

# UPS CARTAGE SERVICES, INC.

## Freight Pickup and Delivery Supplement

### Tentative Agreement

For the Period Upon Ratification through July 31, 2013

*covering:*

The parties reserve the right to correct inadvertent errors and omissions.

Where no reference is made to a specific Article or Section thereof, such Article and Section are to continue as in the current Master Agreement, as applied and interpreted during the life of such Agreement. Additions and new language are **bold and underlined**.

#### **Preamble**

The Teamsters United Parcel Service National Negotiating Committee on behalf of the following affiliated Locals: 986, 294, 901, 728, 988, 251, 340, 597, 671, 317, 344, 162, 745, 667, 17, 25, 519, 769, 688, 657, 480, 117, 560, 600, 470, 549, 500, 407, 851, **41, 222, 509, 406, 135, 70, 638, 710, 776, 391, 385, 413, 957, 542, 822, 71** and 295 (hereinafter collectively referred to as the "Union") and United Parcel Service, Inc. (an Ohio Corporation) and its subsidiary UPS Cartage Services, Inc. ("CSI") (hereinafter collectively referred to, in this Supplement, as the "Employer") agree that the following provisions shall constitute the UPS Cartage Services, Inc., Supplement (hereinafter "CSI Supplement") to the National Master United Parcel Service Agreement (hereinafter "NMA").

#### **Section 1**

**Any lesser conditions contained in any Rider or Addendum shall be superseded by the conditions contained in this Agreement. However, except where specifically stated otherwise in this Agreement, nothing in this Agreement shall deprive any employee of any superior benefit contained in his/her Rider or Addendum.**

#### **Section 2**

**It is the parties' intent that this Agreement shall not be a basis for the Union to expand its work by claiming that the work performed by affiliates of the Employer is covered by this Agreement. Likewise, the Employer agrees that it will not use this Agreement to diminish the work performed by bargaining unit employees under the existing Addendum.**

#### **Section 3**

For the purpose of preserving work for the employees covered by this CSI Supplement, the Employer agrees that it will con-

tinue to provide the guaranteed work hours set forth in the applicable Addenda. The work to be performed by these employees shall be any combination of dock work, driving or other freight-related duties, as described in the Addenda. However, no employee covered by this Supplement shall pick-up, deliver or otherwise progress parcels or packages, or perform any other work described in Article 1, Section 1 of the NMA, ~~and assigned to employees in classifications described in Article 1, Section 2 of the NMA.~~ In the event a grievance is brought alleging that Article 1, Section 1 work is being, or has been, performed by employees covered by this Supplement, the grievance shall immediately be referred to the next scheduled meeting of the National Grievance Committee. In the event the grievance is deadlocked, either party shall have the right to request the grievance be scheduled for expedited arbitration. The grievance shall be scheduled for arbitration within thirty (30) days. The parties shall jointly contact the arbitrators on the National Panel in alphabetical order until they find an arbitrator who can offer a date within the thirty (30) day period. If no arbitrator is available from the National Panel, the parties shall jointly request the American Arbitration Association to appoint an arbitrator to hear the case within the thirty (30) day period.

#### **Section 1: Covered Agreements**

~~Upon ratification, the terms of this CSI Supplement shall apply to the locations and facilities of Menlo Worldwide Forwarding (hereinafter "Menlo") in the United States or its territories that were previously represented by the Union, to the extent specified in the following Sections. The existing Union Menlo collective bargaining agreements to which the Employer became a successor on December 19, 2004, in effect or expired, shall become Addenda to this CSI Supplement. This CSI Supplement shall also apply to any groups of employees performing bargaining unit work for CSI hereafter organized by the Union, as set forth more fully below.~~

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### Section 2: Recognition, Scope and Subcontracting

a. The Employer will continue to recognize the Union as the sole and exclusive bargaining agent of the CSI employees performing bargaining unit work as defined in this CSI Supplement at any of the Employer's facilities as identified in Section 1. The parties acknowledge that CSI has other non-union employees who perform work as described in the various scope, subcontracting and recognition provisions within the existing Addenda. Such employees shall not be covered by this Supplement, unless and until the Union demonstrates that a majority of such employees in each separate location designates the Union as their bargaining representative in accordance with the terms of the Letter of Agreement the parties have executed on this issue. Upon demonstration of such majority status, the terms of this Supplement shall be applied to those employees. If the newly represented employees are within the jurisdiction of a Local Union party to this CSI Supplement, then the terms of that Addendum shall apply to the newly represented employees. If the newly represented employees are not within the jurisdiction of a Local Union, then the parties will apply the terms of the Addendum which is geographically the closest. In either event, the parties shall also meet to determine whether there is a need for any alterations or additions to the applicable Addendum based on local conditions. Changes will only be made if the parties mutually agree.

To the extent permitted by law, and consistent with the Letter of Agreement on this issue, the Employer further agrees to recognize the Union as the exclusive representative of its employees in newly established operations involved in the pickup or delivery of freight, and dock work associated therewith, which are utilized as part of the Employer's current or expanded operations, upon demonstration that the Union represents a majority of CSI employees in those facilities. Upon demonstration of such majority status, the terms of the preceding paragraph shall be used to determine the applicable Addendum for these newly represented employees.

In the event the Employer continues to perform clerical work currently recognized as bargaining unit work and performed under any Addenda, the Employer shall recognize the Union as the exclusive bargaining representative of such employees under existing certifications and shall apply the terms and conditions of employment set forth in the Addenda, subject to the amendments to those agreements in Sections 4 and 5 of this Supplement. If, during the term of this Supplement, the Employer resumes performing clerical work which had been recognized as bargaining unit work under any Addenda, the Employer shall recognize the Union as the exclusive bargaining agent of the employees, to the extent provided by law or, if necessary, upon the Union's demonstration of its majority status in accordance with the Letter of Understanding referenced above.

b. In order to establish national uniformity among the Addenda on the issues of recognition and scope, the parties

agree that the scope of work covered by this Supplement shall be limited to the former Menlo employees in the classifications of drivers and/or dockworkers where the above identified Locals have been recognized as the bargaining representatives, notwithstanding any contrary or broader language in any Addenda.

### Article 1: Recognition

**The Employer will continue to recognize the Union as the sole and exclusive bargaining agent for all its Driver/Dockworkers and Dockworkers employed at its North American facilities, and will also continue to recognize employees it may have in other job classifications, to the extent such employees are already represented by the Union.**

### Section 3: Applicable NMA Articles

#### Article 2: Applicable NMA Articles

The parties acknowledge that there are numerous articles within the NMA and the Addenda which cover substantially the same subject areas. Prior to this CSI Supplement being disseminated for a ratification vote, each Local shall indicate in writing to the Employer and the Teamsters UPS Negotiating Committee whether it intends to adopt an Article of the NMA or continue to apply existing language in its Addenda **on the same subject. (e.g. If the Addenda Article is titled Funeral Leave, but it also contains language that covers other subjects such as Sick Leave and Personal days; and the Local elects Article 29, Section 2 (Funeral Leave) of the NMA, then the remaining Sick and Personal Day language in the Addenda shall survive.) Any disputes as to whether language in an Addenda and the NMA cover the same subject will be resolved by mutual agreement between the Co-Chairs of the CSI Supplemental Negotiating Committee prior to the ratification vote.** This shall be a one-time election which shall remain in effect for the duration of the NMA. The election shall be on an "entire Article" basis, except that a Local may elect to adopt **Article 1, Section 3, sections of the following Articles as specified in this and the following paragraph: Article 3 may be excluded or adopted in whole or with Section 6 excluded; 14; 16; 29; and 35 Sections 1 and 2 may be individually selected or excluded but 35 Sections 3 and 4 must be adopted or excluded as a whole. For the purposes of this selection process, subsections of an Article are to be considered as within the Section (e.g. Article 16, subsections 3.1, 3.2, 3.3 and 3.4 are all within Section 3 and cannot be individually selected or excluded).** With respect to other available NMA Articles, a Local cannot elect to apply one or more Sections from an Article in its Addenda and also select portions of the NMA Article covering the same subject. Further the parties agree that the following Articles within the NMA shall not be applicable to operations covered by this CSI Supplement or available for selection by the Locals: **1 (Sections 1, 2, or Article 1 Section 4; 2; 3, Section 7; 6, Section 5; 10; 18; 26; 32; 37, Section 1(b) and**

(c); 39; 40; 43; and 44. Articles 34 and 41 shall only apply as specified in Sections 4 and 5 below. — Articles 22, 34 and 41 of the NMA will apply only to the extent they contain provisions specifically addressing CSI employees.

Section 5: Health & Welfare, 401(k) And Pension

### Article 3: Health & Welfare and Pension

a. In those Addenda which provide Teamster Health & Welfare and/or Pension Funds, the negotiated monetary increases set forth in Article 34, Section 1(a) of the NMA shall be applied applicable, in the same way as the GWI in Section 4(b) above for those years beyond the prior expiration date of the Addenda. For those Addenda that have expired prior to the date of this Supplement, the negotiated monetary increases set forth in Article 34, Section 1(a) of the NMA shall be paid on a retroactive basis in the same manner as the GWI in Section 4(c) above. In addition, the terms of Article 34, Section 1(a) and (f) of the NMA shall be applicable to determine any necessary allocations.

b. Employees covered by Addenda which have Employer sponsored plans for pension, or health and welfare coverage shall continue to be covered by the existing UPS sponsored plans.

c. Full-Time employees of UPS Cartage Services Inc. (CSI) who were participants in the Central States Southeast and Southwest Areas Pension Fund (CS Plan) as of December 26, 2007, and all future full-time employees who would have been covered by the CS Plan absent this agreement, shall be covered by the UPS/IBT Full-Time Pension Fund as set forth in Article 34, Section 1(l) of the NMA (effective January 1, 2008) and the related Plan Documents and Trust Agreement. As of December 26, 2007, CSI will cease to have an obligation to contribute to the CS Plan upon ratification of this Agreement and will have no other obligation to provide such employees with future benefit accruals under the CS Plan. Any provision in any Addenda to the CSI Supplement specifying participation in the CS Plan shall be null and void.

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### Article 4: Joint National Committee

A Joint National Committee shall be appointed for the purpose of reviewing the progress of the integration of the local contracts into the NMA and any unforeseen problems that may arise. This Committee shall have the authority to amend, alter, add to and delete provisions of this CSI Supplement as it deems necessary to further the best interests of the employees and the Employer's freight pick up and delivery and dock operations. Any such amendment or modification shall be adopted only by a majority of the Joint National Committee.

### Article 5: Rates of Pay

#### Section 1

CSI employees entitled to a General Wage Increase ("GWI") under the terms of their Addenda shall be eligible to receive the GWI as set forth in Article 41, Section 1 of the NMA and set forth below in Section 2 as appropriate.

All Addenda shall modify their top wage rates to incorporate the GWI as well as the effective dates of wage increases, in accordance with Article 41, Section 1 of the NMA.

#### Section 2

The minimum base wage rate for full-time Drivers or full-time Driver/Dockworkers in any Addenda shall be \$22.62 and shall increase by the amount of the GWI in Article 41, Section 1 of the NMA in the following years of the Agreement.

In any Addenda whose top wage rate for full-time drivers or full-time Driver/Dockworkers is less than \$22.62 as of July 31, 2008, such top wage rate shall be modified to incorporate an incremental wage increase in addition to the GWI increase in Section 1 above. The incremental wage increase shall be calculated on the basis of the difference between the Addenda's current top wage rate (as of July 31, 2008) and the \$22.62 base wage rate divided by ten (10). The resulting incremental increase shall be paid on each of the ten (10) GWI dates.

EXAMPLE: Full-Time Driver/Dockworker wage is \$21.00 per hour as of 7/31/08. \$22.62 minus \$21.00 equals \$1.62. \$1.62 divided by ten (10) equals 16.2 cents. The final incremental increase will reflect the final base wage of \$26.62 (\$22.62 + \$4.00 GWI)

#### Section 3

Part-time CSI employees entitled to a GWI under the terms of their Addenda shall be eligible to receive the GWI as set forth in Article 22 of the NMA.

### Section 6: Consolidation of Operations

a. Former Menlo employees, who are employed by CSI on the date of ratification of this CSI Supplement in job classifications other than driver and/or dockworker, shall have until November 1, 2005 to decide whether they will participate in an employee severance package or transfer to a job in the Employer's small package operation. The severance package will provide one week's pay at the employee's then current hourly rate and guaranteed weekly hours or, if there is no guarantee, then his normal weekly scheduled hours [not to exceed forty (40) hours per week] times the number of years of service with Menlo Worldwide Forwarding (or its predecessors). The employee shall have the option of receiving the severance amount to which he is entitled paid as a lump sum or

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weekly over the prescribed period. The Employer shall also continue contributing to the applicable pension and health and welfare funds for each employee electing the severance package for the number of weeks the employee is entitled to severance pay. The Employer shall also contribute to the Local 500 Severance Trust Fund for the same period. In order to be eligible to receive the severance payment, the affected employee must continue as an active employee until the date established by the Employer for separation and execute a standard release of claims. The Employer shall not contest any claims for unemployment compensation filed by any employee who has received the severance package provided above.

b. If any of the employees described in paragraph a. above wish to continue employment, the Employer and the Union will meet within fourteen (14) days of being notified of the employee's decision to determine a suitable job that will be made available to the employee in the UPS Small Package operations. The affected employee shall be allowed to continue to work in his current job until the transfer is effected, not to exceed thirty (30) work days. Once transferred, the employee shall be covered by the NMA and any applicable Supplement, Rider or Addendum. Total years of company service with Menlo Worldwide Forwarding (or its predecessors) will be recognized for pay and benefit purposes. In order to comply with this paragraph, the job to which the employee is transferred must maintain the employee's status (*i.e.* either full or part time) and be within the same geographical area (*i.e.* not require relocation). In addition, no employee who transfers will suffer a reduction in pay. The Employer will continue to make health and welfare and pension contributions on behalf of each employee accepting such transfer to the funds currently covering the employee.

### Article 6: Grievance Procedure

The provisions of this Article shall be substituted for the grievance procedure set forth in any Addenda.

Should any dispute arise between the Employer and the employees, or the Employer and the Union concerning application or interpretation of any provision of this Agreement, or concerning any term or condition of employment set forth in this Agreement, it shall be handled in the following manner:

#### Step 1

The complaint shall be discussed with the aggrieved employee, the immediate supervisor, and the Shop Steward, within five (5) working days of the known occurrence giving rise to the complaint.

#### Step 2

If the complaint is not resolved in Step one (1), then the employee, Shop Steward or Local Union representative shall submit a grievance in writing to the designated Company representative on the designated grievance form within ten (10) working days after the known occurrence giving rise to the grievance.

#### Step 3

If an agreement cannot be reached in the second step, the matter shall then be referred to the Local Union Business Agent within ten (10) working days after receipt of the response of the Company Representative. The Company Representative shall meet promptly with the Local Union Business Agent, the Shop Steward and the grievant within ten (10) working days in order to reach an adjustment to the grievance. The Company Representative shall respond in writing to this third step meeting within three (3) working days of the meeting.

#### Step 4

Any grievance not resolved in Step three (3) shall proceed to the established local area Cartage Services or regional Cartage Services Grievance Panel. Cases deadlocked will be forwarded as follows: UPS NMA language will be docketed to the next National Grievance Committee; Cartage Services Supplemental language will be docketed to the next Joint National Cartage Services Grievance Committee; Discipline and Addenda/Rider language will be submitted to arbitration.

#### Step 5

If the parties fail to reach a decision or agree upon a settlement of any grievance in Step four (4), the grievance may be submitted to arbitration. If the parties cannot agree upon an impartial arbitrator within ten (10) working days from the date arbitration is invoked, then the parties shall jointly request the AAA or FMCS, in accordance with area practices, to supply both parties with a list of seven (7) impartial arbitrators. Each party shall alternately strike one (1) name from the list and the name of the person last remaining on the list shall be designated as the arbitrator and his appointment shall be binding on both parties. The arbitrator shall deal only with the matter which occasioned his appointment and his decision shall be final and binding upon both parties. In no case, however, may the arbitrator make a decision which will in any way add to, subtract from, or alter the terms of this Agreement. The fee of the arbitrator will be shared equally by the Company and the Union. Notwithstanding the above, any grievance involving language in the NMA will be resolved in accordance with Article 8 of the NMA.

### Article 7: Maintenance of Standards

The Employer agrees that all the conditions of employment relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at no less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be changed whenever specific provisions for change are made elsewhere in the Agreement. It is agreed that the provision of this section shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this

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Agreement. Such bona fide errors may be corrected at any time.

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.

### Section 8. Bonus

All employees covered under this Agreement and actively employed (on the seniority list) on August 23, 2005 and the date of ratification shall receive a \$1000 lump sum bonus.

Employees shall have the option of having the bonus directly deposited to their 401(k) plan.

## Article 8: Safety and Health, Equipment, Accidents and Reports

### Preamble

The Employer and the Union agree that the safety of the employees and the general public is of utmost importance. This Article is being negotiated and included in this Supplement with the intent that it is a substitute for Article 18 of the NMA and that the latter Article will have no applicability to the employees or vehicles in CSI's operations.

The Employer and the Union have developed the following Sections and Subsections of this Agreement to respond to that mutual concern for safety. The contract language responds to a variety of areas related to safety, health, ergonomics, and climatic conditions as well as federal, state and local laws dedicated to providing a safe and healthy workplace.

To address safety and health issues, the Employer and the Union have developed Local Area Joint Labor/Management Committees comprised of bargaining unit members and management, to address job related safety and health concerns through the Comprehensive Health and Safety Process (CHSP).

Notwithstanding the employee's right to contact federal, state or local agencies, it is the recommendation of the Committees that issues and concerns, regarding this Agreement, should first be brought before the National Safety and Health Committee.

### Section 1 – Employees' Rights – Equipment, Vehicles and Conditions

The Employer shall not require employees to take out on the streets or highways any vehicle, or use any type of equipment, that is not in a safe operating condition or

equipped with the safety appliances prescribed by law. First line trailers will be swept on a daily basis. All CSI tractors and delivery vehicles will be maintained in a clean and sanitary condition including mirrors and windows.

Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work or danger to a person or property or in violation of a government regulation relating to safety of person or equipment. The term "dangerous conditions of work" does not relate to the type of cargo which is to be hauled or handled.

It shall not be a violation of this Agreement, or cause for disciplinary action, where employees refuse to operate equipment or a vehicle when such operation constitutes a violation of any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe conditions as set out in any state or federal rules, regulations, standards or orders applicable to commercial motor vehicle safety or health to include Part 392.14 of the Federal Motor Carrier Regulations.

### Section 2 – Out of Service Equipment and Vehicle Reports

All equipment which is refused, or has been written up for repair, because not mechanically sound or properly equipped, shall be appropriately tagged, and placed out of service, so that it cannot be used by other drivers, or employees until the Automotive/Maintenance Department has adjusted the complaint.

Employees shall immediately, or at the end of their shifts, report all known defects of equipment on a suitable form furnished by the Employer. The Employer shall not ask or require any employee to utilize equipment that has been reported by any other employee as being in an unsafe condition. Such equipment will be red tagged, as necessary, by automotive/maintenance personnel. The tag must not be removed until the Automotive/Maintenance Department has determined that the vehicle/equipment is in a safe operating condition or, where no Automotive/Maintenance Department exists, qualified management will make the deciding determination. Management not qualified to make such a determination, will consult with qualified automotive/maintenance personnel before removing a red tag. The person making the decision will sign off the car condition report or other form required by law. Any automotive/maintenance person consulted will be noted on this report.

When the occasion arises where an employee gives a written report on forms in use by the Employer of a vehicle/equipment being in unsafe working or operating condition and receives no consideration from the Employer, the employee shall take the matter up with an officer of the Union, who will take the matter up with the

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Employer. But in no event shall an employee be required to operate a vehicle/equipment that is unsafe or in violation of any federal, state or local, rules, regulations, standards or orders applicable to equipment or commercial motor vehicles.

Copies of the car-condition reports or Driver Vehicle Inspection Reports (DVIR) will be available in centers for review by drivers. Upon notification, drivers may make copies of said reports in facilities that have copy equipment. In facilities with no copy equipment, the employee will be provided a copy as soon as practical, when requested. In no case will the copy of the DVIR remain valid after the DOT retention requirement (ninety (90) days) or the original DVIR expires. The current DVIR will be maintained in each vehicle between completion of Preventative Maintenance Inspections (PMI). Other copies will be made available for review by drivers as required by the Federal Motor Carrier Safety Act (FMCS), 48 CFR 396, as applicable to the Employer.

### Section 3 – Accidents and Reports

Any employee involved in any accident shall immediately notify the Employer. When required by the Employer, the employee, before the end of the employee's shift, shall complete a report of the accident including all available names and addresses of witnesses to the accident. The reference number will be given to the employee within two (2) working days of such request. A copy of the accident report will also be furnished to the Local Union if requested by a Local Union official. In cases of equipment accidents where a Driver's Report of Accident form is completed, the employee will be given a copy of the form the same day, when requested. In facilities with no copy equipment the employee will be provided a copy as soon as practicable.

In the event of a vehicle accident, the Employer shall have twenty (20) days to complete its investigation, if warranted, and ten (10) days to take disciplinary action, if any, unless otherwise mutually agreed. Except for serious accidents, where the driver may be presumed to be at fault, a driver will not be removed from the payroll during an investigation of the accident.

A serious accident is defined as one in which:

1. There is a fatality, or;
2. A citation is issued and there is bodily injury to a person who, as a result of the injury, receives immediate medical treatment away from the scene of the accident, or;
3. A citation is issued and one or more motor vehicles incur disabling damage as a result of the accident requiring a vehicle to be transported away from the scene by a tow truck or other vehicle, or;

4. Any vehicular contact with an aircraft which results in damage that grounds such aircraft, or;
5. There is an accident involving a motor vehicle on Company property, outside of any building, that results in a fatality or bodily injury to a person, who as a result of the injury receives medical treatment away from the scene of the accident.

The driver will be entitled to non-driving work where available during this period at his/her normal rate of pay.

The Employer and the Union mutually agree that the employee's rights to Union representation will be protected pursuant to Article 4 of the National Master UPS Agreement.

### Section 4 – Seats

The Employer will provide air-ride seats in all new CSI tractors and straight trucks. In addition, where such seats exist, they shall be maintained in a proper and reasonable condition.

### Section 5 – Sun Visors

Employer agrees to maintain sun visors in proper and reasonable condition on all CSI equipment.

### Section 6 – Tires

Only first-line tires will be used on the steering axle of CSI tractor trailer and straight truck equipment. In case of breakdown, a temporary replacement, other than a first-line tire may be used to return to the home terminal. The Employer agrees to not mix radial and bias ply tires on the same unit.

### Section 7 – Shocks

Where the manufacturer recommends and provides shock absorbers as standard equipment, properly maintained shocks on such equipment shall be considered as a necessary and integral part of that assembly.

### Section 8 – Mirrors

All vehicles purchased after the ratification of this Agreement shall be equipped with regular mirrors and a convex mirror.

New tractor trailer and straight truck equipment shall be equipped with heated mirrors. Any tractor trailer and straight truck equipment with a model year 1994 or later shall be equipped with heated mirrors when the mirrors require replacement.

### Section 9 – Exhaust Systems

All new diesel tractors added to the CSI fleet after ratification of this Agreement shall be equipped with vertical exhaust stack.

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The Employer shall install and maintain heaters and defrosters on all trucks and all safety equipment required by law. Complaints regarding heaters or defrosters not being in proper working order shall be addressed pursuant to the red-tagging procedures under Section 2 of this Article.

**Section 11 – Noise Abatement**

All new CSI delivery fleet, will be ordered to comply with Federal Motor Carrier Safety Regulations (FMCSR), regarding in cab noise levels.

**Section 12 – Vehicle Integrity**

The Employer agrees to maintain all door and engine compartment seals in order to eliminate, as much as possible, fumes, dust and moisture in the delivery vehicle.

**Section 13 – Qualification on Equipment**

If the Employer or a government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with his/her Employer, the Employer shall allow such regular employee the use of the equipment so required in order to take the examination.

**Section 14 – Safety and Health Committees**

There shall be Safety and Health Committees to cover all full-time and part-time employees. There shall be one (1) committee per operating facility unless the number of employees and/or job classifications within a facility dictates the establishment of more than one (1) committee. The respective committees will be comprised of a mutually agreed to number of bargaining unit representatives and up to an equal number of management representatives.

Bargaining unit members who seek to serve on the Safety and Health Committee may volunteer to do so, with approval of the Local Union. The Union co-chair of the committee(s) shall be selected by the bargaining unit members of the committee.

Each committee shall meet at least once a month at a mutually agreeable time and place. The Employer shall provide committee members with adequate time to perform committee functions, as described in paragraphs 1 through 7 below.

Each committee shall perform functions including, but not limited to:

1. Creating sub-committees, on an as needed basis, to investigate specific issues of safety and health concern. These committees shall report to the full committee.

2. Developing and maintaining minutes for all meetings, with copies to all committee members and posted on designated safety bulletin boards.
3. Conducting periodic inspections of the facility to ensure that there is a safe, healthful and sanitary working environment in each center.
4. Accompanying governmental, Union, and/or Company health and safety professionals on facility inspection tours. The Employer may limit the number of bargaining unit members of the committee accompanying such an inspection tour.
5. Receiving information pertaining to lost workday injury/accident causes and review results of the investigation of such injuries/accidents.
6. Receiving copies of the center's OSHA Illness and Injury logs and the facility's man-hours.
7. Receiving the Company sponsored training to enable committee members to effectively perform their respective functions as safety and health committee members.

Any information provided to a CHSP committee will not be shared outside the committee without Employer's consent.

If the committee is unable to resolve a safety and health concern and all steps of the CHSP have been exhausted, the issue will be subject to the grievance procedure.

**Section 15 – Hazardous Materials Handling Program**

The Employer will maintain its Hazardous Material Handling Program.

**Section 16 – Union Liability**

Nothing in the Agreement or its Supplements relating to health, safety or training rules or regulations shall create or be construed to create any liability or responsibility on behalf of the Union for any injury or accident to any employee or any other person; nor does the Union assume any such liability or responsibility.

The Employer will not commence legal action against the Union, on a subrogation theory, contribution theory or otherwise, as a result of the Union's negotiation of safety standards contained in this Agreement or failure to properly investigate or follow up Employer compliance with those safety standards.

**Article 9: Supervisors Working**

This Article is being negotiated and included in this Supplement with the intent that it is a substitute for Article 3, Section 7 of the NMA and that the latter Article

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will have no applicability to the employees in CSI's operations. Furthermore, it is understood that existing supervisors working language in any Addenda or Rider shall be applicable and any lesser conditions contained in any Rider or Addendum shall be superseded by the conditions contained in this Article.

- a) The Employer agrees that the function of supervisors is the supervision of employees and not the performance of work of the employees they supervise. Accordingly, the Employer agrees that supervisors or other employees of the Employer who are not members of the bargaining unit shall not perform any bargaining unit work, except while training, in instances of Acts of God, or to meet immediate customer requirements in a timely manner when employees in the unit are not available. In performing such work, supervisory personnel will not cause bargaining unit employees to be laid off. In addition, the Employer shall make every reasonable effort to maintain a sufficient workforce to staff its operations with bargaining unit employees and to have the work performed by bargaining unit employees in accordance with current accepted local practices.
- b) If it is determined at any step of the grievance and/or arbitration procedure that this Section, or a "supervisor working" provision in an Addendum or Rider has been violated, the aggrieved employee will be paid for the actual hours worked by the supervisor, at the appropriate rate of pay. If no aggrieved employee can be identified, the payment will be made to the grievant.

### Article 10: Subcontracting

#### Section 1

The Employer may contract first flight; other unscheduled or emergency pick-up or deliveries and excess volume that cannot be handled by the normal pick-up and delivery pattern or equipment. However, the Employer will make every reasonable effort to utilize bargaining unit employees before contracting out such work.

#### Section 2

Notwithstanding any language to the contrary in any Rider or Addenda, the following provisions shall apply:

- a) The Employer may utilize subcontractors at its discretion for outlying geographic areas when shipments and revenues are not sufficient to justify the cost of operating the Employer's vehicles. Upon ratification of this agreement and, at least once every six (6) months thereafter the Employer shall meet with the Union to review cost and volume data related to existing subcontracts. The work will be assigned to the bargaining unit if it can be performed at equal or lesser cost by

the bargaining unit. The Employer shall have the right to remove any work assigned to the bargaining unit as a result of the subcontracting review meeting. Nothing within this section shall allow the Employer to remove work assigned to the bargaining unit prior to the next scheduled review meeting. Furthermore nothing within this Section shall allow the Employer to remove work being performed by the bargaining unit as of the date of ratification.

- b) The Employer shall notify the Union of any subcontracting.

### Article 11: Short Haul

Notwithstanding any language to the contrary in any Rider or Addenda, the following provision shall apply:

Bargaining unit members shall have the right to perform short haul work (i.e. runs to and from CSI facilities and/or hubs) which can be completed within a shift if it can be performed at an equal or lesser cost than the available vendors. The Employer shall have the right to remove any work assigned pursuant to this paragraph from the bargaining unit if it becomes more expensive to use bargaining unit members. The Employer shall meet with the Union within six (6) months of ratification, and every six (6) months, thereafter to review the economic competitiveness of short haul work assigned to the bargaining unit pursuant to this paragraph. Nothing within this Section shall allow the Employer to remove short haul work from the bargaining unit prior to the next scheduled short haul review meeting. Furthermore, nothing within this Section shall allow the Employer to remove short haul work being performed as of the date of ratification. In addition, short haul work shall not be performed by part-time employees, unless already permitted under the terms of the existing Addenda.

### Article 12: Loss or Damage

Employees shall not be disciplined for loss or damage, unless the Company so demonstrates by a preponderance of the evidence that the employee was negligent, reckless, or committed intentional acts resulting in loss, damage, or theft of freight or property.

### Article 13: Employee Training

The Employer will provide employees who wish to become drivers reasonable access to equipment so as to become familiar with the equipment, while being trained by experienced Union members. Employees shall have reasonable opportunity to utilize such equipment in the areas designated by the Employer to practice operation of the vehicles. In addition, the Employer shall provide the equipment and permit a bargaining unit employee to transport the employee to the site where the employee will take the



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driving portion of the license test. All training, practice and testing will be conducted on the employees' own time, unless otherwise provided in the applicable Rider, Addendum, or established local practice.

**Article 14: Uniforms**

**Section 1**

- a) The Employer agrees that when employees are required to wear any kind of uniform as a condition of employment, they shall furnish, repair and replace the uniforms free of charge. The Employer will furnish a minimum of six (6) uniforms (shirts, pants, shorts). In addition, the Employer will furnish a hat, jacket or coat and a belt.
- b) Employer-issued uniforms must be worn while engaged in the work of the Employer and may be worn in travel to and from work, and between split shifts, but not otherwise. Employer-issued uniforms shall not be worn for any purpose other than in the performance of the employee's normal job functions. The responsibility for cleaning of the Employer-issued uniforms will be determined by current area practice.

The Employer has the right to establish and maintain reasonable appearance standards for all employees. The appearance standards will be posted in each center.

**Section 2**

- a) Each employee is required to be in full dress uniform prior to and through the duration of his/her route. Only Employer provided clothing, on route, will be acceptable.
- b) Employees performing sort functions or any other required dock work will be allowed to wear tee-shirts.

**Section 3**

Any employee wearing a beard as of the effective date of this Agreement is required to keep it neatly trimmed in

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accordance with Employer's Appearance Guidelines. All employees not wearing beards as of the effective date of this Agreement are required to be clean shaven. Any employee that has a beard as of the effective date of this Agreement and shaves it off will be expected to remain clean shaven. Employees may wear neatly trimmed mustaches.

**Article 15: Company Rules**

The Company may establish and post such rules as deemed necessary and reasonable, provided such rules are not in conflict with the terms and provisions of this Agreement. All new rules posted shall be provided to the job stewards and be sent to the Union certified mail five (5) days prior to posting. All such rules shall be posted for a period of ten (10) working days. If no protest in the form of a written grievance is filed during the ten (10) working days period, the rules thereafter shall not be subject to a grievance.

The provisions of this Article shall be substituted for any provision in any Addenda covering the same subject.

**Article 16: Duration**

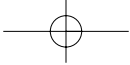
This Supplemental Agreement and all attached Addenda shall be in effect in accordance with Article 45 of the NMA.

**Memorandum of Understanding**

If an employee is covered by a UPS Pension Plan and retires between the expiration date of the existing Addenda and July 31, 2008, the employee shall be provided with any retirement enhancement negotiated as part of the new collective bargaining agreement in 2008, retroactive to the employee's date of retirement.

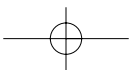
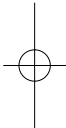
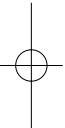
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For the Union

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For the Employer



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