

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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MEMORANDUM

TO: **LOCAL UNIONS:** 17, 20, 24, 25, 29, 41, 63, 71, 79, 89, 100, 104, 107, 120, 135, 170, 179, 200, 222, 245, 249, 251, 294, 299, 317, 325, 326, 355, 364, 371, 384, 385, 391, 401, 402, 406, 407, 413, 414, 439, 449, 455, 480, 492, 509, 519, 528, 554, 560, 592, 597, 600, 612, 614, 618, 633, 657, 662, 667, 673, 701, 705, 707, 710, 728, 745, 773, 776, 822, 878, 886, 891, 988, and 992

Michael Hienton, Central Region Freight Coordinator – (LU 407)
John Murphy, Eastern Region Freight Coordinator - (LU 25)
Lendon Grisham, Southern Region Freight Coordinator – (LU 480)
Bob Paffenroth, Western Region Freight Coordinator – (LU 63)

FROM: Ernie Soehl, Chairman
Multi- Region Change of Operations Committee

DATE: August 30, 2017

RE: YRC - MR-CO-01-08/2017

The following is the decision from the YRC Multi-Region Change of Operations MR-CO-01-08/2017, which was heard on Thursday, August 24, 2017 in Rosemont, IL. The following decision was rendered:

The Motion: The Company's proposed Change of Operations be approved as modified, clarified, and stipulated to on the record by the Company with the following provisions. It should be noted that unless specifically addressed in this Change of Operations through this Committee, present operations, work rules and agreements shall remain in effect. Agreements reached by the Company and the Unions at the local level and or on the record are incorporated by reference in this decision and are final and binding. It is also understood, as stated on the record, that employees transferring to gaining locations, as well as active employees at those locations, shall have sufficient work opportunities upon implementation of this Change of Operations.

1. In accordance with the authority under Article 8, Section 6 of the National Master Freight Agreement, the Committee has determined that the seniority application in this decision is appropriate under the circumstances. This decision is based on the facts presented and does not create a precedent for future seniority applications.

2. The Company's proposed method of bidding, involving follow the work and a pool bid, is approved as clarified on the record. In recognition of the ongoing weather-related events in Texas, however, the Company's proposed time line has been modified and now is as follows:

- The cut-off date is 7/25/17.
- The posting for the follow the work and Utility Employee positions in this change and MR-UE-01-08/2017 will be by 9/26/17.
- The follow the work bids will be awarded on 10/4/17.
- Posting of the pool bid opportunities will be on 10/5/17 and the bids will be removed on 10/13/17.
- Telephone bids call will be on 10/22/17.
- Implementation shall be no sooner than 11/12/17.

3. For the purpose of bidding and selecting work opportunities, the seniority rosters at losing locations shall be merged with active-to-active and inactive to inactive employees, by classifications using present bidding and layoff seniority dates.

4. Those employees who currently enjoy Article 29, Section 3 protection shall retain their protection in accordance with the Change of Operations and the contract.

5. Southern modified seniority shall be exercised in accordance with the Southern Over-the-Road Negotiating Committee's agreement and shall become effective after the general bid provided for in this decision.

6. In the event employees involved under this decision have a common seniority date and there are not actual date and time punch records available to determine who punched in first, the parties are instructed to agree on a method to resolve the issue.

1. . In the event there are employees who transfer into a facility where other employees are on layoff, such laid off senior employees may not exercise their seniority unless or until the senior employee is recalled by letter or equivalent method of recall under the terms of the applicable Supplemental Agreement for regular employment, at which time he shall be dove-tailed into the active seniority list.

8. Employees bidding in an eastern region location that has single line seniority list (common road and local cartage list) must retain their current bidding classification for a period of one year unless the next annual bid occurs at least nine (9) months following the date of the implementation of this decision.

9. Qualified bidders who are on long-term disability at the time of the bid shall be allowed to bid. In the event they are not able to claim their bid on the date of implementation, the position they bid into shall be offered, on a hold down basis, to those classification employees at the affected location who were not successful

bidders at the time of the original bid. The successful hold down bidder shall be dove-tailed on the appropriate seniority list at the location bid into until such time as the ltd employee is able to return to work and claim the bid. At that time, the hold down employee will be afforded the opportunity to either return to his original location with full seniority or remain at the hold down location and be given a new bidding seniority date as of the date the hold down bid commenced, but shall retain his original bidding and seniority date for vacation purposes. Employees bidding a hold down position shall not be entitled to any moving or lodging expenses as set forth in Article 8, Section 6 of the National Master Freight Agreement or as otherwise approved by this decision unless or until such time as it is determined that the ltd employee will never be able to return to work. At which time the hold down employee shall be considered as a successful bidder and at that time the original bidder shall be entitled to all the provisions set forth in this decision.

10. Employees who have been discharged and whose discharge is pending resolution under the applicable terms of the National Master Freight Agreement and the applicable Supplemental Agreement shall be afforded the opportunity to bid.

11. In order to bid a position that requires a driver to be triples certified, the driver must either be certified or become certified as soon as possible.

12. Employees transferring from the jurisdiction of one Supplemental Agreement to that of another Supplemental Agreement shall not lose their entitlement to earn vacation in accordance with the Southern Region Over-the-Road Letter of Understanding, which has been incorporated in previous Change of Operations. In addition, previously bid or approved vacation shall be honored in connection with this Change of Operations.

13. Health, Welfare, and Pension contributions paid on behalf of the employees who relocate under this decision shall continue to be paid into the respective trust such contributions were being paid to immediately prior to the time of the employees' relocation.

14. Full-time Teamster officers, business agents and organizers who have seniority rights to return to employment with the company, shall be allowed to bid and if successful must claim their bid at the time they cease to be a full-time officer, business agent or organizer or forfeit their bid.

15. Moving and lodging expenses shall be paid in accordance with the provisions of Article 8, Section 6(c) of the National Master Freight Agreement.

16. Successful bidders shall be dove-tailed into the appropriate seniority list at the locations they are bidding into.

17. In the event the number of gaining positions do not fill during the bid, the Company shall fill those positions as stated by the Company on the record.

18. Based on the fact that the number of gaining and losing positions in this Change are equal, there will be no window period. However, the Committee retains jurisdiction of this change for a period of one (1) year to resolve any issues relative to this Change of Operations.

19. The requests for retreat rights by the locals in this Change of Operations are denied.

20. The issue of whether a CDL is required to bid on certain positions shall be determined in accordance with the established conditions in effect at the location where the work is to be performed. The Company shall indicate on the bid sheet if a CDL is required for a specific location and position. In locations that require employees to be CDL qualified (with endorsements), employees shall be given sixty (60) days consecutive to become qualified and an additional thirty (30) days consecutive to receive their CDL license unless delayed by TSA background checks or otherwise through no fault of the employee.

21. With respect to Local 449's request concerning the fast pass, employees transferring into that location must apply for the fast pass in accordance with the practice at that location.

22. The red circle numbers as provided for in the 2014 Extension Agreement are increased or decreased as outlined in Exhibit 11 to the Company's proposed Change of Operations. This Committee is not, however, confirming or denying the red circled numbers originally established pursuant to the 2014 Extension Agreement. Local unions may raise any dispute over the accuracy of those original red circle numbers with the appropriate MOU Subcommittee.

23. The requests of Local 391 are denied.

24. Regarding Local 455's request concerning the Denver to Salt Lake lane, this change does not modify the present operations in connection with that lane.

25. Local 41's request to have Kansas City to Goodland designated as a primary is not part of this change and is denied. This change does not modify the present operations in connection with that lane.

26. Local 413's Columbus seniority practice will apply in this bid at those locations that have this practice today. Anyone bidding under the Columbus practice of one year and a day will transfer with their present bidding seniority.

27. The requests of Local 480 are denied.

28. The requests of Local 528 are denied.

29. The request of Local 745 to limit the loss of mechanics from 29 to 22 is granted, based on the specific facts presented. Based on the Company's statements on the record, repairs and PMS on road units servicing the new San Antonio distribution center will continue to be performed in the same manner they are performed today at

a company shop, with only emergency work being performed at those locations where the company does not currently have its own shop. All other requests by Local 745 are denied.

30. Local 891's requests involving the addition of mechanical and clerical employees is denied.

31. The protests raised by Local 988 on the record are denied.

This decision is rendered under the authority of Article 8, Section 6 of the National Master Freight Agreement and is not intended to be in violation of or modify that agreement or the applicable Supplements.

Thank you.