



TEAMSTERS UPS NEWS

FEBRUARY 2003

Local Union Review, Negotiating Committee Unanimous

UPS Teamsters will soon vote on a proposed contract that has been unanimously recommended by representatives from all 200 UPS locals and the Teamsters National UPS Negotiating Committee.

The National Negotiating Committee unanimously recommended the proposal on July 15, the night the tentative agreement was reached. Then, on Monday, July 22, more than 400 leaders from UPS local unions unanimously endorsed the tentative agreement, clearing the way for the package to be sent to members for their votes.

During the local union review, two representatives from each of the 200 UPS local unions carefully reviewed all the significant changes in the proposed contract.

Keith Clavin, President of Local 41 in Kansas City, Missouri, noted that the proposed contract breaks new ground.



“For the first time our negotiators have addressed Worldwide Logistics and the double-breasting issue,” Clavin said, referring to contract language that protects the jobs of feeder drivers, sorters and package-car drivers.

“The contract also maintains excellent health-care benefits, and it closes the part-time wage gap,” Clavin said. “Our members are also excited about the language that addresses the

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A Message From Parcel and Small Package Division Director Ken Hall

Contract Protects Teamsters

The 1997 national contract was a good contract, but the 2002 contract is substantially better.

In addition to substantial increases in wages and benefits, this contract provides unprecedented improvements in benefits for both full-time and part-time employees in areas such as long-term disability for full-timers and retiree health coverage for part-timers.

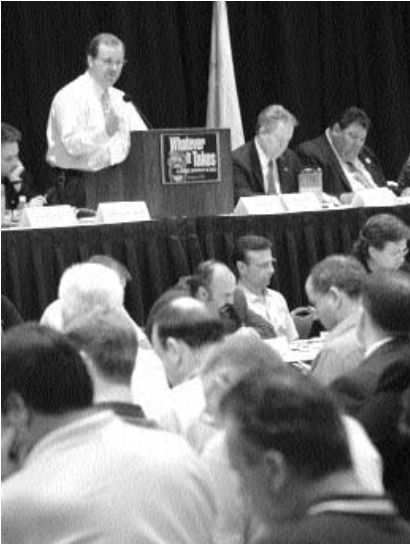
Another major improvement is job security. In 1997, we proposed to eliminate subcontracting work inside UPS buildings but were unsuccessful. This contract provides for the creation of about 10,000 new bargaining unit jobs, work that for several years has been

performed by subcontractors or non-bargaining unit employees.

Also in 1997, we proposed new language regarding the company's logistics operation but were unsuccessful in getting any protections for our members. This contract provides protective language together with a “letter of understanding” which prevents UPS from setting up another company (double-breasting) to duplicate the common carrier operation covered by our contract.

While monetary improvements are great, job security is equally important.

Local Union Review, Negotiating Committee Unanimous



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issue of supervisors working.”

“I think there’s something in this contract for everyone,” said Johnny Sawyer, Secretary-Treasurer of Local 61 in Asheville, North Carolina. “There’s something for part-time workers, feeder drivers, package-car drivers and others. In addition to the monetary increases, we made language gains in reducing excessive, mandatory overtime and language addressing payroll problems. It’s a big monetary package plus big language changes.”

“Monumental” Contract

Dave Lucas, a member of the Teamsters National UPS Negotiating Committee and Secretary-Treasurer of Local 671, in Bloomfield, Connecticut, agreed.

“The contract is monumental,” Lucas said. “I’m not surprised at the unanimous vote at all. We wanted to bring back something great and we did.”

General President Jim Hoffa urged local leaders to inform members about the contract, and for members to educate themselves about the proposal.

“I believe that members will be excited about this proposal. It rewards the hardworking men and women at UPS with the wages and benefits they deserve. This is a great time to be a UPS Teamster,” Hoffa said.

During the local union review, Ken Hall, Negotiating Committee Co-Chairman, read a summary of the tentative agreement highlighting the major changes.

“I am pleased that the local union leaders agreed that this is the best contract in UPS history. I am confident that the members will also agree,” Hall said. “This contract is considerably better than the 1997 contract, and I think it’s something we should be proud of.”

To get up-to-date information about when the ballots will be sent out, visit www.trakups.org or call the toll-free contract hotline, (866) TRAK-UPS.

Frequently Asked

Q Wages, pensions and health benefits are important to all members. What gains did we make in these three crucial areas for part-time workers and for full-time workers?

A The proposed contract is the richest in UPS history. The six-year tentative agreement contains average annual wage and benefit increases of \$1.46 per hour each year, compared to \$.98 per hour each year in the contract negotiated in 1997.

The proposed contract contains wage increases of \$5 per hour over the life of the contract (\$.75, \$.75, \$.80, \$.80, \$.90, \$1). There is also a \$1 “catch-up” increase for part-timers (\$.10, \$.15, \$.15, \$.20, \$.20, \$.20), which brings their total wage increase to \$6 per hour over the life of the contract. There is also a \$.50 wage increase per hour for part-timers after 90 days.

The proposed contract provides average annual increases of \$.63 per hour in health and pension contributions, compared to \$.36 per hour in 1997. **Your excellent health benefits will continue.** The proposal provides health and welfare and pension increases of \$3.75 per hour over the life of the contract (\$.65, \$.60, \$.60, \$.60, \$.60, \$.70).

The tentative agreement provides pension fund trustees with funding that protects pensions for all workers. Further, the contract provides increased pension benefits for part-time workers. For example, a part-time worker who retires at any



Asking Questions—and Answers

age with 25 years service will receive \$1,125 per month, up from \$1,000. A member with 25 years of service at age 60 will receive \$1,375 monthly, up from \$1,250. Also, the annual benefit for each year will increase from \$50 to \$55 effective August 1, 2004.

Q *If inflation is high in coming years, does the contract provide cost-of-living protections?*

A A cost-of-living allowance will be calculated on the basis of the Consumer Price Index (CPI), with the first possible payment on August 1, 2003. For every 0.2 percent increase in the index, over and above the base (prior year's) index plus 3 percent, there will be a 1-cent increase in the hourly wage. The COLA will be paid once it hits \$.05. Also, there is no upward limit—protecting workers against runaway inflation.

This will result in a real inflation fighter, and all cost-of-living allowances will become and remain a fixed part of the base wage rate for all job classifications. **A decline in the CPI shall not result in the reduction of classification base wage rates.**

Q *Many part-time workers want to work full-time. What kind of commitment does the company make about creating more full-time jobs?*

A The tentative agreement calls for the creation of at least 10,000 new full-time jobs from existing part-time jobs. This will happen starting in the third year of the proposed contract—2,500 new full-time jobs in the third, fourth, fifth and sixth years of the contract.

Also, the tentative agreement brings in-house nearly 10,000 clerical, auditor and air gateway jobs, most in the first two



years of the contract. Many of these jobs are currently subcontracted. This creates additional opportunities for more combination jobs.

Q *UPS workers expect a safe, healthy environment. How does the contract address job safety and health?*

A The proposed contract addresses a wide-array of health and safety issues and includes significant gains. For example, the proposal requires that all packages weighing more than 70 pounds be properly identified with tape that is clearly visible from all sides of the package. It also requires that package-car drivers be provided handcarts upon request.

Also, the union and members will be allowed full participation in center-based safety and health committees.

The proposal prevents discipline for reporting an on-the-job injury and restricts the use of information obtained

from an injury report from being used for disciplinary purposes.

Company representatives must also obtain worker consent before accompanying him/her to a medical examination or visiting an injured worker at home.

Maternity and paternity leave coverage under the Family and Medical Leave Act has been expanded.

Ways to provide ventilation in package-car package compartments will be explored.

A minimum rate will be established for UPS to replace the older package car fleet, thereby increasing the number of vehicles with power steering, as well as lower profile to reduce step height.

And UPS will pay for any medical tests it requires to confirm qualification pursuant to DOT medical examination for commercial drivers.

Q *Does the contract break any new ground? What are some "firsts" provided in the package?*

A Yes. In addition to numerous improvements, the contract contains significant first-ever gains.

These include retiree health insurance for all part-time workers and a first ever long-term disability plan for full-time employees.

Also, the company agrees to recommend in right-to-work states that employees become and stay members of the union. Further, the contract improves methods in dues collection, such as refunding dues when the company over-deducts dues.

The contract also protects Teamster jobs. UPS cannot set up a duplicate operation—under the "Worldwide Logistics" banner or any other name. This means Teamsters who are feeder drivers, sorters or package-car drivers don't have to worry



about losing their jobs through double-breasting.

In the area of pensions, UPS will grant additional years of credited service to full and part-time employees who worked for UPS after they were 21 years old but did not receive credit until they were age 25. Many employees will receive an additional four years of service credits, which will allow them to retire with higher benefits.

Q *As technology advances, what protections will workers have to insure our jobs are safe?*

A The proposed contract language is very clear here: “If a technological change creates new work that replaces, enhances or modifies bargaining unit work, Teamsters will perform that new or modified work. The Employer shall provide bargaining unit employees with training required to utilize the new technology, if necessary.”

Q *The problem of incorrect paychecks has been a big headache. How does the contract address that?*

A The company agrees to the penalty pay for every full pay period in which the shortage is not paid after the second scheduled work day, until corrected.

Also, paycheck stubs will show the year-to-date vacation, sick and personal leave balances.

Q *Excessive, mandatory overtime has meant that I've missed my daughter's soccer game or my son's baseball game. How does the contract address that?*

A This has been a particularly difficult problem for some package-car drivers.

Under the tentative agreement, any package-car driver who wishes to be relieved from overtime

on a particular day or days shall submit a request in writing at least 24 hours in advance. The company must allow a minimum of 10 percent of the package-car drivers in each center to choose not to work overtime—for up to two days a month per driver.

Also, the company shall make a reasonable effort to reduce drivers' workdays to below 9.5 hours per day where requested.

The contract also provides an expedited grievance procedure if excessive, mandatory overtime persists.

Q *At my center, supervisors often do the work of Teamsters. How does the contract help put a stop to that practice?*

A Under the proposed contract, UPS agrees that the function of supervisors is to supervise, and agrees to make every effort to maintain a sufficient workforce to staff its operations.

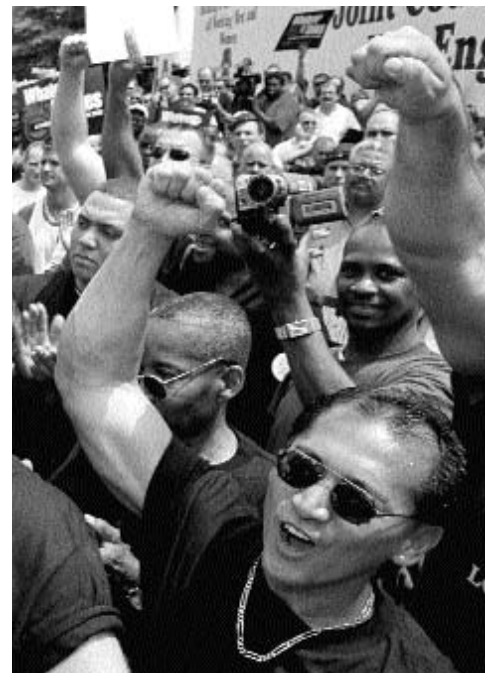
When additional employees are necessary, “the supervisor shall exhaust all established local practices to first use bargaining unit employees including where applicable, double shifting, early call-in, and overtime,” according to the proposed contract.

Where no local practice exists, each operation will maintain a part-time employee sign-up list for workers interested in coverage work.

The agreement also increases the monetary penalties if it's determined that supervisors were performing bargaining unit work.

Q *If I have questions or concerns about the contract, how can I get more information?*

A Call your local union representative.



The Media Weighs In

"230,000 UPS Teamsters have never seen a package like it. The richest labor agreement in their union's history. Thousands more jobs. Big pay raises. Better benefits."

— CBS Evening News with Dan Rather, Monday, July 22, 2002

"Collective bargaining is a series of precedents and benchmarks and in both areas this contract sends a powerful message,"

— Harley Shaiken, University of California—Berkeley on the CBS Evening News with Dan Rather, Monday, July 22, 2002

"In three years as president of the Teamsters, James Hoffa has claimed many victories in his push to fatten the paychecks of rank-and-file workers and boost the union's clout. Now he really has something to crow about."

— The Wall Street Journal, Wednesday, July 17, 2002.

"As details of a tentative contract pact were formally announced, it was clear the Teamsters got by far the richest contract ever from the company, even winning battles on issues that had gone nowhere in negotiations in previous contracts."

— The Wall Street Journal, Wednesday, July 17, 2002.

"The accord was the biggest test for the Teamsters' president, James P. Hoffa, and gives solid gains to the union at a time when organized labor and millions of workers face difficulties."

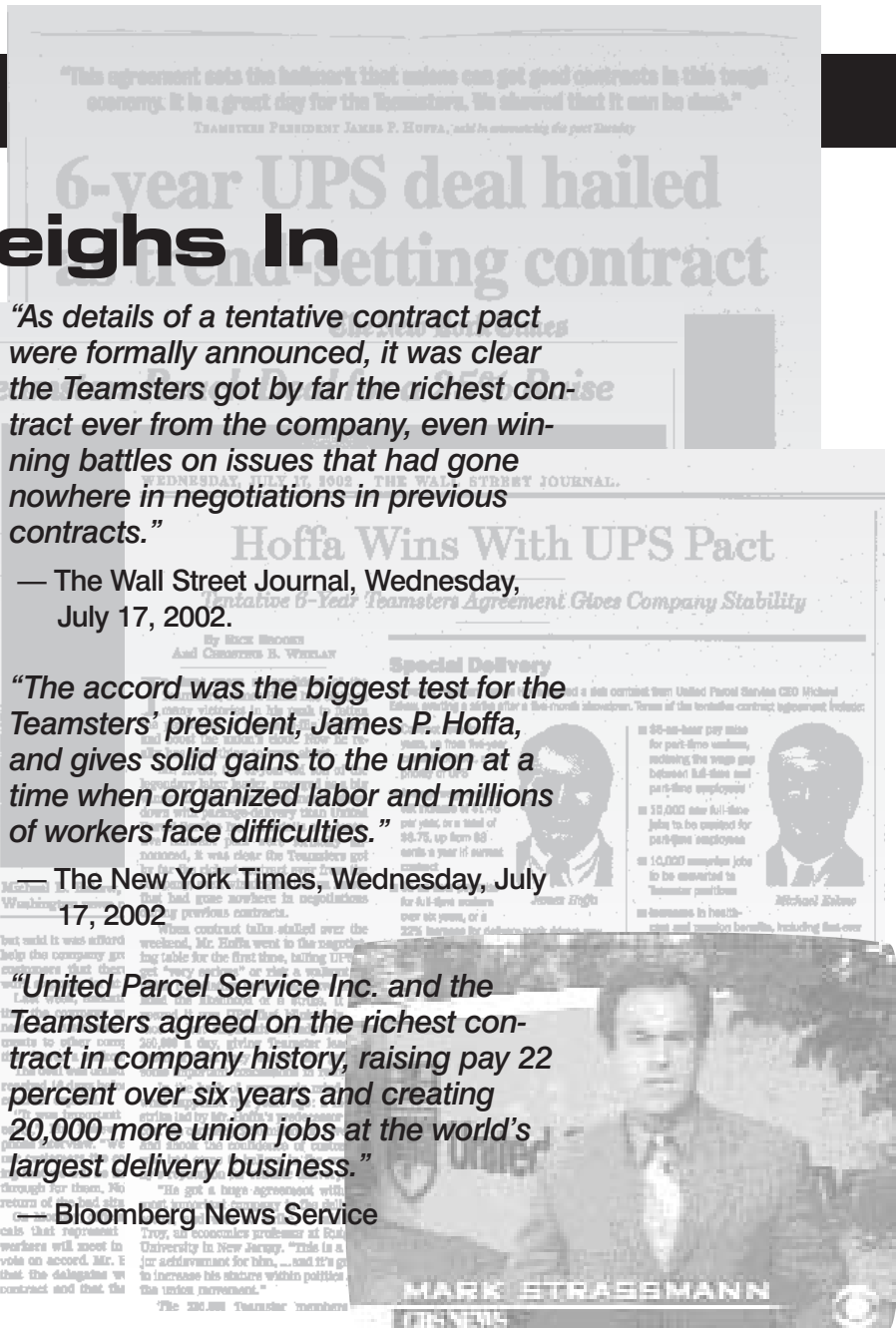
— The New York Times, Wednesday, July 17, 2002.

"United Parcel Service Inc. and the Teamsters agreed on the richest contract in company history, raising pay 22 percent over six years and creating 20,000 more union jobs at the world's largest delivery business."

— Bloomberg News Service

"He got a huge agreement with UPS, an economic problem at Rutgers University in New Jersey. This is a big achievement for him, and it's good to increase his stature within politics the union movement."

— The 300,000 Teamster members



PROTECTING HEALTH CARE, SECURING PENSIONS

The tentative agreement provides the highest increases in health and welfare and pension contributions ever. In fact, while the 1997 agreement secured increased contributions totaling \$1.80 per hour during the life of the contract—the new agreement increases contributions by \$3.75 per hour. This doubling of contributions will insure that health care benefits are maintained and that pension fund trustees have the necessary funding to protect members' pensions, despite the shaky economy and declines in the stock market.

Every major collective bargaining battle this year has centered on health care and retirement

costs. The National UPS Negotiating Committee refused to consider reductions—despite company demands.

"Health care costs have skyrocketed out of control over the past two or three years," said Ken Hall, Director of Parcel and Small Package. "Our main goals entering these talks were to protect health benefits and secure Teamster pensions."

"We refused to give in on these important issues," said John Steger, International Trustee and Secretary-Treasurer of Local 639 in Washington, D.C. "Our members deserve strong health care and pensions."



A Message from General President James P. Hoffa

Now It's Up to You

We have a tentative agreement that is being hailed in the media as the best ever at UPS.

No doubt you've read many of the contract details—the gains in wages, health and welfare, and pension contributions. A job well done.

However, one major step remains—we need you to vote.

The Teamsters Union is the most democratic union in the world. We hold open and fair elections, and we encourage all members to get involved and to vote.

Take advantage of that. Get informed. Read about the contract. Cast your vote.

I am confident that you will agree that this is the strongest contract ever at UPS.

I am proud of Ken Hall and all of our negotiators. They did a great job. And I'm proud of all of you—the men and women who stood behind the Negotiating Committee and who make UPS the most successful company in the industry. Vote and be counted!

"I'm proud of all of you—the men and women who stood behind the Negotiating Committee and who make UPS the most successful company in the industry."

www.trakupps.org

For complete information on the tentative agreement visit

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