



MR – UE – 01– 08/2017

**YRC Freight, Inc.
2017 Utility Employee
Change of Operations
(Article 3, Section 7)**

- Establishes 33 Terminal Origin Locations.
- Creates Eighty-four (84) Utility Employee Positions Travelling Within 175-mile Proximity of 8 Newly Established Distribution Centers.
- Creates Capacity in the YRC Freight Network.
- Allows Each Utility Employee to Return Home After Each Tour of Duty.
- Involves Approximately 3,700 Shipments on a Daily Basis.



July 25, 2017

Mr. James Hoffa
General President
International Brotherhood of Teamsters
25 Louisiana Avenue, NW
Washington, DC 20001

Mr. Ernie Soehl
National Freight Director
International Brotherhood of Teamsters
25 Louisiana Avenue, NW
Washington, DC 20001

Dear Messrs. Hoffa and Soehl,

Attached for formal filing are two Changes of Operations under Article 8, Section 6 and Article 3, Section 7 of the National Master Freight Agreement. These Changes are being mailed to affected local unions on this same date, with a requested hearing date of August 24, 2017 and implementation no sooner than October 8, 2017.

As discussed in more detail below, the Changes provide for the opening of eight (8) new Distribution Centers to complement the twenty-three (23) in place today. The constraints that exist within the current structure cause the Company to regularly incur severe freight back-ups at seven (7) of the present Distribution Centers: Chicago, IL; Kansas City, MO; Indianapolis, IN; Akron, OH; Dallas, TX; Harrisburg, PA; and Charlotte, NC. These back-ups occur most frequently during end of month and end of quarter freight surges, as well as in connection with weather events. The Changes are designed to allow for more consistent and reliable freight flow, improved service, and the creation of the additional capacity needed to grow business.

The eight (8) new Distribution Centers are as follows:

- Hagerstown, MD
- Richmond, VA
- Orlando, FL
- San Antonio, TX
- St. Louis, MO
- Columbus, OH
- Omaha, NE
- South Bend, IN

These facilities add an additional eight hundred thirty-seven (837) doors, capable of handling seven thousand (7,000) daily shipments. These Changes of Operations do not, however, modify any terminal's assigned Pickup & Delivery area. Accordingly, there are no zip code transfers.

In addition to positioning the Company for improved service and growth, the Changes also would improve working conditions for many employees. The Changes would:

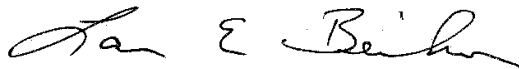
- Convert thirty (30) sleeper team operations involving sixty (60) drivers to single driver operations.
- Introduce one hundred-eighteen (118) meet and turn operations involving two hundred thirty-six (236) drivers originating from twenty (20) terminals. These dispatches will be predominately daylight work opportunities, originating between 6:00 am and 8:00 am.
- Reduce one hundred ninety-five (195) layover trips to fast turns allowing the driver to return home each trip.
- Eliminate two hundred sixty-seven (267) hotel stays for our drivers each night.
- Provide for eighty-four (84) Utility Employee positions originating from thirty-three (33) terminals. This operation will focus on the eight (8) new Distribution Centers only and are within a one hundred seventy-five (175) mile radius.

The Company anticipates that these aspects of the Changes will help improve its ability to attract and retain drivers.

In total, there are eighty-eight (88) Teamster Local Unions and one hundred twelve (112) terminals involved. I firmly believe that we all share a common goal of positioning the Company and our employees for long-term success, while at the same time ensuring the least amount of disruption possible.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,



Lamar E Beinhower
Director of Labor & Employee Relations

GENERAL OPERATING STATEMENT

This Utility Employee Change of Operations request, in conjunction with a filed Article 8, Section 6 Multi-Region Change of Operations request will allow YRC Freight, Inc. to significantly improve our customer service product by adding eight (8) new Distribution Centers to the existing twenty-three (23) currently in the network today. The increase to thirty-one (31) Distribution Centers will relieve pressure points within the existing network while at the same time creating capacity for future, profitable growth.

Eighty-four (84) Utility Employee positions will be established at thirty-three (33) End of Line Terminal locations, each within a one hundred seventy-five (175) mile radius of its described destination.

As we are all aware, previous Utility Employee Change of Operations were initiated in 2008 and subsequently eliminated in March 2012 in accordance with a Change of Operations identified as MR-UE-01-03/2012. A significant intent of those operations was to enhance growth in the overnight and second day markets. After a four (4) year trial in this attempted market enhancement, a corporate decision was made to return to what YRC Freight did best and that was to be a world class provider of service within the 500 to 1500-mile range. This proposed Change of Operations does not change any of the service lane standards and is intended to strengthen the Company's performance. As identified by the Union and Management negotiators of the terms of Article 3, Section 7 of the National Master Freight Agreement, concerning the adoption of the Utility Employee Language.....*"The parties recognize the need for the Employers to compete effectively in a changing environment.....The intent of the parties creation of the Utility Employee position is to generate additional job opportunities and enhance employee earnings, by enhancing the Employer's ability to compete and grow....."*

This Utility Employee Change of Operations will establish Utility Employees at the terminal facilities listed below and is being proposed in conjunction with the establishment of new Distribution Centers in MR-CO-01-08/2017. At these new Distribution Centers, the Utility-related dock work performed by Utility Employees will consist of handling transfer freight. Transfer freight is freight that is not originating from or destined for that Distribution Center's city operation, and includes freight brought in by means other than the Utility Employee. In the event a Utility Employee brings in city freight destined for that Distribution Center, it will be staged in a designated area. Freight that originates from that Distribution Center's city operation and is to be included in a Utility Employee's load likewise may be staged for handling by a Utility Employee. Utility Employees also will perform other duties as assigned in accordance with Article 3 Section 7 of the National Master Freight Agreement at both his/her home terminal and the designated new Distribution Centers.

This proposed Change of Operations is designed to enhance the Company's operations and create opportunities for business growth, which would create job opportunities across all classifications. The Company intends to support business growth related to the new Distribution Centers by adding additional Local Cartage employees at those Distributions Centers, as well as additional Utility Employees. In the event business levels support the addition of Utility Employees beyond those provided for in this proposed Change of Operations, the Company will return to the Committee in accordance with Article 3, Section 7 of the National Master Freight Agreement. The Company will at the same time advise the Committee of the number of Local Cartage employees it plans to add at the new Distribution Centers.

The Company does not intend to use the Utility Employees provided for in this proposed Change of Operations to reduce the number of Local Cartage employees at the new Distribution Centers. If this proposed Change of Operations is approved, the number of Local Cartage positions in existence at the new Distribution Centers on the date of implementation of this and the accompanying Article 8, Section 6 Change of Operation will be identified and provided to the Committee in writing on a red circle list by number. The Company will not reduce the red circle number of Local Cartage positions identified for each new Distribution Center as a result of the use of Utility Employees.

This proposed Change of Operations, in combination with the proposed 2017 Network Enhancement Change of Operations, will be comprised of the following:

- Will establish the following eight (8) facilities as new Distribution Centers:
 - Columbus, OH
 - Hagerstown, MD
 - Omaha, NE
 - Orlando, FL
 - Richmond, VA
 - Saint Louis, MO
 - San Antonio, TX
 - South Bend, IN

- Will establish Utility Employee origination points in the following 33 locations:

CENTRAL- 17 LOCATIONS

Cincinnati, OH
Cleveland, OH
Columbia, MO
Dayton, OH
Decatur, IL
Des Moines, IA
Evansville, IN
Fort Wayne, IN
Grand Rapids, MI
Lima, OH
Paducah, KY
Peoria, IL
Poplar Bluff, MO
Quincy, IL
Sioux City, IA
Terre Haute, IN
Toledo, OH

EAST- 10 LOCATIONS

Baltimore, MD
Charlestown, WV
Manassas, VA
Norfolk, VA
Parkersburg, WV
Raleigh, NC
Roanoke, VA
Staunton, VA
Washington, DC
Wilson, NC

SOUTH- 6 LOCATIONS

Austin, TX
Corpus Christi, TX
Laredo, TX
Eagle Pass, TX
Ft. Myers, FL
Tampa, FL

- Will create eighty-four (84) Utility Employee positions.

This Change of Operations is filed and presented in accordance with the Terms and Conditions of Article 3, Section 7 of the National Master Freight Agreement.

General Provisions

The Utility Employee Change of Operations will create eighty-four (84) new local cartage positions at thirty-three (33) End of Line Terminals in accordance with Article 3 section 7 of the National Master Freight Agreement.

The 2017 Network Enhancement Change of Operations must be implemented simultaneously and is part and parcel to YRC Freight's Utility Employee Change of Operations which will have an effect on both road driver and local cartage positions. The Company will comply with the seniority application decision of the Committee; however, we would put forward the following job opportunity proposal for the National Utility Employee Review Committee and Multi Region Change of Operations Committee's consideration:

- The eight (8) terminals that are losing road and are gaining Utility Employee positions shall have the first opportunity to bid those gaining Utility Employee positions within the terminal. These bids will be posted and awarded at each location described above, prior to any pool bidding. Once this process has been completed, all Utility Employee positions, that have not been filled, shall be bid on a dovetailed seniority pool basis. For pool bidding participants, both active and inactive employees shall be afforded the opportunity to participate in the bidding, however, employees hired on or after the official mailing date of this Change of Operations shall not be able to bid. The pool bid employees will be bid active to active and inactive to inactive. The numbers to be bid shall be equal to or less than the number of positions lost. In no event will a location be permitted to bid more positions than it is losing. Only those employees who are CDL qualified and have all of the required endorsements at the time of the bid will be permitted to bid.
- At those gaining facilities where there are employees on letter of layoff who are senior to employees transferring in, the senior employees may not exercise their seniority to bump the less senior employee unless and until such time as they are recalled by letter of recall or worked back on by the terms of their Supplement to fill regular available work opportunities, at which time they shall be dovetailed on the active seniority list, but will not be able to displace a less senior Utility Employee prior to six (6) months after implementation to which the Utility Employee positions will be bid consistent with the Local practice or consistent with the applicable Supplement. However, in the event of a layoff, employees will be laid off in seniority order.

When approved, the Company will utilize, first, a terminal bid procedure as described above if there is a loss of work in the road classification at the involved terminal. Employees may bid in this procedure or elect to participate in the pool bid. The pool bid will be a telephone bid to be held on a designated date a minimum of seven (7) days after the "Terminal" bids have been awarded. The sign-up sheets for pool bidding will be posted at losing domiciles for seven (7) days and the telephone bid will take place as agreed upon at the Change of Operations hearing.

YRC Freight proposes a cutoff date for any new hire as of the official postmark date of mailing for this Change of Operations. Those attaining seniority after this date shall not

be eligible to participate in the bid. In addition, we would further propose that The official mailing date of this Change of Operations be utilized as a date to determine active status (layoff vs. active).

The company seeks to implement the 2017 Utility Employee Change of Operations no sooner than Sunday, October 8, 2017.

Moving expenses in this Change of Operations will be handled in accordance with the provisions contained in Article 8, Section 6 of the National Master Freight Agreement.

The Company agrees that nothing in this proposed Change of Operations is intended to violate and/or alter the provisions of the NMFA or the applicable supplemental agreements. The Company will operate in accordance with DOT rules and regulations and current hours of service provisions.

All operations described herein will be governed by present contractual guidelines.

The Company does not intend to modify our current method of operations, agreed to work rules, methods of dispatch, or approved Changes of Operations, except as specifically provided in this proposal.

The company proposes a window period as determined by the Multi-Region Change of Operations. We would request the telephone bid take place on September 25, 2017.

Bidding/Seniority Information

Employees who are qualified bidders on Long-Term Disability (LTD) at the time of bid shall be allowed to bid.

SENIORITY DISPOSITION

The Company will offer job opportunities at gaining locations in accordance with the numbers set forth in the attached Exhibits. These exhibits identify all gaining and losing locations in all phases of the change and the overall impact on each location.

TELEPHONE BID

The company will utilize a telephone bid procedure wherein it will combine the seniority lists from all losing locations.

In addition, seniority lists from the gaining domiciles will be made available to eligible bidders at losing terminals to aid them in selecting a domicile to which they can transfer.

The company will then offer available job opportunities at the gaining domiciles in accordance with the numbers as outlined in this CHOP. These exhibits identify all gaining and losing locations in all phases of this change as well as the overall impact on all locations. These numbers are subject to change depending on the terminal bid process described in the first bullet point of the General Provisions of this document.

CENTRAL REGION LOCAL UNIONS -19 Locals

<p>Teamsters Local Union #20 435 South Hawley Street Toledo, OH 43609</p>	<p>Teamsters Local Union #100 2100 Oak Cincinnati, OH 45241</p>
<p>Teamsters Local Union #135 1233 Shelby Street Indianapolis, IN 46203</p>	<p>Teamsters Local Union #215 825 Walnut St. Evansville, IN 47713</p>
<p>Teamsters Local Union #236 2001 Cairo Rd Paducah, KY 42001</p>	<p>Teamsters Local Union # 238 5000 J Street S W Cedar Rapids, IA 52404</p>
<p>Teamsters Local Union # 279 1661 Taylorville Decatur, IL 62521</p>	<p>Teamsters Local Union #364 2405 East Edison Rd South Bend, IN 46615</p>
<p>Teamsters Local Union # 406 3315 Eastern SE Grand Rapids, MI 49508</p>	<p>Teamsters Local Union #407 3320 Superior Ave. Cleveland, OH 44114</p>
<p>Teamsters Local Union #413 555 East Rich Street, Suite 101 Columbus, OH 43215</p>	<p>Teamsters Local Union #414 2644 Cass St. Fort Wayne, IN 46808</p>
<p>Teamsters Local Union #554 4349 South 90 St. Omaha, NE 68127</p>	<p>Teamsters Local Union #600 161 Weldon Pkwy Maryland Heights, MO 63043</p>
<p>Teamsters Local Union #627 7101 N. Allen Rd. Peoria, IL 61614</p>	<p>Teamsters Local Union #688 8965 Highway 36 West – Suite F Hannibal, MO 63401</p>
<p>Teamsters Local Union #833 230 West Dunklin Jefferson City, MO 65101</p>	<p>Teamsters Local Union #908 800 - St. Johns Ave. Box 1806 Lima, OH 45804</p>
<p>Teamsters Local Union #957 2719 Armstrong Ln Dayton, OH 45414</p>	

EASTERN REGION LOCAL UNIONS – 9 locals

Teamsters Local Union #29 12 Cedar Park Lane Verona, VA 24482	Teamsters Local Union # 171 (Roanoke) 2550 W. Main Street Salem, VA 24153
Teamsters Local Union #175 267 Staunton Ave. SW South Charleston, WV 25303	Teamsters Local Union #355 1030 South Dukland St. Baltimore, MD 21223
Teamsters Local Union #391 3910 Teamsters Place Colfax, NC 27235	Teamsters Local Union #592 3705 Carolina Ave. Richmond, VA 23222
Teamsters Local Union #639 3100 Ames Place NE Washington DC 20018	Teamsters Local Union #822 5718 Bartee St. Norfolk, VA 23502
Teamsters Local Union #992 10312 Remington Dr. Hagerstown, MD 21740	

SOUTHERN REGION LOCAL UNIONS – 3 locals

Teamsters Local Union #79 5818 E. Dr. Martin Luther King Jr. Blvd. Tampa, FL 33619	Teamsters Local Union #385 126 North Kirkman rd. Orlando, FL 32811
Teamsters Local Union #657 8214 Roughrider San Antonio, TX 78239	

CENTRAL STATES AREA SERVICE CENTERS

Utility Employee

PROPOSED OPERATION

- As a result of this Utility Employee Change of Operations described within, the Service Centers indicated below will establish Utility Employees for the purposes of moving freight to and from the new Distribution Centers as indicated, in addition to any other duties as assigned in compliance with Article 3 Section 7 of the National Master Freight Agreement.

Domicile		Distribution Center			
		312 - South Bend	381 - Omaha	621 - Saint Louis	857 - Columbus
216	Cincinnati				5
218	Cleveland				13
243	Dayton				2
246	Fort Wayne				1
250	Lima				1
251	Toledo	1			2
272	Grand Rapids	2			
290	Parkersburg				1
292	Charleston				2
314	Peoria			1	
322	Evansville			1	
343	Columbia			2	
344	Quincy			1	
345	Poplar Bluff			1	
348	Paducah			1	
355	Decatur			2	
356	Terre Haute			1	
375	Des Moines		1		
860	Sioux City		2		
	TOTAL	3	3	10	27

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EASTERN REGION AREA SERVICE CENTERS

Utility Employee

PROPOSED OPERATION

- As a result of this Utility Employee Change of Operations described within, the Service Centers indicated below will establish Utility Employees for the purposes of moving freight to and from the new Distribution Centers as indicated, in addition to any other duties as assigned in compliance with Article 3 Section 7 of the National Master Freight Agreement.

Domicile		Distribution Center	
		153 - Hagerstown	172 - Richmond
155	Baltimore	3	2
149	Manassas		1
615	Norfolk		9
616	Raleigh		4
617	Roanoke		3
647	Staunton		1
183	Washington DC		2
650	Wilson		2
TOTAL		3	24

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SOUTHERN REGION AREA SERVICE CENTERS

Utility Employee

PROPOSED OPERATION

- As a result of this Utility Employee Change of Operations described within, the Service Centers indicated below will establish Utility Employees for the purposes of moving freight to and from the new Distribution Centers as indicated, in addition to any other duties as assigned in compliance with Article 3 Section 7 of the National Master Freight Agreement.

Domicile		Distribution Center	
		423 - Orlando	555 - San Antonio
522	Austin		1
551	Corpus Christi		1
558	Eagle Pass		2
728	Fort Myers	3	
557	Laredo		5
754	Tampa	2	
	TOTAL	5	9

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EXHIBIT 1

UTILITY EMPLOYEE - GAINING LOCATIONS

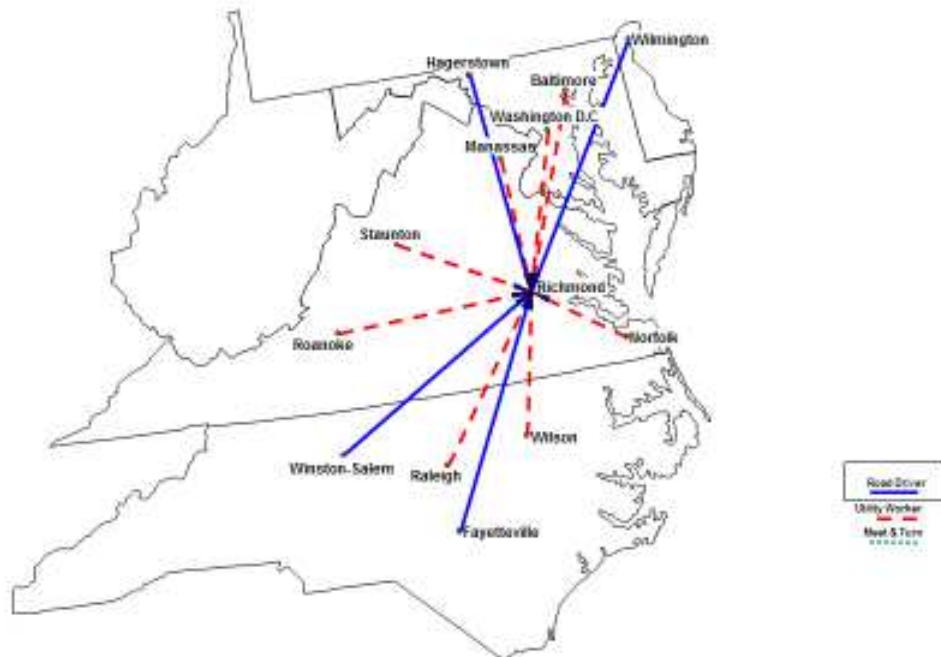
#	TERMINAL NAME	# of UE	
522	AUSTIN	1	
155	BALTIMORE	5	*
292	CHARLESTON	2	
216	CINCINNATI	5	*
218	CLEVELAND	13	*
343	COLUMBIA	2	
551	CORPUS CHRISTI	1	
243	DAYTON	2	
355	DECATUR	2	
375	DES MOINES	1	
558	EAGLE PASS	2	
322	EVANSVILLE	1	
728	FORT MYERS	3	
246	FORT WAYNE	1	
272	GRAND RAPIDS	2	*
557	LAREDO	5	
250	LIMA	1	
149	MANASSAS	1	
615	NORFOLK	9	*
348	PADUCAH	1	
290	PARKERSBURG	1	
314	PEORIA	1	
345	POPLAR BLUFF	1	
344	QUINCY	1	
616	RALEIGH	4	*
617	ROANOKE	3	
860	SIOUX CITY	2	
647	STAUNTON	1	*
754	TAMPA	2	
356	TERRE HAUTE	1	
251	TOLEDO	3	
183	WASHINGTON	2	
650	WILSON	2	*
	Total	84	

*Locations which lose Road Drivers and gain Utility Employees

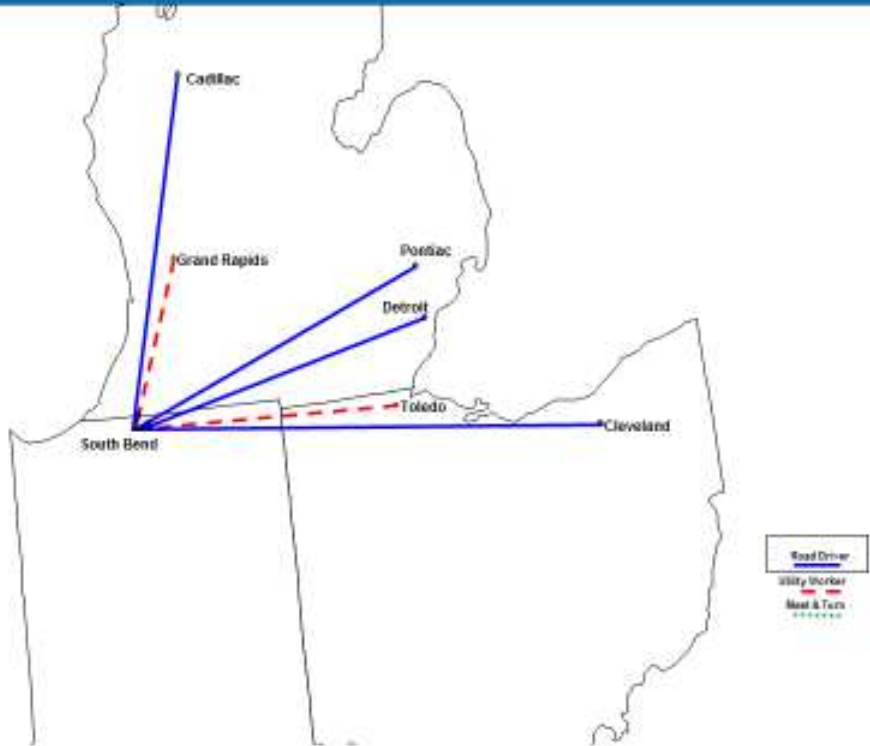
Hagerstown, MD New DC



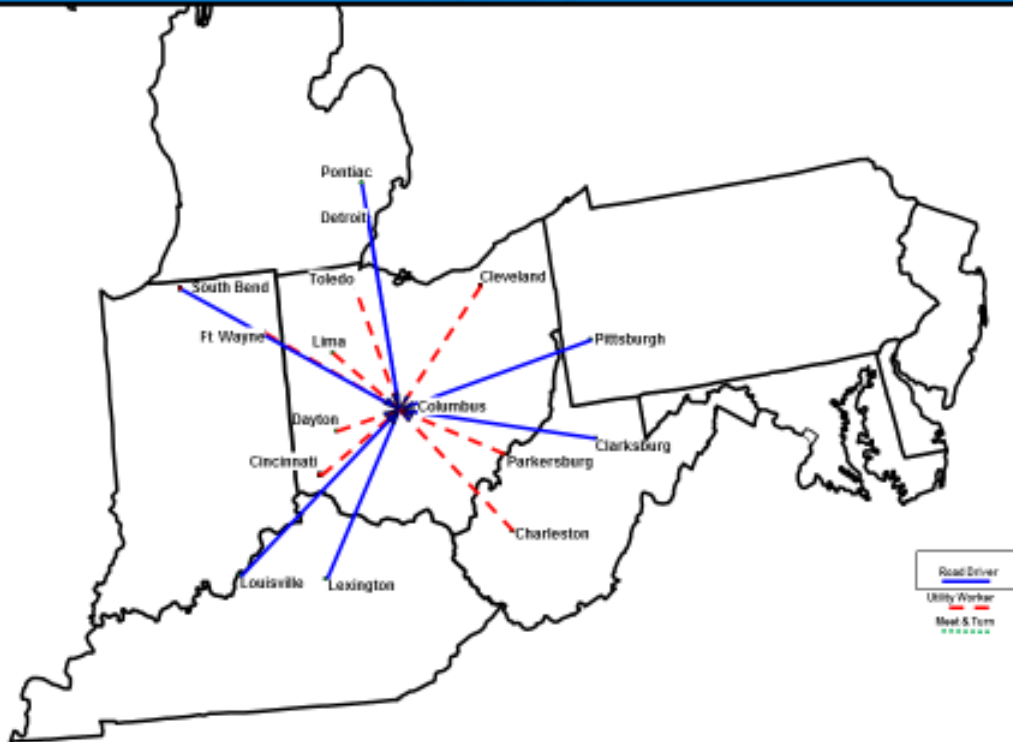
Richmond, VA New DC



South Bend, IN New DC



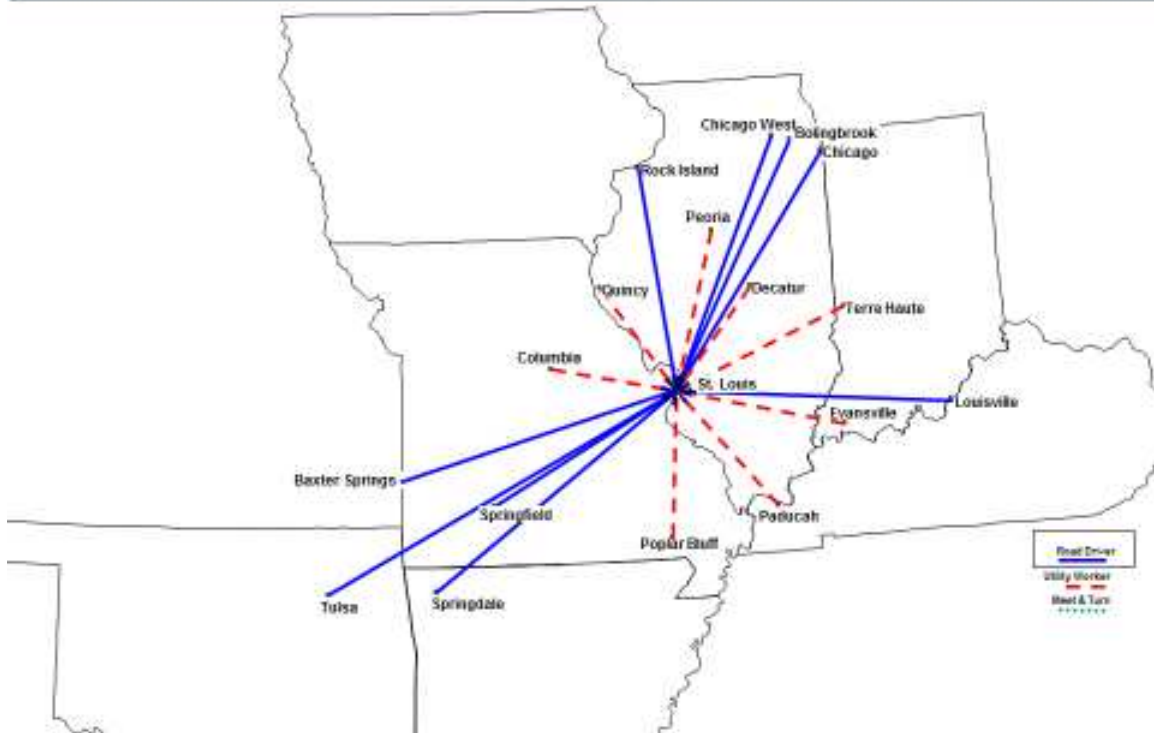
Columbus, OH New DC



Omaha, NE New DC



St. Louis, MO New DC



Orlando, FL New DC



San Antonio, TX New DC

