years – ninety five percent (95%) of the current rate

(d) Effective first (1st) day of employment plus three (3) years – one hundred percent (100%) of the current rate

CDL-qualified employees hired into driving positions who are not currently on the seniority list at an NMFA carrier and who for two (2) or more years regularly performed CDL-required driving work for a commonly-owned NMFA carrier shall be compensated at 90% of the full contract rate of pay for a period of one (1) year and go to the full contractual rate thereafter, provided they have not had a break in service in excess of three (3) years.

B. **Non-CDL Qualified Employees** Effective April 1, 2008, all non-CDL qualified employees (excluding mechanics) hired will be subject to the following new hire progression:

(a) Effective first (1st) day of employment - seventy percent (70%) of the current rate.

(b) Effective first (1st) day of employment plus one year - seventy five percent (75%) of the current rate.

(c) Effective first (1st) day of employment plus two years - eighty percent (80%) of the current rate.

(d) Effective first (1st) day of employment plus three years - one hundred percent (100%) of the current rate.

C. 1) City and combination casual rates shall increase by 80% of the general wage increase for regular employees on the dates shown above.

2) Effective for dock casuals hired after 4/1/08, hourly rate will be $14.00 for the duration of the agreement.

3. Utility Employee Rate

Effective April 1, 2008, the Employer shall pay each Utility Employee an hourly premium of $1.00 per hour over the highest rate the Employer pays to local cartage drivers under the Supplemental Agreement covering the Utility Employee's home domicile. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

4. Cost-of-Living Adjustment Clause: Article 33

No change from current contract language except change dates to make effective in new agreement.

5. Paid Time Off

Sick Leave (Article 38)

Accrual and cash out dates for sick leave will move from April 1 to January 1 effective January 1, 2009. Employees will accrue five (5) days between 4/1/08 and 12/31/08 with any cash out on 1/1/09. No employee would lose their entitlement to the cash out on 1/1/09 because of the '90 days of compensation rule'.
Sick leave will be paid to eligible employees beginning on the first (1^{st}) working day of absence.

6. Education and Training

The Employer will pay each regular employee that completes CDL training and certification after April 1, 2008 the sum of $250.00.

7. Health & Welfare and Pension

A. Employer Contributions to Teamster Health and Welfare & Pension Plans: The Employer shall increase its contribution to all Teamster Plans, as follows:

Effective Dates	Increases in Employer Contributions
August 1, 2008	$1.00 per hour
August 1, 2009	additional $1.00 per hour
August 1, 2010	additional $1.00 per hour
August 1, 2011	additional $1.00 per hour
August 1, 2012	additional $1.00 per hour
TOTAL:	$5.00 per hour

Monthly, daily and/or hourly contributions shall be converted from the hourly contributions in accordance with past practice.

Allocation of increases between Health, Welfare and Pension to be made by supplemental negotiating committees based on recommendations from the Funds.

NOTE: For Central States Only: Effective April 1, 2008, the weekly benefit payment trigger will be three (3) days worked per week. The "S" Plan will be provided for those employees who work at least one day per week with an Employer contribution rate of $34.00 per week.

NOTE: TNFINC will address the Employer's proposal regarding the economic requirements of the Pension Protection Act.

8. Duration

This Agreement shall be in full force and effect from April 1, 2008, to and including March 31, 2013, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.