



COLLECTIVE BARGAINING AGREEMENT BETWEEN
AMERICAN POSTAL WORKERS UNION, AFL-CIO
AND
PAT SALMON & SONS, INC.

April 13, 2019 - April 12, 2021

EL PASO UNIT



TABLE OF CONTENTS

Agreement	4
Article 1 Union Recognition	4
Article 2 Scope of Agreement	4
Article 3 Nondiscrimination	5
Article 4 Management Rights.....	5
Article 5 Layoffs and Leaves of Absence	6
Article 6 Discipline.....	7
Article 7 Subcontracting.....	8
Article 8 Probationary Period.....	9
Article 9 Seniority and Employee Classification	9
Article 10 Bulletin Boards and Telephones.....	11
Article 11 No Strike, No Lockout	11
Article 12 Monitoring Devices.....	12
Article 13 Job Bidding and Bumping.....	14
Article 14 Mgmt/Union Cooperation and Info to the Union.....	18
Article 15 Referral Bonus Incentive.....	19
Article 16 Reserved for Future Use.....	19
Article 17 Light Duty	19
Article 18 Extra Board Dispatch Procedures.....	20
Article 19 Grievance and Arbitration Procedure.....	21
Article 20 Work Rules.....	25
Article 21 Equipment and Safety	26
Article 22 Union Representation	27
Article 23 Union Leave	27
Article 24 Layover.....	28
Article 25 Union Dues Checkoff Authorization.....	28
Article 26 Holiday Scheduling	29
Article 27 Drug Testing & DOT Physicals	29
Article 28 Revocation of CDL and Denials of Access to Mail	30
Article 29 Vacation Scheduling.....	30
Article 30 Bereavement Leave	32
Article 31 Vacation Pay.....	32
Article 32 Holiday Pay	33
Article 33 Jury Duty	34
Article 34 Wages	35
Article 35 Pay Day	36
Article 36 Direct Deposit.....	36
Article 37 Fringe Benefits	37
Article 38 Health Insurance.....	39
Article 39 Separability.....	42
Article 40 Duration.....	42

Addendum 1	Attendance.....	43
Addendum 2	Work Rules.....	45
Addendum 3	Safe Driving and Commitment Awards Program	46
Letter of Intent	Article 20.....	47

AGREEMENT

THIS AGREEMENT MADE AND ENTERED INTO ON THIS 13 day of April, 2019, by and between Pat Salmon & Sons, Inc., (hereinafter referred to as the “Company”) and The American Postal Workers Union, and Texoma Local, El Paso, Texas (hereinafter referred to as “Union”).

ARTICLE I UNION RECOGNITION

Section 1.

The Company agrees to recognize the Union as the exclusive bargaining agent certified by the National Labor Relations Board in Case No. 26-RC-225788, for all full-time and regular part time driver employees employed by the Company at its facilities in El Paso, Texas; excluding all other employees, leads, office clerical employees, dispatchers, schedulers, guards and supervisors as defined by the National Labor Relations Act..

Section 2.

It is understood that this Agreement, and the terms and conditions thereof, shall have no application to any bona fide arm's length purchaser of the Company. It is further understood and agreed that if, during the life of this Agreement, the Company, in a bona fide arm's length sale, disposes of all or any part of its operations (hereinafter collectively known as “disposition”), it shall be under no obligation to make said disposition contingent upon the purchaser's obligation to assume any or all of the terms of this Agreement or to hire all or any of the Company's employees. In the event of a disposition of the Company, the Union shall have the right to terminate this Agreement.

Section 3.

The Company shall refrain from entering into any individual contract or separate agreement with employees covered by this Agreement which may conflict with the terms and provisions of this Agreement unless the Union agrees to such separate agreement.

ARTICLE 2 SCOPE OF AGREEMENT

Section 1.

It is agreed and understood that this Agreement contains the entire contract and understanding between the parties with respect to all matters relating to wages, hours and other conditions of employment for all employees in the bargaining units set forth in Article I above. Changes in this Agreement, whether by additions, waivers, deletions, amendments or modifications must be by mutual agreement, in writing and signed by both parties.

Section 2.

It is agreed that during the negotiations leading to the execution of this Agreement, both sides have had opportunity to submit all items appropriate for collective bargaining, and that each party expressly waives the right to submit any additional items whether the item was or was not discussed during the course of negotiations leading to the execution of this Agreement.

Section 3.

The provisions of this Agreement establishing certain rights and benefits for the Union and the employees within the bargaining unit shall be co-extensive with the term of this Agreement, and those rights and benefits shall cease and terminate entirely upon the termination or expiration of this Agreement; provided, however, that they shall cease or terminate sooner when so provided herein.

ARTICLE 3 NONDISCRIMINATION

The parties agree that there shall be no discrimination against an employee because of race, age, sex, religion, color, national origin, union or non-union status, physical handicap or disability, or marital status, where such discrimination would be in violation of any applicable and controlling law or regulation of the United States of America or of the applicable state.

ARTICLE 4 MANAGEMENT RIGHTS

Section 1.

Except to the extent expressly abridged by a specific provision of this Agreement, the Company reserves and retains all of its inherent rights to manage the business, as such rights existed at the commencement of its operations.

Rights to be exercised solely, exclusively and at the discretion of management include, but are not limited or confined to, the right to hire, discipline, suspend or discharge for just cause, promote, demote, transfer, layoff, or otherwise change the conditions of employment of any employee for any reason that management deems advisable, provided the exercise of such right does not violate specific and express provisions of this Agreement; determine the hours of operation; set the hours of work for each employee, including the right to fix the number of hours to be worked in any one day, or any one week; to establish and administer reasonable standards of work performance and productivity, and to modify, change, or alter any or all of the foregoing from time to time; assign employees any work that the Company deems advisable; establish and enforce, and from time to time modify, reasonable rules and enforce all rules, work rules, and regulations now in effect; determine and redetermine the locations and types of its facilities, operations and layover points, including the establishment of new facilities, operations and layover points, the relocation or closing of the existing facility or operation or layover points or any parts thereof, the relocation of work to different facilities; to determine the size and composition of the work force, including the utilization of temporary or seasonal employees from independent labor contractors and other sources; the allocation and assignment and reallocation and reassignment of work to employees, including the manner and method of staffing and scheduling of each contract with the United States Postal Service, including any modifications thereof; to determine, implement, and enforce the terms, conditions, scope, or duration of any contract, agreement, or understanding with the

United States Postal Service; to determine whether and how to bid or re-bid for existing, new or modified contracts with the United States Postal Service; to change origination and/or destination points, extend, curtail or otherwise alter routes, in accordance with United States Postal Service contracts or other agreements; to interpret, implement, maintain and schedule the frequency, service, work and vehicle requirements related to United States Postal Service contracts, to comply with USPS Directives, to determine insurance requirements; to establish and modify from time to time policies affecting the selection of employees and the qualifications required for any particular job; subcontract all or any part of its operation, except as provided in Article 7, to determine whether to bid or re-bid for existing, new or modified contracts with the United States Postal Service; to implement, select and determine the type of equipment, vehicles and tools to use in the conduct of the business; and otherwise generally manage the business and direct the work force.

Section 2.

Managers, supervisors and dispatchers will not generally perform bargaining unit work; except that, in exigent circumstances, managers, supervisors and dispatchers may perform such work as long as it does not reduce the number of bargaining unit jobs or normal scheduled hours of those employees who are on duty at the time.

Section 3.

The Company's or Union's failure to exercise any function or right reserved to it, or their exercise of any function or right in a particular way, shall not be deemed a waiver of their authority to exercise such right or function, nor preclude the parties from exercising the same in some other way not in conflict with the express provisions of this Agreement.

ARTICLE 5 LAYOFFS AND LEAVES OF ABSENCE

Section 1.

Layoffs will be administered by seniority. After bumping rights have been completed, any layoffs will be carried out by reverse seniority. Laid off employees will have recall rights for up to two (2) years following layoff. An employee recalled from a layoff will retain his/her original seniority.

No employee will be taken out of a bid job, nor denied bid rights, while on an approved leave of absence for Union business or vacation leave.

An employee will be taken out of a bid job and denied bid rights while on other absences of more than ninety (90) days due to approved medical leave, FMLA, military leave, or workers compensation leave of absence and approved leaves of absence for any reason. An employee removed from a job under these circumstances will retain seniority but shall not accrue Vacation Pay for the entire approved leave of absence, notwithstanding the terms of Article 31. Upon return to work, the driver will be awarded bumping rights.

If an employee remains on leave of absence for any reason other than Union business or military leave for a period exceeding twenty-four (24) months, the employee's seniority will terminate, pursuant to Article 9, Section 4 of this Agreement. If the individual subsequently is released to return to work and is qualified to return to work after the twenty-four (24) month period, the individual shall be considered eligible for rehire, and shall be given priority consideration.

During any leave of absence, the employee will provide the Company with an update no less than every 90 days explaining his or her continued justification to remain on the approved leave of absence. If the employee fails to provide the update and/or the justification to remain on the approved leave of absence, the employee shall return to work or the employee may be subject to Article 9, Section 4 of this Agreement for overstaying an approved leave of absence without adequate notice.

The Company shall not be obligated to pay any wages or benefit premiums for life, disability or health insurance or for other cafeteria benefits to or on behalf of an employee while the employee is on a leave of absence, except to the extent required by law. The employee shall be responsible to maintain any premiums for fringe benefit policies. Eligibility for participation in insurance and cafeteria benefits will be governed by the applicable plan documents.

Section 2.

If initial layoff recall is to a different geographic point of origin than that from which the employee was laid off, then the employee may turn down the recall offer and remain on the top of the list for future recalls.

Section 3.

As soon as practicable, the Company will give the Union notice in advance of any layoff and will meet with the Union to explain the reasons for the layoff and to discuss related issues. The Union will be provided an opportunity for input on possible alternatives pertaining to the layoff.

Section 4.

At the time of layoff, a laid off driver will receive a transfer form. The form will list the terminals of the other APWU represented bargaining units and the driver can request notification of vacancies at the units he or she designates. The form will contain the telephone number where the driver can be contacted. A copy of the completed form will be sent to the respective local union(s). The terminal manager, or his/her designee, in the unit where the vacancy exists, will attempt to contact drivers who have designated that unit by telephone to ascertain their willingness to fill the vacancy prior to hiring a new driver. If the Company is unable to immediately contact the driver, the Union will be notified. The Union will contact the Company with the driver's decision no later than one business day following such notice. Transfers will be awarded by Company seniority among the drivers who designated that unit. In implementing this section, it is understood that a driver accepting a transfer to another unit must report for duty as soon as possible, but no later than 72 hours after being notified that he or she has been selected to fill the position.

ARTICLE 6 DISCIPLINE

Employees may be disciplined and/or discharged for just cause. Just cause either for the purpose of discipline or for discharge, or both, shall include, but not be limited to, violations of work rules appearing as Addendum 2 to this contract. Just cause for immediate discharge also includes, but is not limited to, the conduct set forth in Article 20, Section 2, below. The Union also agrees to the Company's Attendance Policy appearing hereto as Addendum 1 to this contract.

All discipline, including discharge, shall be in writing with a brief statement of the reasons for the

action. The records for disciplinary action less than discharge shall remain active for 12 consecutive months in the employee's personnel file, after which time they shall not be considered in any disciplinary action.

A. All discipline except that resulting from a vehicular accident shall be issued within ten (10) business days of the date the Company discovers or, through the exercise of reasonable diligence, should have discovered the alleged infraction, unless the Union and the Company agree to extend such time period.

B. In the event the discipline relates to a vehicular accident, discipline shall be issued within thirty (30) calendar days of the date the Company discovers or, through the exercise of reasonable diligence, should have discovered the alleged infraction. In cases in which the Company, despite its reasonable efforts, has not obtained all of the information it deems helpful in determining discipline relating to a vehicular accident, discipline shall be issued as soon as practicable after the Company obtains such information.

C. For purposes of this Article, "business days" shall mean Monday through Friday, excluding holidays.

Except for infractions arising under Article 20, Section 2, infractions addressed by Article 12, Section 2.D, or attendance infractions under Addendum 1, no employee covered by this contract may be discharged unless he or she has received at least one (1) documented counseling, one (1) prior written warning, and one (1) prior suspension. The one (1) prior suspension will be no more than four (4) of the employee's work days, and must have been received by the employee within the immediately preceding twelve (12) months of the current infraction date.

When a Driver is placed on Safety Hold during an investigation of an accident, incident or event which may result in discipline and/or discharge, the Company will attempt to minimize the amount of time the driver is in the non-pay status. If it is determined by the Company that the vehicular accident is a Non-Preventable accident, the Company will pay the Bid Driver for the lost/unpaid wages and health & welfare for the missing scheduled work (Extra Board Drivers – average hours worked in the last 6 months) during the Safety Hold period.

ARTICLE 7 SUBCONTRACTING

Section 1.

The Company reserves the right from time to time to engage and utilize temporary or seasonal employees from employee leasing agencies or other sources ("leased drivers") in order to be able to adequately fulfill customer demands and expectations that cannot reasonably or practically be met by using Company employees.

Upon request to the terminal manager, the Union will be provided a list of leased drivers used by the terminal during the preceding week.

Section 2.

The Company may also subcontract with subcontractors to run routes using the subcontractor's equipment and employees ("subcontracts") to fulfill customer demands and expectations that cannot reasonably or practically be met by using Company employees and/or equipment. Any subcontract would be limited to specific trips and/or routes for a specified time period.

The Company will notify the Union, in writing, of the intent to subcontract stating the perceived need, the proposed date(s) of the subcontract, and the identity of the routes/trips involved.

The Company will not subcontract work in order to evade the hiring of additional employees.

ARTICLE 8 PROBATIONARY PERIOD

Section 1.

Employees covered by this Agreement shall be regarded as probationary during their first sixty (60) calendar days of continuous employment beginning with their last date of hire. The Company shall in all cases be the sole and exclusive judge of whether a probationary employee successfully completes the probationary period and thereby acquires rights under this Agreement. The Company shall have the right to separate from its employ any probationary employee at any time during the probationary period and these probationary employees shall not be permitted access to the grievance procedure in relation thereto.

Section 2.

Upon completion of the probationary period, seniority shall mean length of service since the employee's last date of hire.

ARTICLE 9 SENIORITY AND EMPLOYEE CLASSIFICATION

Section 1.

Within thirty (30) calendar days after the execution of this Agreement, the Company shall post at each facility current seniority lists. There shall be one seniority list for Drivers at each terminal and one for the Shreveport mechanics. Protest of any employee's seniority date or position on such list must be made in writing to the Company within thirty (30) calendar days after such seniority date or position is posted. If no protests are timely made, the dates and positions as posted shall be deemed correct. Any such protest which is timely made may be submitted to the grievance procedure. The Company will provide to the Union, as well as post, a seniority list on a monthly basis by the fifteenth day of each month.

Section 2.

A. When employees covered by this contract are hired on the same date, any employee with previous service will be ranked above the other new hires. The seniority tiebreaker will be the last four (4) numbers of the social security number, lowest to highest.

B. Any Regular Driver who leaves the position of Driver by quitting, resigning, or changing employment status to another career position and returns to Driver status will start a new period of seniority unless the Driver returns within three (3) business days from separation from Driver status. A Driver may exercise this right to return to Driver Status only one time during his/her career with the Company.

Section 3.

A. Regular Drivers are those Drivers who have successfully completed their probationary period. Such Drivers are categorized as either Bid Drivers or Extra Board Drivers.

B. Seasonal/Temporary Driver (including those hired through temporary or employee leasing companies) are those Drivers hired to work on a short-term basis, not to exceed ninety (90) days, to handle overflow work. Seasonal/Temporary Drivers who remain employed after 1/8 will not be used unless the available Extra Board and volunteer Bid Drivers who have requested extra work have been exhausted.

C. Casual Drivers are those Drivers hired to work on a casual basis after the available Extra Board and volunteer Bid Drivers who have requested extra work have been exhausted. Casual Drivers will not

have bid seniority but may apply for available Regular Driver positions.

Section 4.

The employment relationship, the employee's seniority, and all rights under this Agreement, except those pertaining to grievances, shall be terminated for any of the following reasons:

- (a) The employee quits.
- (b) The employee is discharged for just cause.
- (c) The employee overstays an approved leave of absence without adequate notice provided that the termination shall not be effective until the Company provides notice of the expiration of the leave by certified mail and the employee fails to return to work within seven days.
- (d) The employee fails to return to work within seven (7) calendar days after receipt of the Company's notice of recall by certified mail, addressed to the last known address of the employee as shown by the Company's records.
- (e) The employee is denied access to mail by the United States Postal Service or the Postal Service otherwise restricts the employee in any manner which would affect his/her duties as a driver, subject to Article 28.
- (f) The employee loses or has revoked his CDL, subject to Article 28.
- (g) Pursuant to Article 5, Section 1, the employee remains absent due to a leave of absence (other than for Union business or military leave) for a period exceeding twenty-four (24) months.

Section 5. - Transfers

Subject to the approval of the Company, a driver at any Company location may elect to voluntarily transfer to another terminal or facility outside their current bidding area covered by this Agreement. The employee will have split seniority dates as follows:

- (a) The employee will retain his or her date of most recent hire by the Company as the seniority date for benefit purposes; and
- (b) The employee will have a second seniority date for bidding purposes, which will be the effective date of the voluntary transfer to the new location.

ARTICLE 10

BULLETIN BOARDS AND TELEPHONES

Section 1.

An area for a bulletin board will be provided by the Company for the posting of Union notices in each Company-owned facility which is normally used by members of the bargaining unit. The Union will maintain the bulletin board in a locked, glass cabinet, paid for at Company expense. It is understood that bulletin board notices shall not be obscene, inflammatory or personally demeaning toward the Company or its management. In other facilities used by employees that are controlled, but not owned, by the Company, the Company and the Union will meet and confer on methods of providing reasonable posting space for the Union.

Any such Union notice shall be signed by the appropriate Union official who is responsible for the notice.

Any violation of this Article can result in the privilege of the bulletin boards being withdrawn.

It is agreed that all postings shall be confined to the above-specified bulletin boards.

Section 2.

The Company will provide a toll-free number for employees to use in contacting the Company regarding work related matters. In cases where employees are delayed in arriving at their destination by one hour or more, the Company will notify the employee's family if requested to do so.

ARTICLE 11

NO STRIKE, NO LOCKOUT

Section 1.

For the duration of this Agreement and any renewal or extension thereof, the Union, its officers, agents, committeemen, stewards, representatives, members and all employees covered by this Agreement shall not authorize, instigate, cause, aid, encourage, ratify, support, or condone, nor shall any of the aforementioned persons take part in any strike, work slowdown, work stoppage, refusal to perform work, sickout, boycott, picketing, refusal to cross a picket line, or any other interruption of or interference with the business of the Company.

It is understood between the parties to this Agreement that the activities prohibited in Section 1 of this Article include the activities in sympathy with, in honor of or respect to a strike, work slowdown, work stoppage, refusal to perform work, boycott, picketing, refusal to cross a picket line, or any other interruption of

or interference with the business of the Company by any union or other group or organization whatsoever that is engaged in such activities directed at the Company, its suppliers, or its customers. Without limiting the generality of the foregoing, this shall include any strike or work action against the United States Postal Service.

Section 2.

In the event that any prohibited activity as outlined in this Article occurs, whether organized by the Union or not, the Union shall forthwith order all employees back to work and shall take reasonable and good faith affirmative steps to terminate and prevent such activities on the part of any of its agents, representatives, and/or members. Participation by an employee in any of the activities prohibited in Section 1 of this Article will be cause for discipline, including discharge.

Section 3.

The Company shall not lock out employees for the duration of this Agreement. Discontinuance, transfer or curtailment of operations, in whole or in part, under the provisions of the Management Rights article of this Agreement, shall not be considered a lockout.

Section 4.

Neither the violation of any provisions of this Agreement nor the commission of any act either constituting an unfair labor practice or otherwise made unlawful by any federal, state or local law, shall excuse the employees, the Union, or the Company from their obligations under the provisions of this Article.

Section 5.

Any employee who is discharged or otherwise disciplined, for participating in activities prohibited by this Article or for failure to carry out affirmative obligations as established in this Article may use the grievance and arbitration procedure as set forth in this Agreement and, if it is determined that the employee did participate in the activities prohibited by this Article or failed to fulfill his affirmative obligations under this Article, absent clear and convincing proof of reasonable and good faith mitigating or extenuating circumstances, then the discipline imposed by the Company shall be final and binding on the parties, the employee, and any arbitrator to whom such employee's grievance is submitted.

Section 6.

The Company reserves all rights to seek equitable and/or legal remedies for a violation of this Article.

ARTICLE 12 MONITORING DEVICES

Section 1.

The Company shall have the right to introduce and use electronic monitoring equipment ("EME") on any and all Company owned equipment, including without limitation, global positioning satellite ("GPS") devices, tracking devices, timekeeping devices, log verification devices, locators, on board computers and monitors and on-board camera and event recorders.. If necessary for a driver to perform his or her duties, the Company will provide reasonable training on the use of the devices. Prior to implementation by the Company

of the use of new types of EME, the Company shall notify the Union and, upon request, shall meet to explain the equipment and intended use.

Section 2. On-Board Camera and Event Recorders.

A. The primary purpose of on-board cameras and event recorders is to be a tool to assist drivers to operate their vehicles safely and to improve and take appropriate corrective action with respect to unsafe driving actions.

B. On-board cameras (“DriveCam”) and event recorders may view the interior and exterior of the vehicle. On-board cameras operate on a continuous loop, but no live feed or constant recording or monitoring by the Company will occur. A recording is only saved when triggered by unusual events (e.g., accident, hard braking, swerving or other significant irregular movement) or when manually triggered by the driver. All drivers will be informed that when triggered, the on-board camera will record and save video and sound data (including conversations) in the vehicle. However, any audio recorded on the on-board camera and event recorders shall not be subject to discipline.

C. No employee shall receive discipline based solely on information collected or obtained by an on-board camera or event recorder. Discipline shall not be deemed to be *“based solely on information obtained by an on-board camera or event recorder”* if the Company shows the driver the recorder clips and affords the driver an opportunity for explanation as set forth below.

1. In the event a driver is identified as having committed a driving or rule infraction through the triggering of the on-board camera or event recorder the recorder clips shall be shown by the Safety Director or Terminal Manager or his or her designee to the driver involved and the designated Union steward (unless the driver waives representation).

2. The driver will be given an opportunity to supply a rationale of why the recorded event was not a bona fide infraction. If the explanation is accepted by the Company, the event will be dismissed, with no further action taken.

3. In the event the explanation is not accepted, the Company will provide coaching or retraining to a Driver as a result of video reviews, which shall be administered by the Safety Director, the Terminal Manager or his or her designee.

- (a). The coaching or retraining will be provided to the affected driver in private unless the driver requests the attendance of a Union steward.

- (b). The subject, date, and type (e.g., handout, video, booklet, DOT regulations, etc) of coaching or retraining provided shall be recorded on a standard form maintained by the Company.

- (c). The coaching or retraining shall not be considered discipline, but a record of the coaching or retraining shall be maintained for twelve (12) months.

D. Any discipline shall be issued and maintained pursuant to the Just Cause provisions of Article 6. Except for violations of the work rule prohibiting the use of mobile communications devices, a driver: (1) shall not receive discipline for an infraction detected through an on-board camera or other event recorder unless the driver has received training or coaching for the same type of infraction within the

preceding 12 months; and (2) shall not be discharged as a result of an infraction detected through on-board camera or event recorder unless he or she has received at least one (1) prior written warning, and one (1) prior suspension as the result of the same type of infraction. The one (1) prior suspension will be no more than three (3) of the employee's work days, and must have been received by the employee within the immediately preceding twelve (12) months of the current infraction date.

E. If a violation of the Company work rule prohibiting the use of mobile communications devices while operating a Company vehicle is detected through an on-board camera or event recorder, the Company shall not be required to provide coaching or retraining as set forth above in paragraph D and any discipline will be in accordance with Article 6, provided the Company shows the recorder clip to the driver and Union steward (unless the driver has waived representation) and affords the driver an opportunity to explain why the event was not a bona fide violation as set forth in subparagraphs C. 1 and 2 above.

F. On a monthly or more frequent basis, the Company will provide to the appropriate local APWU president or craft director copies of the Event reports for all Drivers in each Terminal who are called upon to review event recorder or video clips:

1. Date of alleged infraction
2. Driver name
3. Truck number
4. Triggering event
5. Type of alleged driving infraction
6. Date reviewed with Driver (as appropriate)
7. Disposition of alleged infraction

ARTICLE 13 JOB BIDDING AND BUMPING

Section 1. General

The Company shall establish regular Job Assignments (hereafter referred to as "Job" or "Jobs"), consisting of scheduled routes and destinations.

- A. A Job may consist of over-the-road trips or metro trips, or a combination of over-the-road and metro trips. Subject to the needs of the Company, the needs or schedules of the Postal Service, and the desire to maximize hours for Drivers for purposes of providing benefits, the Company shall strive to comprise Jobs of metro trips or over the road trips. **Upon ratification of the Collective Bargaining Agreement, the Company and Union will meet to review all bids for possible modifications.**
- B. A "Team Job" is defined as a run of more than 660 miles, or which exceeds the 14 hour limitations set by DOT regulations, with a duration of at least 24 hours and staffed with a two person team.
- C. Annual Bidding – Jobs are not bid annually, however the Company and the Union agree to periodically review all Jobs, and may agree to repost all Jobs within a Terminal and/or Remote based upon exigent conditions and changes in Jobs caused by contracts with the United States Postal Service.

- D. Posting Job Vacancies - With the exceptions of Short Term Vacancies, (as defined in Section 2, below), and temporary Team bid Vacancies, (as defined in Section 5, below), any Job vacancies shall be posted for bidding in the applicable unit(s) within seven (7) days after the Job vacancy or new Job establishment occurs. Such bids shall be awarded based on bidding seniority for the Terminal.

In the case where a Temporary or Emergency route or trip is eliminated, the Driver(s) will move to the Extra Board.

Section 2. Short Term Vacancies

Short Term Vacancies are defined as Jobs that are created due to the establishment of Temporary or Emergency runs to meet the needs of the Postal Service, or Jobs that are temporarily vacant due to the current Job holder's vacation if approved at least one (1) week in advance or approved leave of absence of less than ninety (90) days in duration.

- (a) Job vacancy or newly established Job shall be treated as a Short Term Vacancy until such time as the bidding process for such Job is completed and the Job is filled on a regular basis.
- (b) With the exception of temporary Team Bid vacancies [as outlined in Section 5, below], all Short Term Vacancies will be filled from the Extra Board for the applicable Terminal, by seniority, to the extent that Extra Board Drivers are available.
- (c) No Driver holding a bid Job (excluding Extra Board Drivers filling in for Bid Drivers) will be forced to perform extra work or fill any such Short Term Vacancy. Extra work does not include work that is associated with the Driver's bid Job such as a diversion on the run.
- (d) No Driver filling a Short Term Vacancy can relinquish the Short Term Vacancy in order to select a different Short Term Vacancy created by a Driver's approved vacation.

Section 3. Job Postings for Vacancies and Newly Established Jobs

In the case of Job vacancies and newly created Jobs, the Job Postings will include the following information to the extent such information is available to the Company at the time of the bid:

- (a) Bid Number
- (b) Complete Schedule
- (c) Total Hours per Trip by Schedule (The schedule is a guide only. On the trip, the Company pays for time actually worked.)
- (d) Rate of Pay
- (e) Rate of Fringe Benefit
- (f) Frequency
- (g) Points of Origin and Driver's Destination (which will be listed on the cover sheet of the package)
- (h) Contract Status (Permanent or Temporary)

The Company shall use its best efforts to ensure the accuracy of this information. In the event the posted information above is materially inaccurate the identified Job(s) will be re-posted for bid.

Information for bids will be posted on the bid board at each Terminal.

- The Company will post bids on Thursday after a vacancy occurs or a new Job is established, unless that day is a holiday, in which case the posting will be on the next day.
- Bids will close on the fourth (4th) day following the initial posting, unless that day is a recognized holiday, in which event the bids will close on the next business day.

Copies of bid postings and bid awards will also be provided to the Union upon request.

Section 4. Bids and Awards

The Company, in consultation with the Union, will provide bid forms to the employees at each Terminal for the purpose of submitting bids. These forms will enable an employee to bid on more than one Job and rank Jobs in order of preference. The Company will provide a locked bid box at each Terminal for employees to submit bid forms. Employees may also submit their completed bid forms to the Terminal Manager via U.S. Mail, fax, telephone, or returning it via the truck mail distribution system. In order to be considered, the bid form must be received by the close of the bidding cycle, as stated in Section 3, above.

A Driver who has submitted a bid shall have the right to cancel the bid at any time before the closing time (hour and date established in Section 3, above) of the posting. To be effective, such cancellation, shall be in writing and date stamped, or through the subsequent submission of another bid card, or sent by e-mail or text message to the appropriate dispatcher or Terminal Manager.

Jobs will be awarded, by seniority, and Bid Awards shall be posted on the Company bulletin board at each work site by close of business on Tuesday after the close of bidding. If requested, one representative of the Union may be present when the Bid Awards are awarded.

If a Driver is the senior bidder for a Job, the Driver must accept that new Job, and that Driver may not bid upon or return to his/her previous Job for a period of thirty (30) days.

Section 5. Team Bidding

The bidding process for Team Jobs will be conducted as follows:

- (a) The Company will use a standard "proxy" form for team bidding. Drivers desiring to bid on Team Jobs will be permitted to form a team with another Driver by signing a proxy to run as a team. The proxy is to be signed before the beginning of the annual bid. In the case of a vacancy that becomes open, the proxy must be signed at the time the team elects to bid on a vacancy.
- (b) For the purposes of determining the winner of the bid for Team Jobs, as well as for bumping rights for Team Jobs, the combined seniority of Drivers on the team proxy will be used.
- (c) In the case of job reduction/bumping, the entire team may be bumped by another team.
- (d) The team may be dissolved by either Driver removing his/her name from the proxy, or in the event one of the Drivers is terminated. In that event, the Team Job will be declared vacant and will be reposted pursuant to Section 1 and Section 3, above. The remaining team Driver will

choose a team Driver from the Extra Board to continue operating the Team Job until it is filled pursuant to Section 1 and Section 3, above. If the remaining team Driver does not choose a team Driver from the Extra Board, the Company will assign a team Driver(s) as needed to continue operating the Team Job until filled pursuant to Section 1 and Section 3, above.

- (e) In the event either Driver is absent for up to ninety (90) days, the remaining Driver will choose another Driver from the Extra Board to fill the vacancy and such chosen Driver will not be dispatched as an Extra Board Driver during the vacancy for up to the ninety (90) days. After ninety (90) days, (with the exception of absences caused by Union business) the team will be declared vacant and will be reposted pursuant to Section 1 and Section 3, above.

The Company and the Union agree to periodically review, at least annually, the team bid procedure under this Section in order to determine whether it complies with applicable law(s), needs adjustment for business purposes, or needs adjustment(s) to ensure that the process does not have a disparate impact on any protected group.

Section 6. Vacancy Declarations

- A. At the option of the Driver who currently holds a bid Job, the following changes during the life of this Agreement will cause a Job to be declared vacant and posted for bid:
 - 1. Any change in the off days of the Job from the original posting;
 - 2. Any reduction or increase in layover time for the Job by more than twenty (20) percent per pay period;
 - 3. Any change in the Job's starting time by more than two (2) hours;
 - 4. Any reduction or increase in the Job's hours due to Postal Service or Company action by more than ten (10) percent per pay period; or,
 - 5. Any change in Point of Origin and/or Ending Destination.
- B. In addition to the above thresholds that require a Job to be declared vacant and posted for bid, any Driver may voluntarily declare their current bid vacant and be assigned to the Extra Board. In this event, the Driver will not have bumping rights, pursuant to Section 7, below.
- C. Any Driver who wishes to add or remove run(s) from his/her schedule that do not meet the thresholds for reposting outlined in A, 1-5 above, may discuss such schedule changes with the Terminal Manager. The Company will have sole discretion on whether or not to approve any such requested change(s). If approved, the Union will be notified, in writing, of such change(s).

Section 7. Bumping

Any Driver whose run is declared vacant under Section 6.A, above, or who loses a bid Job due to the Company not continuing that particular Job for any reason will have seniority bumping rights within the Driver's assigned Terminal or Remote in relation to any full-time bid Job. Any team Driver who's proxy is broken due to the team Driver partner's termination, resignation, or death will have bumping rights within the Driver's assigned Terminal or Remote in relation to any solo full-time bid Job.

The Company, in consultation with the Union, will generate an appropriate form for the exercise of bumping rights. Upon request, the Company will provide information concerning all bid jobs to employees eligible for bumping. Such bumping rights must be exercised in writing within forty-eight (48) hours of notification that a bid Job is canceled or declared vacant due to changes. Upon receipt of such information, employees will have twenty-four (24) hours to declare their bumping selection, with the exception of holidays.

Drivers who are bumped will have bumping rights under the same rules that apply, above, until the process has been resolved by seniority. Drivers shall be protected from being bumped by Drivers from outside the Drivers' assigned Terminals or Remotes outside a seventy-five (75) mile radius, away from the originating Terminal or Remote point.

Any Driver whose bumping options have been exhausted will be placed on the Extra Board of the Driver's assigned Terminal or Remote. Such Driver may also request to transfer to the Extra Board of another Terminal or Remote, subject to the provisions of Article 9, Section 5.

ARTICLE 14

MANAGEMENT/UNION COOPERATION and INFORMATION TO THE UNION

Section 1.

On a monthly basis the Company will provide to the local Union President or Craft Director, as applicable, a list of the Regular Drivers reporting at each terminal, which will contain the following information, if available:

- A. Employees' names,
- B. Employees' home addresses,
- C. Employees' primary phone number(s) and e-mail address(es),
- D. Employees' hire dates,
- E. Employees' seniority date(s), and
- F. Employees' employment status

Section 2.

The Company will provide to the Union copies of all official postings on the Company bulletin boards at each work site regarding Company policies and work rules, and any changes or updates made thereto.

Section 3.

In the event the Company sells all, or part, of the operations covered by this Agreement, the Union will immediately be notified of such sale.

ARTICLE 15 REFERRAL BONUS INCENTIVE

Drivers will be rewarded for attracting other quality employees to work for the Company. Employees will receive a \$300.00 bonus if:

1. He or she refers a full-time Driver for employment with Salmon Companies by submitting the designated form to the Terminal Manager before the employee is hired; and
2. The referred applicant is hired within six (6) months of the referral; and,
3. The new hire successfully completes six (6) months of employment.

In addition, a second referral bonus of \$200.00 will be paid when the full-time employee completes one (1) year of employment.

Applicable incentive payments will be made within two (2) pay periods of the specified employment thresholds.

ARTICLE 16 RESERVED FOR FUTURE USE.

ARTICLE 17 LIGHT DUTY

Section 1. Off Duty Accidents and/or Illnesses.

When an employee is medically unable to perform his or her duties due to a sickness or accident, he or she may request light duty work from the Terminal Manager where they normally work. The Company will make reasonable effort to provide light duty work if, in its determination, such work is available, the employee is qualified to perform the work, and such work is compatible with the employee's medical limitations and restrictions.

Section 2. On –the-Job Injuries and/or Illnesses.

When an employee is medically unable to perform his or her duties due to an on-the-job injury or illness, the Company may offer the employee light duty work compatible with the employee's medical limitations and restrictions, and for which the employee is qualified.

Section 3. Work Assignments and Payment.

A. Light duty assignment(s) may be assigned to the employee for work during hours that are different than the employee's regular schedule. The Company will provide all equipment and supplies necessary for the employee to perform any light duty assignment(s).

B. Employees accepting a light duty assignment will be paid the wage the Company has established for the terminal.

C. Nothing in this Article shall require the Company to make light duty work available. Priority,

including displacement, shall be given in this Article to employees whose sickness or accident is related to work.

ARTICLE 18

EXTRA BOARD DISPATCH PROCEDURES

Section 1.

Extra Board Drivers will be provided at least one (1) day off (minimum 24 hours – 12:00 midnight through 11:59pm) in the following workweek (Saturday – Friday) after six (6) consecutive dispatches have been accepted and worked. A dispatch is not considered accepted and worked, if the Extra Board Driver: (1) fails to report for work as scheduled, (2) refuses to accept a dispatch run, (3) fails to return a message from a dispatcher within thirty (30) minutes, and/or (4) is non-responsive to a forced dispatch call. When a dispatch is not accepted and worked, the Extra Board Driver starts over to achieve six (6) consecutive dispatches to count towards the day off benefit. Once an Extra Board Driver has achieved six (6) consecutive dispatches, the Company will offer the Driver an available day off opportunity in the following workweek, and the Extra Board Driver may notify the Company if he/she has a preferred day off. The Company will attempt to provide the preferred day off in the following workweek, subject to Driver seniority and the scheduling needs of the Company. If the Driver does not want to accept the day off opportunity, the Driver will relinquish that day off opportunity. If the Company cannot offer a day off opportunity for that workweek, the Driver's day off opportunity will roll forward until an available day off opportunity can be offered. Drivers taking time off under this provision will be returned to dispatch rotation in the same manner as Drivers returning from vacation time-off. The Company may modify, reconfigure, or discontinue any day off opportunity in its sole discretion after providing ten (10) days written notice to the Union.

Extra Board Drivers will be dispatched on a "first in-first out" basis, as far as practicable. Available Extra Board Drivers who are not filling vacancies or emergency runs will be offered all known available runs at the time of dispatch. Peak Season runs may be offered to Bid or Extra Board Drivers but will not be considered available runs in accordance with this Article. If two or more Extra Board Drivers desire the same run, the more senior Driver will be assigned to the run of his or her choice. An Extra Board Driver who is holding down a vacant run shall continue to work that run for the remainder of the vacancy. Time verification will be used to ensure this scheduling.

As far as practicable, Extra Board Drivers will not be dispatched more than 48 hours in advance.

Section 2.

- A. Roll Down Procedure - Except as provided in Section 3, below, a Driver who fails to return a dispatcher's telephone call or exercises his/her option to "roll down" on an Extra Board assignment will be placed on the bottom of the Extra Board and maybe subject to discipline as provided under Addendum 1, Attendance.
- B. Forced Dispatch - After exhausting the Extra Board, the dispatcher will then call the available Drivers on the Extra Board list in order of reverse seniority (juniority) until the forced dispatch is filled, and Drivers who refuse forced dispatch or are non-responsive to the forced dispatch call, maybe subject to further discipline beyond that imposed in A. above.

- C. Call-In Requirement – Fridays, Saturdays, and Sundays, if an Extra Board Driver was not assigned a run at the time he or she completed a run, the Extra Board Driver will be required to call the dispatch office and discuss assignments no later than one (1) hour after his or her 10 hour DOT mandated rest period. Failure to call in as required maybe subject to discipline as provided under Addendum 1, Attendance.

Section 3.

Under normal circumstances, the Company will give at least two (2) hours notice for any run. If the Company does not give at least two (2) hours notification for a run, the Extra Board Driver will remain on the top of the Extra Board if he/she cannot carry the run on such short notice. This section is not intended to create any Company liability to provide additional pay.

Section 4.

Regular Drivers desiring extra work over and above their bid runs will sign a “sign up” sheet that will be posted on a monthly basis. As far as practicable, such extra work will be assigned by seniority from such “sign up” sheets on a rotating basis taking into account DOT regulations and regular work schedules. Such Drivers will not be offered extra work unless the Extra Board has been exhausted.

Section 5.

When an Extra Board Driver is observing a DOT mandated rest period, the Company will attempt to avoid calling or paging for a ten (10) hour period.

If there are available Extra Board or volunteer Bid Drivers who have responded to dispatch, those Drivers will be dispatched on the Extra Board Dispatch Rotation before using Casual, Leased, Seasonal/Temporary Drivers.

ARTICLE 19 GRIEVANCE AND ARBITRATION PROCEDURE

Section 1.

A claim that the Company has violated some provision of this Agreement is a grievance within the meaning of this Agreement. Should any difference arise as to meaning, interpretation or application of the provisions of this Agreement, the procedure for settling such difference shall be as set forth in this Article.

Section 2.

An employee, or the Union on behalf of an employee or group of employees, having a grievance, within fourteen (14) calendar days of the date the employee knows, or by reasonable diligence, should have known, of the facts giving rise to the grievance, shall state it in writing, setting forth the section(s) of the Agreement allegedly violated, the date of occurrence, the facts and contentions, and the remedy sought. The grievance shall be submitted to the Terminal Manager or, in his absence, to his or her designee. The grievance may be amended at any time up to the conclusion of the meeting with the Company Operations Department, in Section 4 below.

Section 3. Step 1

Upon filing the grievance, the Terminal Manager shall meet with the Union Steward within seven (7) calendar days of the receipt of the grievance unless the parties mutually agree to extend the time limit. In any such discussion the Terminal Manager or designee shall have authority to settle the grievance. The answer of the Terminal Manager shall be in writing and provided to the Union's representative within five (5) calendar days of the Step 1 meeting.

Section 4. Step 2

In the event the grievance is not resolved at the Step 1 meeting with the Terminal Manager, the Union may, within seven (7) calendar days of receipt of the answer of the Company, appeal the grievance to Step 2, to the Company Operations Department. The Union will develop a standard written grievance form to be used at Step 2. The Union form will include:

- A.** The grievant's name, work location, scheduled hours and days off, address, phone number, and e-mail address;
- B.** The date the grievance was discussed at Step 1;
- C.** The date the grievance denial at Step 1 was received by the Union;
- D.** The date of the Step 2 appeal;
- E.** The particular contractual provisions involved;
- F.** The facts and contentions; and
- G.** The remedy sought.

The Step 2 Company representative will meet with the Union's designated representative within seven (7) calendar days after receiving the Union's written appeal, unless the parties mutually agree in writing upon a later date. The representative of either party may appear by conference call, utilizing fax and/or e-mail.

The Company representative and the Union representative shall make a good faith effort to resolve the matter. The parties' representatives shall cooperate in the effort to develop necessary facts, including the exchange of copies of all relevant papers or documents.

If a resolution is reached at Step 2, it will be reduced to writing and signed by both parties.

In cases where a resolution is not reached, the Step 2 answer of the Company shall be in writing and provided to the Union's representative within seven (7) calendar days of the date of the meeting. Such response by the Company shall include, but not be limited to the following:

- A.** The date(s) the Step 2 was discussed
- B.** The date the grievance was denied at Step 2
- C.** A statement of the reason(s) for the denial of the grievance.

If the Company fails to provide a response to the Step 2 meeting within seven (7) calendar days of the date of the meeting, it will be deemed a denial of the grievance.

Section 5. Arbitration

A. In the event that a grievance has not been resolved at Step 2, the Union may request arbitration by giving the Company written notice within ten (10) calendar days of receipt of the written denial of the grievance at Step 2 or within ten (10) calendar days from the date that the Company failed to respond under the Step 2 timeline, above.

B. Arbitration FMCS

The Union will have fourteen (14) days from the initiation of the arbitration proceeding to request the U.S. Federal Mediation and Conciliation Service to furnish the parties with a list of seven (7) arbitrators. A copy of such request shall be served on the Company. The parties will share the cost, if any, from the FMCS for such list.

From the list provided by FMCS, the parties shall, within ten (10) calendar days following receipt of said list, select an arbitrator within a 200 mile radius of the location of the hearing to hear and decide the grievance submitted to arbitration. The parties will select the arbitrator by the alternate striking of names from the list until only one remains. This process may be conducted in person, or by phone, fax or email. The Company and the Union will determine which strikes first based on a coin toss.

Both the Company and Union shall make reasonable efforts to schedule the hearing of the grievance in a timely manner, within 30 calendar days, as provided below. The arbitrator shall proceed to hold a hearing and to reach a decision on the grievance. Both the Company and the Union may request a second panel of arbitrators from the FMCS, upon mutual agreement.

As far as practicable, an arbitration hearing will be held within thirty (30) calendar days of the submission of the grievance to arbitration. Arbitration hearing shall be conducted at the place where the grievance arose. Arbitrators shall render a decision thirty (30) calendar days after the close of the hearing or after the post hearing briefs are filed, whichever is later.

It is understood and agreed that grievances not presented in compliance with these provisions or not carried to the next step within the respective time limits, all as specified herein, shall be deemed to have been waived and/or abandoned and may not, thereafter, be raised or considered except by written mutual consent of the Union and the Company.

Section 6. Expedited Arbitration Process

In discharge cases or other cases concerning discipline of more than sixty (60) days, the Union may invoke the expedited procedure of this Section by filing the resulting grievance directly to Step 2 within three (3) business days of the filing of the grievance.

The first step of the expedited grievance procedure shall be a Step 2 meeting between the Company Operations Department and the Union. This meeting shall be held within three (3) business days of the Company's receipt of the expedited Step 2 appeal. The representative of either party may appear by telephone

conference call, utilizing fax and/or e-mail.

The Company representative and the Union representative shall make a good faith effort to resolve the matter. The parties' representatives shall cooperate in the effort to develop necessary facts, including the exchange of copies of all relevant papers or documents. The parties' representatives may also mutually agree to jointly interview witnesses.

If a resolution is reached at Step 2, it will be reduced to writing and signed by both parties.

The answer of the Company shall be in writing within three (3) business days of the meeting, unless the parties representatives agree in writing to extend this time. Such response by the Company shall include, but not be limited to the following:

- A. The date(s) the Step 2 was discussed
- B. The date the grievance was denied at Step 2
- C. A statement of the reason(s) for the denial of the grievance.

If the Company fails to meet this deadline, it will be deemed a denial of the grievance. If the Union is not satisfied with the answer, it may expedite a request for arbitration by giving written notice to the Company within fourteen (14) days of the receipt of the denial of the grievance, and the parties will follow the arbitration process outlined in Section 5B above.

Section 7.

The cost of the arbitrator as well as all other incidental expenses shall be borne jointly by the Company and the Union, except for those individual expenses which either party will incur for the purpose of presenting their cases.

Section 8.

The jurisdiction and authority of the arbitrator and his opinion and award shall be strictly limited to interpretation of the written provisions of this Agreement. The arbitrator shall not be empowered and shall have no jurisdiction to add to, take from, nullify, or modify any of the terms of this Agreement, or impair, either directly or indirectly, under the guise of interpretation, any of the rights reserved to management by the terms of this Agreement, except as may be provided expressly herein. The arbitrator shall have no jurisdiction or authority to substitute his judgment for that of management in any area that has not been clearly delegated to him by the Agreement.

Section 9.

Any awards of back pay by the arbitrator shall be limited to the amount of wages the employee would otherwise have earned from employment with the Company during the period involved less any unemployment compensation or other compensation for personal services that such employee may have received from any source during that period; provided, however, that the arbitrator shall have no jurisdiction to make an award of back pay for a period longer than ninety (90) days in total; provided further that any employee who is discharged shall have an affirmative duty to pursue reasonable efforts to obtain employment and otherwise

mitigate back pay or other liability.

Section 10.

Disputes concerning payments allegedly owed by the Company pursuant to the Wage Determination of the Service Contract Act which are not specifically addressed in this Agreement, including, but not limited to, matters such as entitlement to breakdown pay, the number of hours worked and vacation and holiday pay, shall be subject to the grievance procedure provisions of this Article. Such a matter will not be subject to arbitration, however, if the matter is determined by a representative of the Department of Labor. Nothing in this Article limits the rights of employees involved to appeal matters to DOL for final determination.

Section 11.

An arbitrator's decision shall be final and binding on the Union, the employees and the Company but shall be void insofar as his award exceeds the arbitrator's authority under this Agreement.

ARTICLE 20 WORK RULES

Section 1.

The Company retains the right to promulgate, modify and post such rules and regulations, not in conflict with this Agreement, as it may, from time to time, deem best for the purposes of maintaining order, safety and/or effective operation of its business and, after being posted in the office for seven (7) days, to require compliance therewith by employees. The Union has the right to protest any such rule or regulation, not contained in this contract or addendum thereto, through the grievance procedure at the time of the posting or at the time any such rule or regulation is applied to any employee.

Section 2.

It shall be considered just cause for immediate discharge, in the discretion of the Company, without prior written warnings, if the employee engages in conduct including: possession or consumption of alcoholic beverages on Company property, in, or around Company vehicles or while on duty; possession, consumption or sale of narcotics or drugs which are controlled by federal, state, or local law; failure or refusal to submit to a sobriety/drug test; failure to pass a drug/alcohol test; denial of access to mail or restriction by the United States Postal Service; involvement in a serious preventable accident while on duty or in a company vehicle; or loss or revocation of CDL; DWI or DUI conviction for driving while intoxicated (any vehicle); carrying unauthorized passengers; willful damage or destruction of Company property or the property of others; falsification of time records, DOT logs or Postal Service records; physical violence while on Company property or on duty; uninsurability; failure to meet the standards set by the United States Postal Service; Gross Insubordination towards Company, Supervision, or Customer; any preventable accident caused in part by the Driver while using a prohibited mobile communication device, as cited in FMCSA (DOT Regulations 392.82, as amended from time to time); or any preventable accident caused by the Driver drifting off or falling asleep.

For the purposes of this Article, a "preventable accident" is an accident (as defined in Section 390.5 of the Federal Motor Carrier Safety Regulations) in which it is determined that the employee's error, negligence, recklessness, intentional conduct or failure to observe traffic laws or regulations was a contributing cause to the accident. Such determination may be made by (i) an independent safety consultant or accident reconstruction

expert selected by the Company; (ii) by a court of competent jurisdiction in any civil or criminal matter; or (iii) by the Company in its discretion.

If the employee has not been involved in an at-fault accident during his or her employment with the Company for a period of five years or more, the Company shall consider discipline less than discharge.

Section 3.

Disobedience of such a rule, regulation, instruction or order in violation of this section shall be subject to the provisions of Article 19. However, in the case of discharges based upon the conduct specified in Section 2 above, the issue shall only be whether the employee engaged in the prohibited conduct.

Section 4.

Nothing in this Article shall limit any of the Company's rights to impose discipline or discharge under any other provision of the Agreement.

ARTICLE 21 EQUIPMENT AND SAFETY

Section 1.

The Company shall not require employees to drive any vehicle which does not meet the safety standards of the United States Department of Transportation or the Federal Motor Carrier Safety Regulations.

Section 2.

If an employee encounters a working condition which the employee believes to be unsafe, the employee may

- (a) notify the employee's supervisor or terminal manager or the safety director responsible for such terminal by completing and submitting the form designated by the Company; or
- (b) notify such employee's steward, if available, who may complete and submit the form designated by the Company explaining the alleged unsafe condition to the employee's supervisor, terminal manager or the safety director responsible for such terminal.
- (c) If the employee and/or the steward is not satisfied with the Company's response, the employee and/or the Union may proceed under Article 19.

Section 3.

Effective as of January 1, 2014, the Company will implement a Safe Driving and Commitment Awards Program in the form attached as Addendum 3 to this Agreement.

ARTICLE 22 UNION REPRESENTATION

Section 1.

The Company recognizes the right of the Union to designate stewards and alternate stewards from the Company's seniority list. The Union will certify to the Company in writing a list of its stewards and alternate stewards. The authority of the stewards so designated by the Union shall consist of the investigation, presentation and adjustment of specific grievances with the Company in accordance with the provisions of the collective bargaining agreement.

Subject to the provisions of section 2 of this Article, the Union shall be permitted to provide outside assistance to assigned stewards, including the right to be present and to speak at grievance meetings.

When requested by the Union, the Company will make available information that is necessary for the investigation of a grievance as prescribed by the National Labor Relations Act.

Upon request by an employee, as required by the National Labor Relations Act, the Company will make a steward or other representative available to the employee during an investigatory interview that could lead to disciplinary action. All polygraph tests shall be on a voluntary basis.

Section 2.

Should circumstances arise which cause a duly authorized non-employee Union officer or representative to want access to Company premises or facilities, he or she may contact the Terminal Manager (including by telephone, fax, and/or e-mail communication) for authorization to do so, which will not be unreasonably denied.

There shall be no interruption of the work of employees due to such visits and representatives shall adhere to the established security and safety regulations.

ARTICLE 23 UNION LEAVE

Section 1.

For the purposes of attending and/or participating in national conventions, state conventions, training seminars, and Union sponsored conferences, up to six (6) weeks of unpaid Union leave in each bargaining unit will be approved each year. If the Union provides thirty (30) days advance notice of the need for such leave of absence, two (2) employees at each bargaining unit shall be granted such leave. Additional employees may be granted leave subject to the Company's being able to cover the assigned work. If less than thirty (30) days advance notice is given the Company may grant requests for Union leaves of absence subject to its being able to cover the assigned work. All costs for employee benefits owed to the Company as a result of Union leaves of absence shall be reimbursed by the employee. The Company is under no obligation to grant requests for Union leave under this Section between November 15 and January 1.

Section 2.

In addition to the leave described in Section 1 above and Section 3 below, the Company agrees to approve Union requests for unpaid leave for the purpose of participating in contract negotiations for a minimum of two (2) employees from each bargaining unit, subject to the Company being able to cover the assigned work.

Section 3.

The Company will make every good faith effort to approve incidental Union requests for unpaid leave for Union business such as, but not limited to, officer duties, steward duties, and attending or participating in grievance/arbitration hearing. The Union will make every good faith effort to avoid the use of incidental Union leave between November 15 and January 1.

ARTICLE 24 LAYOVER

The Company and Union agree to establish a Layover Committee for the purpose of discussing issues pertaining to drivers lodging while away from the home terminal. The Layover Committee will meet quarterly, at a time and place to be mutually agreed. At such meeting, the Union will be allowed three (3) representatives off the clock with each party appointing their own representatives. Any items for discussion shall be presented to the Company in writing within seven (7) days prior to the scheduled meeting.

All rooms shall accommodate one (1) driver per room. In the event the Company chooses to substitute its own facilities in lieu of motels or hotels, the facility will also accommodate one (1) driver per room.

ARTICLE 25 UNION DUES CHECKOFF AUTHORIZATION

Section 1.

The Company agrees to deduct and remit to the Union dues from the pay of employees who have so authorized in writing. The Company agrees to remit to the Union the amounts so collected prior to the end of the month for which such deductions are made. Deductions shall be in such amounts as are designated to the Company in writing by the Union.

Section 2.

Dues checkoff authorization shall be irrevocable for a period of ninety (90) days and shall be automatically renewed for successive ninety (90) day periods unless the employee furnishes written notice of revocation to the Union.

Section 3.

The Union Shall defend, indemnify and save the Company harmless against any and all suits, claims, demands and liabilities that arise out of or by reason of actions taken or not taken by the Company pursuant to this Article.

ARTICLE 26 HOLIDAY SCHEDULING

Section 1. Holidays

All Regular Drivers are eligible for and shall be paid for the holidays-recognized under the applicable Wage Determinations.

The recognized holidays will be observed on the days observed by the USPS.

Section 2. Holiday Scheduling

Regular Drivers subject to the needs of the Company and to the needs of the USPS service schedules, who wish to be off work on a recognized holiday, will complete the "time off" request form and turn it into the Company within twenty-one (21) calendar days prior to the holiday. The Company may permit Regular Drivers who have submitted a time off request to have the holiday off on the basis of seniority. Employees may volunteer to work on a holiday by signing the holiday sign up sheet two (2) weeks prior to the holiday. Volunteers will be assigned by seniority. As far as practicable, the holiday schedule will be posted ten (10) calendar days in advance of the holiday. All Regular Drivers who have not received advance approval for time off under this Section will be required to work on the holiday on their regular bid run, if the run is scheduled that day.

ARTICLE 27 DRUG TESTING & DOT PHYSICALS

The Company requires drug/alcohol testing of its employees to the extent authorized or required by applicable law. The Company will designate the drug/alcohol testing facility for all employee drug/alcohol testing. Employees will timely and properly comply with this provision. Failure or refusal to submit to a sobriety/drug test or failure to pass a drug/alcohol test are subject to Article 20, Section 2 of this Agreement.

The Company will make a lump sum payment equivalent to two hours of the employee's regular rate of pay for all time related to compliance with Company required drug tests. The Company will provide the employee with the form required to be submitted to obtain the lump sum payment. The Company will pay the cost of all examinations/testing. The Union agrees that it will cooperate with the Company in maintaining a drug free/alcohol free workplace.

The Company maintains a list of Company Designated Clinics with DOT certified medical providers. Employees must select one of the clinics for their DOT certified physicals. The Company also uses a third party consortium to manage the Company wide selection, paperwork, and billing with these clinics. If an employee would like his or her personal clinic to be added to the list of Company Designated Clinics, the employee may submit the request in writing to the Company's Safety Department. The Company will forward the request to its third party consortium for consideration. If the clinic meets the third party consortium's criteria for adding a new clinic, the Company will agree to add the clinic to its list of Company Designated Clinics. The decision to add or not add a new clinic is the sole discretion of the third party consortium.

ARTICLE 28

REVOCATION OF CDL AND DENIALS OF ACCESS TO MAIL

In cases arising under subparagraphs (e) and (f) of Article 9, Section 4, a driver will not immediately lose his or her seniority. Instead, he or she will first be placed on an unpaid leave of absence, for no longer than one year. (In the case of partial denied access the employee will be permitted to perform available work not impacted by the partial denial, if practical). If, during this period, the employee's CDL is restored or the denial of access to mail or other restriction is lifted, the employee will be returned to duty with no loss of seniority. If not, the provisions of Article 9, Section 4 shall apply. Nothing in this Article, however, shall prevent the Company from subjecting the driver to the disciplinary provisions of this Agreement as to the conduct which led to the loss or revocation of the CDL or to the denial of access to mail or other restrictions.

ARTICLE 29

VACATION SCHEDULING

Section 1. Choice Vacation

The "Choice Vacation Period" shall be from January 1 through November 30 and from December 25 through December 31 of each calendar year.

Choice vacation scheduling will be assigned on a terminal seniority basis for written requests received from the employees. Each employee will be granted one (1) choice request per year. Requests for choice vacation may be submitted for one or more weeks per request, up to the number of weeks earned each year.

A. Choice vacation requests for January 1 through February 28 of the following year will be submitted by December 15th of the preceding year, and will be approved or disapproved by December 22nd.

B. Choice vacation requests for March 1 through November 30 and from December 25 through December 31 shall be submitted during the month of January and will be approved or disapproved by February 15 each year.

Section 2. Choice Vacation Percentages

The granting of any choice vacation period is at the discretion of the Company, subject to its scheduling needs. A minimum of five percent (5%) for any terminal and outlying areas reporting to that terminal will be allowed vacation in any week. In applying the above percentage, any fraction of .51 or greater will result in one additional Driver being allowed off. The parties agree that those Terminals and outlying areas consisting of so few Drivers that the applicable percentage does not provide for a fraction of .51, will allow at least one (1) Driver off.

The Company is under no obligation to honor any requests for choice vacation requests occurring between November 30 and December 25.

Section 3. Non-Choice Vacation

A. All requests for vacation other than choice vacation will be requested in writing on a standardized

form and scheduled on a first-come, first-served basis, by seniority. Requests turned in on the same day will be treated as having been received at the same time. An employee may not submit more than four (4) vacation requests on any day.

B. The granting of any vacation period is at the discretion of the Company, subject to its scheduling needs. Such requests will be acted upon as soon as practicable and the employee will be notified in writing within seven (7) calendar days. The Company shall retain a record of all disapproved vacation requests in the order they were received and denied. This record will be used to fill cancelled vacation time or for the approval of alternative vacation requests.

Section 4. Team Runs/Sleeper Drivers

A. A Driver assigned to a Team Route must schedule vacation and take vacation time corresponding to the length of time reflected in the trip schedule on the basis of one (1) hour of vacation to be used for every three (3) hours the trip is scheduled to be gone. Examples for purposes of clarification only:

- Trip schedule of 24 hours gone: 8 hours of vacation
- Trip schedule of 30 hours gone: 10 hours of vacation
- Trip schedule of 36 hours gone: 12 hours of vacation
- Trip schedule of 48 hours gone: 16 hours of vacation
- Trip schedule of 49 hours gone: 16 hours of vacation
- Trip schedule of 56 hours gone: 19 hours of vacation
- Trip schedule of 72 hours gone: 24 hours of vacation
- Trip schedule of 96 hours gone: 32 hours of vacation
- Trip schedule of 120 hours gone:..... 40 hours of vacation

(1). Partial hours of vacation under this formula will be rounded to the nearest whole hour.

(2). Team Drivers who have a remaining vacation balance of fewer hours than the above formula may request to take such hours under Section 3, Non-Choice Vacation selection.

B. The parties agree that Drivers who are on Team Runs that include December 25th may apply for Non-Choice Vacation requests for necessary days prior to December 25th, which will be considered as outlined under Section 3, above.

Section 5. Increments.

After one year of employment, and except as provided in Section 4 above, an employee may request to take vacation in separate or consecutive eight (8) hour increments. Such requests will be made following the procedure in Section 2 and Section 3, above.

Section 6. Vacation Banking

Any employee with five (5) or more years of service may bank up to forty (40) hours of vacation each year. However, no employee can have more than 40 hours of vacation banked at any time. All other unused vacation may not be carried over from year-to-year and must be cashed in.

ARTICLE 30 BEREAVEMENT LEAVE

In the event of a death of an immediate family member, employees will be granted reasonable leave. An employee may receive up to three days (at the hours schedule in Article 32, Section 3) of bereavement leave with pay per occurrence for scheduled work days actually missed, but otherwise, bereavement leave is without pay.

In the event of the death of a proxy team member, the current surviving proxy team member shall be granted one (1) day of paid bereavement leave to attend the funeral/memorial service if occurring on a scheduled day of work.

Immediate family member is defined as a parent, stepparent, legal guardian, spouse, child (including foster and stepchild), grandparent, brother, sister, brother-in-law, sister-in-law, parent-in-law and grandchildren.

The Company may require, and the employee shall provide if requested, verification of the need for bereavement leave and/or the relationship of the deceased family member. Requests for bereavement leave must be made to the Terminal Manager as soon as possible.

ARTICLE 31 VACATION PAY

Section 1.

Eligibility for vacation pay, the length thereof, and the amount of vacation pay, will be determined by the applicable Wage Determination under the Service Contract Act and implementing regulations, including proration for employees working less than 40 hour weeks on average, with the following exceptions as to eligibility:

- (1) Current Employees who have worked more than three (3) years as of January 1, 2012, shall continue to receive three (3) weeks vacation after eight (8) years employment; and
- (2) Current Employees who have worked more than three (3) years as of January 1, 2012, shall continue to receive four weeks vacation after eighteen (18) years employment; (except where the wage determination provides (4) four weeks vacation after fifteen (15) years); and
- (3) Current Employees who have worked more than three (3) years as of January 1, 2012, shall continue to receive five (5) weeks vacation after twenty-three (23) years employment. Current employees as of January 1, 2012, who are receiving five (5) weeks vacation after twenty (20) years employment will be “grandfathered” to continue receiving five (5) weeks vacation.

Employees who are added to the bargaining unit as the result of the Company assuming an existing postal contract through assignment or otherwise, will only be entitled to such vacation as is set forth in the applicable Wage Determination for that contract.

Section 2.

Vacation hourly entitlement for each week of vacation shall be based on the following table:

- (a) Vacation pay for drivers on a bid package:
 - *schedule is over 35 hours per week shall be paid 40 hours per week of vacation;
 - *schedule is 30-35 hours per week shall be paid 35 hours per week of vacation;
 - *schedule is under 30 hours per week shall be paid their weekly scheduled hours for vacation weeks.
- (b) Vacation pay for extra board drivers shall be a minimum of 30 hours per week or a weekly average of the driver's total hours worked for the previous 52 weeks in accordance with (a) above, whichever is greater.

ARTICLE 32 HOLIDAY PAY

Section 1.

The number of hours of holiday pay, and eligibility therefore, will be determined by the applicable Wage Determination under the Service Contract Act and implementing regulations, including proration for employees working less than 40 hour weeks as set forth below.

Section 2.

Employees will have the option of receiving holiday pay for the holiday or banking the hours for future time off with pay. Employees who choose to take time off pursuant to this article must request leave in separate or consecutive eight (8) hour increments (except in cases where the holiday pay is prorated) and follow the normal procedures for requesting leave. If an employee is scheduled to work on the holiday, he or she will be expected to work on that day. Employees who exercise the option of banking the hours for future time off with pay must submit a Holiday Banking Form. This form must be submitted no less than 7 calendar days prior to the holiday(s) selected to be banked. To rescind a banked holiday, the driver must submit written notice to rescind no less than 7 calendar days prior to that banked holiday.

- A. Employees may cash in banked holiday pay at any time during the year at their discretion. Such payments will be included with their regular pay check or direct deposit.
- B. Employees must cash in all unused banked holiday pay at the end of the calendar year. Payment or unused banked holidays at the end of the year will be annotated as "ADJ HOL," and income taxes will be withheld from that amount separate from the amount of the employee's regular wages for that pay period. If Christmas falls after the cutoff date for the final payroll for the calendar year it shall be included in the banked holidays "ADJ HOL" payment for the current year, provided the employee has banked the Christmas holiday by submitting a holiday banking form by December 24th of the preceding year.

Section 3.

For employees who are regularly scheduled to work less than 40 hours per week or in the case of

employees who do not have a regular schedule, for employees who in the 6 weeks preceding the holiday worked on average less than 40 hours per week, holiday pay will be prorated as follows:

<u>Scheduled or Avg. Weekly Hours</u>	<u>Holiday Pay Hours</u>
36 or more Hours	8 Hours
30 to 35.99 Hours	6.5 Hours
24 to 29.99 Hours	5 Hours
Less than 24	Prorated on a 1:5 ratio

The Driver must work the holiday (if scheduled), the scheduled day prior to the holiday and the scheduled day after the holiday, unless on approved Vacation or Excused Absence, in order to be eligible to receive any holiday pay in accordance with this Section.

If a Bid Driver is called in to work within forty-eight (48) hours of another Driver's scheduled holiday run or scheduled run prior to the holiday or scheduled run after the holiday, the Bid Driver will receive an additional eight hours holiday pay, so long as the Bid Driver completes the applicable run(s). Bid Drivers will be selected in accordance with Article 18., Section 4 Extra Board Dispatch Procedures with respect to Regular Drivers desiring extra work.

ARTICLE 33 JURY DUTY

If an employee is summoned for jury duty, the employee shall notify the Company of the scheduled jury service date no later than two (2) days before the service date. Jury duty pay is available to regular, full time, non-probationary employees who lose scheduled work time because they are involuntarily called to serve on a jury. Jury duty pay shall be reduced by any amounts paid by the court for such service. A Juror Attendance Slip or other satisfactory written proof of dates and time served and compensation received must timely be submitted to the Company in order for an employee to be compensated for the paid absence. In the event an employee is released from jury duty on any particular scheduled day or early on a scheduled day, the employee will immediately call the dispatcher for possible work assignment. It is understood that any work assignment will be in accord with DOT regulations. It is the employee's responsibility to report for work at the end of an approved jury service leave.

Regular, full time, non-probationary employees who are called for jury duty on regularly scheduled work days shall be paid the difference between the amount received for such service and their hourly earnings not to exceed eight (8) hours per day, and forty (40) hours in any week. Jury duty pay is limited to twenty (20) days in a calendar year. In no event will payment be made for jury duty performed on a contract holiday or when an employee is on leave of absence.

When an employee is requested by the Company to attend Court or be a witness for the Company in any hearing, and the employee timely and properly attends during the employee's scheduled work time, the employee shall be paid for the employee's lost work time due to such service and reimbursed for any authorized expenses incurred by attending any such hearing. When the employee is dismissed from court or other hearing, the employee shall call his/her supervisor or terminal manager for possible work assignment. Any amount received by the employee as a witness fee shall be deducted.

ARTICLE 34 WAGES

Section 1. – Drivers

A. Newly hired Drivers will be paid \$10.00 per hour for their new hire orientation.

B. The wages of Drivers will be the amount stipulated as the hourly wage under the applicable Wage Determination – Occupation Code - Title under the Service Contract Act for all mail hauling services. The applicable wage determinations are subject to periodic adjustment by the U.S. Department of Labor, and the Company will provide copies of the applicable wage determinations to the Union upon request.

With the exception of worker's compensation light duty, Drivers will be paid \$17.25 for trailer shuttle work, courtesy car transfer, and other non-mail hauling services work unless otherwise agreed by the Company and the Union, and will not receive any Base Health, Welfare & Pension Benefit for such work. Courtesy car transfer is driving a Company vehicle as long as the driver is not engaged in mail hauling services as part of such route requirements, and therefore subject to the applicable Wage Determination Occupation Code – Title as referenced above.

Section 2. Compensated Hours

- A. Drivers shall be paid for all hours worked as defined by the U.S. Department of Labor Wage & Hour Regulations, unless compensated by the mile in accordance with applicable law. Scheduled Pay Hours are *estimated* to provide Drivers with the Company's work efficiency expectations. The Scheduled Pay Hours allow for both the efficient, safe, and timely operation of transportation vehicles and performance of other work duties and responsibilities, and is designed to provide sufficient time to perform all duties and responsibilities the Company deems necessary (including but not limited to inspection time, fueling, driving, loading/unloading, and paperwork) along with all applicable off-duty sleep and meal-time breaks.
- B. Drivers' hours worked begin when Drivers put the key in the transportation vehicle ignition unless specially instructed to being work earlier. If Drivers choose to get their keys before their scheduled work time, such as to load personal items in the truck, such time is considered off duty time.
- C. Team Runs: As long as the non-driving Team Driver is not performing any work (including but not limited to completing paperwork, assisting the driving Team Driver in any manner, required coordination with dispatch, etc.), off-duty sleep breaks must be taken in the sleeper berth, while meal-time breaks can be taken, in the discretion of the Driver, in the sleeper berth, sleeper cab passenger seat, and/or at a stop, so long as no work is performed as provided above. In the discretion of the Driver, when the tractor-trailer is in motion, off-duty meal-time breaks may be taken (i) in the sleeper berth; or (ii) in the passenger seat, up to two hours immediately before or after a period of eight consecutive hours in the sleeper berth, so long as no work is performed. Off-duty meal time breaks may be taken whether or not food is consumed.

- D. Drivers must always report actual time worked regardless of whether the Driver completed all work within the Scheduled Pay Hours or not. If a Driver is unable to complete all hours worked within the Scheduled Pay Hours (regardless of the reason), the Driver must accurately report within two pay periods all additional time worked over and above the Scheduled Pay Hours by submitting a Driver Delay Form with a complete explanation. The completed Driver Delay Form will be reviewed and considered in order to determine whether, and how much, additional time has been worked and is compensated which will, based on the facts and circumstances, be “Approved as Requested”, “Partially Approved”, or “Denied” consistent with applicable law. When a Driver submits a Driver Delay Form, a copy of the form will be provided to the Driver upon request.
- E. When a Driver takes an off-duty meal-time break of 30 minutes or more (or is relieved of duty per the schedule) and stops the transportation vehicle, the Driver is responsible for parking the transportation vehicle in accordance with the applicable laws, ordinances, and regulations of the jurisdiction in which it is being operated, and ensuring that the transportation vehicle is properly secured (i.e. cab door locked and cargo door sealed with padlock as applicable). Once parked and secured, the Company specifically relieves the Driver of all duties and responsibilities, whether active or inactive, including but not limited to responsibility for the transportation vehicle, trailer and cargo, during the off-duty break period. During this off-duty break period, the Driver is at liberty to pursue activities of his/her own choosing, unless otherwise prohibited by applicable law or Company policy. If a Driver has any questions about Scheduled Pay Hours or off-duty breaks, the Driver should contact his or her Supervisor.
- F. The scope of Article 19. includes any claim that the Company has violated some provision of this Agreement and/or violated or failed to adhere to an obligation provided by applicable law as a "grievance“. In this regard, should any difference arise as to the meaning, interpretation or application of the provisions of this Agreement particularly including Article 34. and/or a violation or lack of adherence with any applicable law, regulation or ordinance, including but not limited to the National Labor Relations Act, Service Contract Act, Fair Labor Standards Act and any state or local law, shall be solely resolved within the scope of Article 19. as herein provided and as provided by applicable law consistent with the Federal Arbitration Act, whether individual, collective and/or class claim(s).

ARTICLE 35 PAYDAY

Payday will be one week and one day after the current end of the two (2) week pay period applicable to each facility. The Company may transition from bi-weekly pay to weekly pay and payday will be no longer than ten days after the end of the weekly pay period. Upon being notified by a driver that the Company has made a mistake on a driver's pay check, the Company will provide the driver an additional check correcting any error within two (2) business days.

ARTICLE 36 DIRECT DEPOSIT

Direct deposit will be made available by the Company for optional use by the employees at a financial

institution of the employee's choice. The employee may direct that the payroll be deposited in up to two (2) accounts/financial institutions. The Company shall ensure that any direct deposit of wages is processed by the Company and available to the employees to comply with the normal Payday provisions in Article 35.

Any employee, who does not elect to use direct deposit for payment of wages, shall be paid through a check card system established with a bank of the Company's selection. Before transitioning any employees currently receiving paper paychecks, the Company will provide the employee with at least 30 days notice and give the employee the option of direct deposit or the check card system. No activation fees or monthly service charges shall be assessed by the Company or the bank against the employee for the use of the check card. If the employee chooses additional check card features fees may be assessed by the bank, and the employee shall be responsible for all charges and debits the employee incurs with third parties.

ARTICLE 37 FRINGE BENEFITS

Section 1. Layover Pay

All Drivers who are dispatched on a Monday through Friday including cumulative layover hours during the course of a single run of twenty-four (24) hours or more shall receive thirty (\$30.00) per layover.

A group of cumulative layovers totaling 24 hours or more during a single run shall be treated as a single layover for purposes of this Section 1. If a Driver is dispatched on a Monday through Friday and has a scheduled layover that exceeds forty-five (45) hours, the Driver will receive an additional thirty (\$30.00) for the layover.

All Drivers who are dispatched on a Saturday or Sunday and have a scheduled layover including cumulative layover hours during the course of a single run of the following hours shall receive the corresponding layover pay: sixteen (16) hours or more = \$35.00; twenty-six (26) hours or more = \$45.00; thirty-six (36) hours or more = \$55.00; forty-six (46) hours or more = \$75.00.

In addition, the Company may also assign work to a Driver who has a continuous layover of twenty (24) hours or more during the layover, provided the Driver has available hours without interfering with his or her return trip in accordance with applicable DOT regulations.

The above provisions apply only to existing and current postal contracts. If the Company obtains additional contracts or work through new bidding, consolidation through area bidding, or acquisition which results in adding or changing routes that would increase the number of layovers qualifying for layover pay, the parties will negotiate layover rates for such layovers prior to posting the bids(s).

Section 2. Call-in Pay

If an off-duty driver timely and properly reports to the appropriate terminal in response to a call-in assignment from the authorized Company representative and the call-in assignment is canceled by the United States Postal Service or the company, the affected driver is eligible for four (4) hours pay at the Wage Determination rate of the canceled assignment.

Section 3. Emergency Transportation

If an employee has an immediate major personal emergency (e.g. death or life threatening accident or

illness of an immediate family member), the employee will be considered out of service and the Company will provide appropriate transportation home. If the employee rejects the transportation provided by the Company, choosing an alternative method of transportation, the Company will reimburse the employee up to the cost of the appropriate transportation home that the Company was willing to provide for the employee.

Section 4. Disability Insurance

The Company will provide \$25.00 per month per employee toward the cost of short-term disability benefits for all eligible employees (i.e. those scheduled to work or on average working 30 hours per week). Such premium contributions shall be credited toward satisfaction of the Company's benefit determination obligations under the Service Contract Act ("SCA") and shall reduce the amount of cash equivalent benefit payments made to each employee. All eligible employees will have the opportunity to purchase additional short-term disability coverage through the cafeteria plan.

The Company will require the broker providing Disability Insurance to provide a certificate for the policy to each participating employee. The Company will also make the group policy available on a Benefits website for review by employees.

Section 5. Life Insurance

Eligible employees (i.e. those scheduled to work or on average over a thirteen week period working 30 hours per week) will be covered with \$40,000 face value term life insurance benefits without medical qualification, subject to the terms of the applicable life insurance policy. The monthly premiums of \$20.00 shall be paid by the Company, shall be credited toward satisfaction of the Company's fringe benefit obligations under the SCA and shall reduce the amount of cash equivalent benefit payments made to each employee. All eligible employees will have the option to purchase additional life insurance benefits through the cafeteria plan. The Company will make available the option to add family members to the life insurance policy for face amounts of 10,000 for the Employee's spouse and \$5,000 for each child.

The Company will require the broker providing Life Insurance to provide a certificate of coverage for the policy to each participating employee. The Company will also make the group policy available on a Benefits website for review by employees.

Section 6. Cafeteria Plan

The Company shall continue to maintain a cafeteria benefit plan under which each employee may elect to purchase group health insurance for his or her spouse and/or family, and to participate in certain insurance programs for group term life, disability (including additional short term disability), dental, cancer, accident, and vision, as well as other benefits that may be offered under the cafeteria plan from time to time. Employees who elect to participate according to the terms of the plan will be permitted to pay for the cost of those benefits with pre-tax dollars. Participation and coverage under the cafeteria plan will be governed by the applicable plan document. The Company shall not be responsible to pay any portion of the premiums or cost for the insurance and benefits offered under the cafeteria plan.

For each insurance coverage elected by an employee under the Cafeteria Plan, the Company will require the broker providing that Insurance to provide a certificate of coverage for the policy to each participating employee. The Company will also make the group policy available on a Benefits website for review by employees.

Section 7. Retirement Plan

The Company has previously established a 401(k) Plan. Eligibility for and voluntary participation in such Plan by bargaining unit Drivers and Shreveport Mechanics is in accordance with the terms and provisions of such Plan. The Company will contribute to each eligible Participant's Matching Contribution Account on an annual basis. The amount contributed by the Company is equal to thirty percent (30%) of the eligible Participant's contribution, up to a maximum of six percent (6%) of the eligible Participant's pay. The Company will also make the Summary Plan Description available on a benefits website for review by employees.

Section 8. APWU Benefit Plans

Each eligible employee who is a member of the APWU may elect to participate in welfare benefit plans offered by the APWU and its affiliates. The Company, upon receipt of written authorization from an employee will deduct the cost of the premiums for such benefits from the employee's compensation and remit the amount of such deduction to the Union in the form of an increased dues contribution. The Company does not, by virtue of agreeing to make such deduction or contribution, become a sponsor or participating employer in any such benefit plan offered by the APWU and its affiliates. Nothing in this Section 8 is intended to, nor shall it be construed to, make the Company a participating employer in any multi-employer pension plan or benefit plan sponsored by the APWU and its affiliates.

ARTICLE 38 HEALTH INSURANCE

During the term of this Agreement, the Company shall provide benefits to Drivers in compliance with the applicable fringe benefit determination under the Service Contract Act, the applicable Postal Service Contract and the applicable Department of Labor regulations. For purposes of this Article, the benefit allowance for each Driver shall be calculated by multiplying the number of hours worked during the applicable period, up to a maximum of forty hours per workweek, by the amount allowed under the fringe benefit determination. The benefits will be provided as a combination of benefits and cash equivalent as specified herein.

Section 1. Health Insurance

A. The Plan. The Company currently sponsors an insured health and major medical plan (PPO) through United Health-Care ("UHC"). The Plan provides the benefits and rates listed in the Plan Benefit Summary attached as an Addendum to this Agreement for each eligible Driver. The Company will require UHC or the broker to provide a copy of the PPO Benefit Summary to each participating Driver. The Company will also make the health and major medical Plan policy available on the Company's website for review by Drivers.

Participation and coverage under the Plan will be governed by the applicable plan documents as they may be amended from time to time. In the event any such documents are subsequently amended, copies of such amendments will be provided to the Union.

B. Eligibility. Full Time Regular Drivers scheduled to work a minimum of thirty (30) hours per week are eligible to and must participate in the Plan, unless permitted to opt out under paragraph D. below. All newly hired Full Time Regular Drivers will be enrolled in the Plan upon being hired and coverage will be effective on the first day of the month following the first full month after their hire. Regular Part-Time Drivers working less than thirty (30) hours per week on average using the applicable six (6)

month standard under the Affordable Care Act regulations (which may be amended), are not eligible to participate in the Plan. If a Driver is on a bid run that is scheduled for 30 or more hours per week and the hours for that run are subsequently reduced below 30 hours, the Driver's continued health insurance participation shall be in accordance with the Affordable Care Act.

C. Payment of Premiums. The Company will pay the premium cost for each eligible Driver from the benefit allowance, as defined above. A portion of the cost of the premium for individual coverage shall be adjusted from the benefit allowance for each pay period. If a Driver elects additional coverage beyond the required level of participation and the benefit allowance for that Driver is insufficient to cover the additional premium cost, the Driver shall be responsible for making up the difference through payroll deduction or otherwise.

D. Opting Out of the Plan.

Permitted Opt Out Reasons:

If an otherwise eligible Driver meets one of the permitted Opt Out Reasons and satisfies the Opt Out Certification, he or she may Opt Out of the PPO. The Opt Out Reasons are as follows:

1. **Medicare** - The Driver is or subsequently becomes enrolled in Medicare Parts A and B; or,
2. **Veteran's Administration** - The Driver is or subsequently becomes enrolled in a Veteran's Administration ("V.A.") health plan; or,
3. **Native American Tribal Nation Health Plan** – The Driver is or subsequently becomes enrolled in a Native American Tribal Nation Health Plan; or,
4. **Spouse/Domestic Partner's Employer Group Coverage** - The Driver is or subsequently becomes enrolled in a Spouse/Domestic Partner Employer Group Plan.

To continue the Spouse/Domestic Partner's Opt Out Reason, the Driver must satisfy the Spouse/Domestic Partner's Employer Group Plan Opt Out Certification (or recertify) no later than forty-five (45) days prior to each anniversary date of the PPO (currently October 1).

If the Claims/Premium Ratio of the Base level of the Company-Wide PPO exceeds ninety (90%) for any October 1 – September 30 time period, the Spouse/Domestic Partner's Opt Out Reason may be terminated for all Drivers effective the succeeding March 1, unless otherwise agreed to pursuant to Section F below.

Opt Out Certification:

The Opt Out Certification requirements are based on the Permitted Opt Out Reasons. They are as follows:

1. **Medicare Parts A and B** – Submit: (a) signed waiver of coverage (Company provided form); and, (b) copy of the Driver's current Medicare card showing that the Driver has Part A

Hospital, Part B Physician, and Part D Prescription Drug coverage under Medicare.

2. Veteran's Administrative Health Plan - Submit: (a) signed waiver of coverage (Company provided form); and, (b) copy of the Driver's current V.A. card.

3. Native American Tribal Nation Health Plan – Submit: (a) signed waiver of coverage (Company provided form); and, (b) copy of the Driver's current Native American Tribal Nation Health Plan card.

4. Spouse/Domestic Partner's Employer Group Coverage – Submit a signed waiver of coverage (Company provided form) and submit one of the following two types of supporting evidence of current coverage on the Driver's spouse or domestic partner's employer group plan:

- (a) Documentation from the spouse/domestic partner's employer group insurance company, including documents identifying the (i) name of the employer group insurance company, (ii) spouse/domestic partner's name, (iii) Driver as a covered dependent, (iv) effective date of coverage, and (v) coverage is current; or
- (b) Notice from spouse/domestic partner's employer on employer's letterhead, providing sufficient information confirming Driver by name and is currently a covered dependent under the spouse/domestic partner's employer group plan. The letter must be signed by an authorized human resources/benefits department (or comparable) representative of the spouse/domestic partner's employer including a telephone number to contact the signatory for any follow up questions.

Any Driver submitting acceptable supporting evidence under the Spouse/Domestic Partner's Employer Group Coverage Opt Out reason will have an Opt Out effective date of the first of the month following the month the Opt Out was certified by the Company. However, if a Driver is able to submit acceptable supporting evidence no later than the 5th calendar day of the month that the Driver's spouse/domestic partner's employer group insurance becomes effective, the Driver will have an Opt Out effective date of the first of the month within the month the Opt Out was certified by the Company. If newly hired Drivers are able to submit acceptable supporting evidence before the end of the month immediately prior to the effective date of coverage, the newly hired Driver will Opt Out without ever being enrolled in the Plan.

E. Family Coverage. If an eligible full time Driver elects coverage under the Plan for his or her spouse and/or family, then the Driver shall be responsible for paying the premiums for such coverage through payroll deduction or through the cafeteria plan.

F. Reopening. The parties will reopen negotiations regarding this health insurance plan or a replacement upon the occurrence of any of the following events:

- (1) UHC announces an intent to raise premiums on the Plan by more than 5% per month;
- (2) UHC announces its intent to cancel or non-renew the program;
- (3) UHC substantially reduces or otherwise negatively changes the type or quality of benefits provided under the plan;
- (4) as a result of any federal health care reform, legislation or regulations are passed which

- make the plan unfeasible or cause the benefit to be taxable;
- (5) at any renewal time for the Plan; or
- (6) any change in the Affordable Care Act that materially affects the Employer's obligation to offer and/or provide coverage to Drivers.

Section 2. Cash Equivalent for Balance

To the extent that a Driver's full benefit allowance is not used to pay for the Driver's health and major medical premiums or the premiums for coverage under Article 37, the Driver shall be paid the unused portion as a cash equivalent.

Section 3. Seasonal Drivers

Seasonal Drivers who are working under a seasonal employee agreement shall not be eligible for benefits under this Agreement. The welfare and benefit stipend under the Service Contract Act will be paid to seasonal Drivers in cash.

ARTICLE39 SEPARABILITY

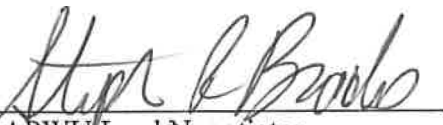
If any term of this Agreement becomes invalid or unenforceable by reason of any existing or future federal or state law, directive, order, rule, regulation or decision by a court of last resort, such invalidity or unenforceability will not affect or impair any other terms or provisions of this Agreement.

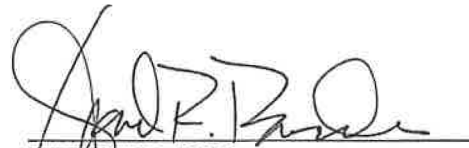
ARTICLE40 DURATION

This Agreement shall be in full force and effect from April 13, 2019 through and including April 12, 2021.

IN WITNESS WHEREOF, the Parties execute this Agreement on the date designated below.

Dated: April 11, 2019

By: 
APWU Lead Negotiator

By: 
PAT SALMON & SONS, INC.

ADDENDUM I ATTENDANCE

Section 1.

Because of the service nature of the Company's business, it is necessary that employees report to work on time, ready to work every day, and to work all scheduled hours and runs. Excessive tardiness and poor attendance disrupt customer service and cannot be tolerated. The Company has adopted the following standards on the number of allowable absences within a specific period. For purposes of this policy, "an occasion of absence" is defined as: (a) the failure to timely report and/or remain at work as scheduled, or (b) the failure of an Extra Board driver to return a message from a dispatcher within thirty (30) minutes, or (c) an Extra Board driver's refusal to accept a forced dispatch run or are non-responsive to the forced dispatch call.

Section 2.

This definition includes late arrival, tardiness and early departure, and all other times lost from the job, except:

1. Holidays;
2. Vacation;
3. Death in the immediate family;
4. Leave due to work related injury or illness;
5. Approved leaves of absence;
6. Days on which no work is scheduled;
7. Time away from work pursuant to the Family and Medical Leave Act;
8. Time away from work allowed as an accommodation to an employee with a disability;
9. Military leave; and
10. Excused absence or tardies.

If an employee is going to have an occasion of absence, the employee should notify the dispatch office or Terminal Manager at least 4 hours in advance of the scheduled work time if possible. If tardiness, notice must be provided as soon as practicable.

An occasion may not be deemed excused simply because of timely notification. The employee may contact the Terminal Manager to inquire whether the occasion is considered to be excused or unexcused. The employee will be provided an opportunity to provide documentation to change the absence or tardiness to be recorded as "excused".

Employees who report in a condition considered not fit for work will not be allowed to work, maybe disciplined, and will be counted as absent. Employees who report for work without proper equipment or in improper attire may not be permitted to work and may be counted as absent.

Section 3.

When an employee has one (1) or more "unexcused" absences recorded against them, the employee will

be issued a documented counseling statement and be provided a copy of this Addendum, and the employee will be informed that subsequent unexcused absences within a 6 month period could result in additional progressive discipline.

Additional progressive discipline for unexcused occasions of absence shall be issued as follows:

- A. Upon two occasions of absence in a 6 month period, the employee will be issued a Written Warning concerning attendance standards.
- B. Upon three occasions of absence in a 6 month period, the employee will be issued a Final Warning concerning attendance standards.
- C. Upon four occasions of absence in a 6 month period, the employee may be discharged from employment.

Any employee who, as of the date of adoption of this Agreement, has four or more unexcused occasions of absence, will be provided with a copy of this Addendum and informed of the change to paragraph C. above. Such employee will not be subject to immediate discipline, but the Company will notify the employee that any further occasion occurring within applicable 6 month period will result in discipline up to and including termination from employment.

Tardiness:

If an employee is tardy on two occasions within the applicable 6 month period, it shall constitute one occasion of absence. If an employee is tardy on consecutive days, each day shall be considered a separate occasion of tardiness.

Absences Consecutive Days and Failure to Report/Call Dispatch:

If an employee is absent from work on consecutive days due to the same illness or injury, the absence will be treated as a single occurrence. If an employee fails to report to work without calling dispatch at least four (4) hours in advance of the scheduled start time, each occurrence shall be treated as 1 ½ occasions of absence under this Addendum unless excused.

Job Abandonment:

If an employee fails to report to work without calling in on four consecutive scheduled workdays, the employee will be considered to have abandoned his or her job and otherwise resigned without notice and the employment will be terminated effective the day after such fourth consecutive scheduled workday. For Extra Board Drivers, a scheduled workday includes a day the Extra Board Driver is scheduled to be available for dispatch. Exigent or emergency circumstances will be given consideration.

ADDENDUM 2 WORK RULES

The following are the Company's work rules, discipline may be given to employees for violations of the following rules.

1. DWI or DUI charged for driving while intoxicated (any vehicle).
2. Improperly leaving the scene of an accident (hit and run).
3. Any act of dishonesty or theft from the Company, a customer or another employee of the Company.
4. Unauthorized possession, use or misuse of Company property.
5. Possession of firearms or explosives in or on Company property or a postal facility.
6. Having an at-fault accident while operating a Company vehicle.
7. Fighting while in or on Company property or while on duty.
8. Insubordination.
9. Gambling while in or on Company property or while on duty.
10. Intentional material omission of facts, falsification of Company records (including personnel records) or giving false information, which are required by local state, federal or DOT rules and regulations.
11. Verbal or physical abuse of any co-worker, customer, or customer employee or other forms of harassment be they sexual or otherwise.
12. Engaging in horse play or practical joking which endangers the safety of any person or property.
13. Engaging in conduct attributable to the Driver (e.g., E-log violation, not possessing eyeglasses, hearing aids or medical card, etc., but not including mechanical or inspection defects) which results in an out of service event per DOT regulations.
14. The use of any mobile communication device (e.g., cell phone, Blackberry device, iPod, MP3 player, tablet, etc., without a hands-free device, while operating a Company vehicle.

ADDENDUM 3

Safe Driving And Commitment Awards Program

The Company has established a Safe Driving and Commitment Awards Program to promote and recognize Safe Driving and Peak Performance at Salmon Companies. Under the Program, drivers would have the opportunity to achieve 3 types of awards which would include different benefit amounts. The benefits would be primarily in the form of award points that could be redeemed for a variety of merchandise and/or Salmon Companies logo items.

Safe Driving “Spirit” Award

Criteria – A driver would earn this award by completing 2,080 hours without having a disqualifying event.

Awards & Recognition – 10,000 points (\$50 approx value) + Recognition Certificate

Safe Driving “Star” Award

Criteria – A driver would earn this award after earning 10 consecutive Safe Driving Spirit Awards with no break due to a disqualifying event between any of the 10 awards.

Awards & Recognition – 50,000 points (\$250 approx value) + Safe Driving Star Award Pin + Recognition Certificate

Disqualifying Events

Any of the following single events are considered disqualifying events:

1. Preventable collision/accident in any owned or leased Company vehicle.
2. CSA BASIC violation for items under the driver’s control (e.g. moving violation, log book violation, etc.)
3. Written discipline for: (a) distracted driving (e.g. using handheld device, etc.); (b) failure to wear a seat belt; or (c) following too close.

Program Kick-Off

1. The Program would be effective starting with driving and performance as of January 1, 2014.
2. As a one-time kick-off of the Program, Full-Time drivers would be awarded 5,000 points for each of the 4 years 2010, 2011, 2012 and 2013 they were not involved in a Preventable accident in any owned or leased Company vehicle. Each credited year would also count towards a Safe Driving Star Award.

Program Changes

The Company reserves the right to modify, amend, replace, or terminate this program, subject to any applicable duty to bargain with the Union.

Non-Safety All Employee Tenure Award

25 Year Commitment Ambassador Award

Criteria – A Full-Time employee would earn this award after 25 years of dedicated, consecutive years of service.

Awards & Recognition – 20,000 points (\$100 approx value) + Signature Commitment Ambassador Ring (or pendant or charm at the driver's choice) + Recognition Certificate.

Implementation -- Employees qualifying retroactively for the 25 year Commitment Ambassador Awards would be awarded effective January 1, 2014.

Letter of Intent

Re: Article 20

Dear Mr. Boone:

This letter serves to reiterate the union's position regarding Article 20. During our contract talks on Monday, February 20, 2006 the Union stated that our proposal, which makes reference to "serious" preventable accidents, was made with the understanding that the Company would have wide latitude in determining what constitutes a "serious" preventable accident, as long as such determinations were not arbitrary, capricious, or discriminatory.

Sincerely,

Greg Pofert, (s) Chief Spokesperson, APWU