

**ADDENDUM TO THE UPS FREIGHT
AGREEMENT COVERING OVER-THE-ROAD
AND LOCAL CARTAGE OPERATIONS**

UPS Freight, hereinafter referred to as the “Employer” or “Company,” and the Teamsters National Negotiating Committee, hereinafter referred to as “TNUPSFNC” or “Union,” representing Teamster Local Unions affiliated with the International Brotherhood of Teamsters, agree the UPS Freight Agreement (“UPSFA”) shall apply to the employees covered by this Addendum as specified below:

1. The following Articles of the UPSFA shall apply to employees covered by this Addendum, except as may be modified in other sections of this Addendum:

Articles 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 27, 28, 29, 32, 33, 34, 35, 36, 38, 39, 40, 42, 46, 48 and 49.

2. The following sections of Articles of the UPSFA shall apply to employees covered by this Addendum: Article 5, Sections 1(a), (b), (c), (f), and 3 and 5; Article 10, Section 1; Article 13(a), (c), (d), (e), (f) and (g); Article 18, Section 3; Article 23, Sections 1(b) and (d), 2 and 3; Article 30, Section 3; and Article 37, Section 3.

3. The following Articles or portions of Articles shall not be applicable to employees covered by this Addendum: Article 5, Sections 1(d), (e), and (g), 2, 4, and 6; Article 10, Section 2; Article 13(b); Article 18, Sections 1, 2, and 4; Article 23, Section 1(a) and (c); Article 26; Article 30, Sections 1 and 2; Article 31; Article 37, Sections 1 and 2; Article 41, Article 43, Article 44, Article 45 and Article 47. Substitutions, if necessary, for these Articles or Sections are set forth below.

4. Article 1, Section 1 shall be modified to add a second paragraph that reads:

“This Agreement shall also cover, where already recognized, those employees who are employed as a manifest clerk, OS&D clerk, dispatch clerk, appointment clerk, outbound clerk, inbound clerk, or billing clerk. A list of locations at which covered employees have been recognized is **Attachment A** to the Clerical Addendum.”

5. Article 1, Section 2 shall be modified to add a second paragraph that reads:

“The execution of this Agreement on the part of the Employer shall also cover all employees described in the second paragraph of Article 1, Section 1 in the bargaining unit at any existing terminal at which the TNUPSFNC has been certified or designated to act as the collective bargaining representative. The following locals have been designated by the TNUPSFNC to represent covered employees and, as such, are parties to this Addendum: 25, 41, 63, 89, 107, 120, 135, 251, 299, 385, 431, 492, 523, 577, 612, 657, 667, 707, 710, 728, 745 and 891.”

6. As a substitution for those Article 5 provisions which the parties agree will not apply to the employees covered by this Addendum, the following will apply:

Section 1.(d) For employees covered by this Addendum there shall be two (2) seniority lists, one (1) for full-time clerks and one (1) for casual clerks.

Section 1.(g) In developing the initial Clerks' seniority list referenced above, the Company shall use the employee's Company seniority date unless a particular employee transferred into his/her current service center from another service center. In such event, the employee's transfer date to the current service center shall be used to develop the seniority lists.

Section 2. When it becomes necessary to reduce the working force the last employee hired on the casual seniority list shall be laid off first. If a clerk job is eliminated, the affected employee may bump the most junior employee within the classification provided the bumping employee is qualified to do the job. If a full-time clerk displaces a casual clerk, he/she shall be governed by the four (4) hour guarantee. The bumping employee goes to the bottom of the classification seniority list. If the employee exercises the right to bump and receives a recall notice, the employee must return to the position from which he/she was laid off. Company benefits will be provided in accordance with the terms of the applicable SPD.

Section 4. (a) Starting times by classification will be posted for bid on the Union bulletin board on a semi-annual basis. The bids will contain a description of the clerical jobs that are posted. Bids shall remain posted for fourteen (14) calendar days. The most senior employee bidding on the job shall be awarded the job.

Section 4.(b) Available new or vacated bargaining unit jobs will be posted within seven (7) calendar days. The bid will remain posted for fourteen (14) calendar days on the Union bulletin board. Such postings shall include the start time and a description of the job. The most senior full-time employee bidding on the job shall be awarded the job, provided he or she is qualified. The resulting vacancy, or the initial vacancy, if no full-time employee is awarded it, shall be available for bid by part-time clerical employees, if any, in that service center. If there are no part-time clerical employees in the service center, the Company shall have the right to fill the resulting vacancy, or the initial vacancy if it is not awarded, by a new hire. If a part-time employee is awarded the full-time vacancy, the Company shall have the right to fill it with a new hire.

If an employee is going to be off work for more than forty-five (45) days, the job will go up for bid, provided however, when the employee returns he/she shall return to his/her original bid job. Any bidder must be available and qualified to perform the work.

7. As a substitution for those Article 18 provisions which the parties agree will not apply to employees covered by this Addendum, the following will apply:

Section 2. Casual and full-time employees' schedules will be posted by Friday of the preceding workweek if there is any change. If there is no change, the schedules need not be posted. An employee's start time can be altered by this posting by up to two (2) hours of its normal time. The Company may also alter the start time on a daily basis by more than two (2) hours, provided the employee is notified prior to reporting to work. All employees shall be scheduled for five (5) consecutive workdays, either Monday through Friday or Tuesday through Saturday. Full-time employees shall be guaranteed eight (8) hours pay per day when put to work and the standard workweek shall be forty (40) hours per week. Casual employees shall be guaranteed four (4) hours per day on any day he/she is scheduled and reports to work.

One-and-one-half (1 ½) times the regular hourly rate shall be paid for all work performed on the seventh (7th) consecutive day of work, except where the seventh (7th) day of work falls on Sunday, in which case double time shall be paid.

8. Any Article or Section of the UPSFA that is applicable to employees covered by this Addendum and references "casual" employees shall be deemed to cover part-time clerks.

9. As a substitution for Article 44 of the UPSFA, the parties agree that the following will apply to employees covered by this Addendum:

For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services of the kind, nature or type, and including new operations or buildings, covered by, presently performed, or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other plant, person or non-unit employees, unless otherwise provided in this Agreement. The Employer may not subcontract work in any classification for the purpose of avoiding overtime, or to avoid filling existing, or creating additional bargaining unit positions. The Employer may not subcontract work in any classification if any employee who normally performs such work is on layoff.

10. As a substitution for Article 30, Sections 1 and 2, the following will apply:

All covered employees shall continue to receive their scheduled rest and lunch breaks.

11. As a substitution for paragraph 9 of the May 11, 2009 MOU between the parties, the following shall apply:

The Company will provide employees covered by this Addendum two (2) hour show-up pay; however, the parties agree the employee shall first be afforded his or her right under Article 5 to displace less senior employees provided work is available. The two (2) hour show-up pay shall apply if no work is available.

12. The parties agree that the following provisions shall constitute a new Article 23, Section 4 applicable only to those employees covered by this Addendum:

Section 4. Technological change shall be defined as any significant change in equipment or materials which results in a significant change in the work of the bargaining unit or diminishes the number of workers in the bargaining unit.

(a.) The Employer and the Union agree to establish a National Teamster/UPS Freight Committee for Technological Change, consisting of an equal number of representatives from the Union and UPS Freight. The Committee shall meet in conjunction with the National Grievance Panel as necessary to review any planned technological changes covered by this Section.

(b). The Employer will advise the National Teamster/UPS Freight Committee for Technological Change of any proposed technological changes at least six (6) months prior to the implementation of such change except where the change was later determined in which case the Employer shall provide as much notice as possible.

(c). The Employer shall be required to provide the National Teamster/UPS Freight Committee for Technological Change, upon written request, any relevant information to the extent available regarding the technological changes.

(d). The Employer will meet with if requested, the National Teamster/UPS Freight Committee for Technological Change, promptly after notification to negotiate regarding the effects of the proposed technological changes.

(e). If a technological change creates new work that replaces, enhances or modifies bargaining unit work, bargaining unit employees will perform that new or modified work. The Employer shall provide bargaining unit employees with training required to utilize the new technology, if necessary.

(f). In the event that the National Committee cannot reach agreement on the dispute, either party may refer all outstanding disputes to the National Grievance Committee for resolution in accordance with the provisions of Article 7 in order to determine if the Employer has violated the provisions of this Section or if the change will result in a violation of any other provision of the collective bargaining agreement.

13. Article 25-Benefits shall be modified as follows:

(i) Article 25, Section 1 shall become effective ninety (90) days from ratification:

(ii) Article 25, Section 2 will be applied subsequent to ratification to determine how many discretionary days the employee has left in 2012.

(iii) Article 25, Section 3 will become effective no later than ninety (90) days from ratification.

(iv) Article 25, Section 5 shall become effective for calendar year 2012 for the purposes of accruals to bid vacation in 2013.

14. As a substitute for Article 26 of the UPSFA, the parties agree the following will apply to employees covered by this Addendum.

(a) General Wage Increases. All employees on the payroll at ratification of this Addendum shall receive a three-and-one-half percent (3 1/2%) general wage increase (GWI). This will be determined by applying the increase to the employee's hourly wage rate at ratification. This GWI will also be applied retroactively for all paid hours from January 1, 2012 until ratification. This retroactive amount will be paid within thirty (30) days of ratification. All employees not covered by the progression outlined below, will thereafter receive a three-and-one-half percent (3 1/2%) general wage increase effective the first pay period after January 1, 2013.

(b) For those employees hired (or entering a full-time job) after ratification of this Addendum, the following progressions shall apply:

(i) Full-time clerical jobs:

Start.....	\$14.00
Seniority.....	\$15.00
Twelve (12) Months.....	\$16.00
Twenty-Four (24) Months.....	\$17.00
Thirty-Six (36) Months.....	Top Rate

(ii) Casual clerical jobs:

Start.....	\$10.50
Twelve (12) Months.....	\$12.00
Twenty-Four (24) Months.....	\$13.50
Thirty-Six (36) Months.....	Top Rate

(iii) The "Top Rate" referred to in the above schedule shall be eighteen dollars (\$18.00) for Full-time and fifteen dollars (\$15.00) for casual clerks.

(iv) A casual employee who is awarded a full-time job shall begin the full-time progression at the seniority rate if his/her rate is below the seniority rate of the new full-time job. If a casual employee's rate is higher than the seniority rate of the new job, he/she will be red circled until such time as the calculated progression rate exceeds the employee's rate.

(c) All employees covered by this Addendum shall be paid for all time spent in the service of the Employer.

15. Within ten (10) days of the ratification of this Addendum, UPS Freight will notify those current or ex-employees who have an active claim pending in the Company's Peer Review Process that they have thirty (30) days from notification by the Company to file a grievance under the UPSFA if they wish to continue to challenge the disciplinary action. If such a grievance is filed, it will be processed in accordance with the terms of the UPSFA. If they do not file a grievance within thirty (30) days their claim will be administratively closed.

16. The only part of any prior Letter or Memorandum of Understanding, Letter of Agreement, or settlement between the parties under the UPSFA that will apply to the employees covered by this Addendum are:

- (i) The Letter of Understanding on Article 8, Section 1; and
- (ii) Paragraphs 2, 3, 4, and 7 (except for the reference to the 90% employee) of the May 11, 2009 MOU.

FOR UPS FREIGHT

FOR TNUPSFNC

Date: _____

Date: _____