REFINITIV

DELTA REPORT

10-Q

ARCB - ARCBEST CORP /DE/

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	9317
CHANGES	337
DELETIONS	6096
ADDITIONS	2884

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission file number 000-19969

ARCBEST CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**71-0673405**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

8401 McClure Drive
Fort Smith, Arkansas 72916
(479) 785-6000
(Address, including zip code, and telephone number, including area code, of the registrant's principal executive offices)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.01 Par Value	ARCB	Nasdaq

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at November 2, 2023 April 30, 2024
Common Stock, $0.01 par value	23,661,868 23,431,641 shares

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ARCBEST CORPORATION

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PART I.
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ARCBEST CORPORATION
CONSOLIDATED BALANCE SHEETS

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
	(Unaudited)		(Unaudited)	
	(in thousands, except share data)		(in thousands, except share data)	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**$ 251,503**	$ 158,264	**$ 172,855**	$ 262,226
Short-term investments	**89,326**	167,662	**68,065**	67,842
Accounts receivable, less allowances (2023 – $10,825; 2022 – $13,892)	**469,490**	517,494		

Other accounts receivable, less allowances (2023 – $730; 2022 – $713)	**10,984**	11,016		
Accounts receivable, less allowances (2024 – $9,184; 2023 – $10,346)			**433,717**	430,122
Other accounts receivable, less allowances (2024 – $733; 2023 – $731)			**11,389**	52,124
Prepaid expenses	**30,957**	39,484	**39,232**	37,034
Prepaid and refundable income taxes	**26,534**	19,239	**22,084**	24,319
Current assets of discontinued operations	**—**	64,736		
Other	**11,342**	11,888	**11,136**	11,116
TOTAL CURRENT ASSETS	**890,136**	989,783	**758,478**	884,783
PROPERTY, PLANT AND EQUIPMENT				
Land and structures	**430,263**	401,840	**491,555**	460,068
Revenue equipment	**1,094,183**	1,038,832	**1,119,446**	1,126,055
Service, office, and other equipment	**313,062**	298,234	**318,252**	319,466
Software	**169,434**	167,164	**176,988**	173,354
Leasehold improvements	**26,062**	23,466	**25,173**	24,429
	2,033,004	1,929,536	**2,131,414**	2,103,372
Less allowances for depreciation and amortization	**1,170,914**	1,129,366	**1,193,584**	1,188,548
PROPERTY, PLANT AND EQUIPMENT, net	**862,090**	800,170	**937,830**	914,824
GOODWILL	**304,753**	304,753	**304,753**	304,753
INTANGIBLE ASSETS, net	**104,288**	113,733	**97,940**	101,150
OPERATING RIGHT-OF-USE ASSETS	**164,082**	166,515	**174,987**	169,999
DEFERRED INCOME TAXES	**7,618**	6,342	**10,032**	8,140
LONG-TERM ASSETS OF DISCONTINUED OPERATIONS	**—**	11,097		
OTHER LONG-TERM ASSETS	**104,479**	101,893	**73,123**	101,445
TOTAL ASSETS	**$ 2,437,446**	$ 2,494,286	**$ 2,357,143**	$ 2,485,094
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	**$ 245,899**	$ 269,854	**$ 209,908**	$ 214,004
Income taxes payable	**1,390**	16,017	**8**	10,410
Accrued expenses	**322,809**	338,457	**313,494**	378,029
Current portion of long-term debt	**66,862**	66,252	**63,179**	66,948
Current portion of operating lease liabilities	**31,414**	26,225	**31,986**	32,172
Current liabilities of discontinued operations	**—**	51,665		
TOTAL CURRENT LIABILITIES	**668,374**	768,470	**618,575**	701,563
LONG-TERM DEBT, less current portion	**176,296**	198,371	**148,992**	161,990
OPERATING LEASE LIABILITIES, less current portion	**171,755**	147,828	**174,085**	176,621
POSTRETIREMENT LIABILITIES, less current portion	**12,167**	12,196	**13,318**	13,319
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	**—**	781		
CONTINGENT CONSIDERATION	**99,200**	112,000	**100,220**	92,900
OTHER LONG-TERM LIABILITIES	**38,552**	42,745	**34,422**	40,553
DEFERRED INCOME TAXES	**50,369**	60,494	**44,798**	55,785
STOCKHOLDERS' EQUITY				
Common stock, $0.01 par value, authorized 70,000,000 shares; issued 2023: 30,017,658 shares; 2022: 29,758,716 shares	**300**	298		
Common stock, $0.01 par value, authorized 70,000,000 shares; issued 2024: 30,038,556 shares; 2023: 30,024,125 shares			**300**	300
Additional paid-in capital	**338,368**	339,582	**343,102**	340,961
Retained earnings	**1,226,640**	1,088,693	**1,267,444**	1,272,584
Treasury stock, at cost, 2023: 6,217,885 shares; 2022: 5,529,383 shares	**(350,161)**	(284,275)		
Treasury stock, at cost, 2024: 6,580,818 shares; 2023: 6,460,137 shares			**(391,458)**	(375,806)

Accumulated other comprehensive income	**5,586**	7,103	**3,345**	4,324
TOTAL STOCKHOLDERS' EQUITY	**1,220,733**	1,151,401	**1,222,733**	1,242,363
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 2,437,446**	$ 2,494,286	**$ 2,357,143**	$ 2,485,094

See notes to consolidated financial statements.

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ARCBEST CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
	(Unaudited)				**(Unaudited)**	
	(in thousands, except share and per share data)				(in thousands, except share and per share data)	
REVENUES	**$ 1,128,350**	$ 1,275,730	**$ 3,337,908**	$ 3,865,513	**$ 1,036,419**	$ 1,106,094
OPERATING EXPENSES	**1,083,259**	1,160,394	**3,229,542**	3,521,196	**1,013,984**	1,084,935
OPERATING INCOME	**45,091**	115,336	**108,366**	344,317	**22,435**	21,159
OTHER INCOME (COSTS)						
Interest and dividend income	**3,946**	1,127	**10,604**	1,579	**3,315**	2,933
Interest and other related financing costs	**(2,236)**	(1,755)	**(6,768)**	(5,558)	**(2,228)**	(2,327)
Other, net	**89**	(189)	**6,907**	(3,822)	**(28,199)**	1,780
	1,799	(817)	**10,743**	(7,801)	**(27,112)**	2,386
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**46,890**	114,519	**119,109**	336,516		
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES					**(4,677)**	23,545
INCOME TAX PROVISION	**11,963**	25,906	**25,735**	78,353		

INCOME TAX PROVISION (BENEFIT)					**(1,765)**	4,698
NET INCOME FROM CONTINUING OPERATIONS	**34,927**	88,613	**93,374**	258,163		
NET INCOME (LOSS) FROM CONTINUING OPERATIONS					**(2,912)**	18,847
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	**(10)**	229	**53,269**	2,709		
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX					**600**	52,436
NET INCOME	**$ 34,917**	$ 88,842	**$ 146,643**	$ 260,872		
NET INCOME (LOSS)					**$ (2,312)**	$ 71,283
BASIC EARNINGS PER COMMON SHARE						
Continuing operations	**$ 1.46**	$ 3.60	**$ 3.87**	$ 10.48	**$ (0.12)**	$ 0.78
Discontinued operations	**—**	0.01	**2.21**	0.11	**0.03**	2.16
	$ 1.45	$ 3.61	**$ 6.08**	$ 10.59	**$ (0.10)**	$ 2.93
DILUTED EARNINGS PER COMMON SHARE						
Continuing operations	**$ 1.42**	$ 3.49	**$ 3.77**	$ 10.07	**$ (0.12)**	$ 0.75
Discontinued operations	**—**	0.01	**2.15**	0.11	**0.03**	2.09
	$ 1.42	$ 3.50	**$ 5.92**	$ 10.18	**$ (0.10)**	$ 2.84
AVERAGE COMMON SHARES OUTSTANDING						
Basic	**24,004,255**	24,605,228	**24,119,449**	24,640,706	**23,561,309**	24,288,138
Diluted	**24,525,258**	25,372,755	**24,756,993**	25,626,225	**23,561,309**	25,057,726

See notes to consolidated financial statements.

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ARCBEST CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
	(Unaudited)					
	(in thousands)					
NET INCOME	**$ 34,917**	$ 88,842	**$146,643**	$260,872		

					(in thousands)	
NET INCOME (LOSS)					**$ (2,312)**	$ 71,283
OTHER COMPREHENSIVE INCOME (LOSS), net of tax						
Postretirement benefit plans:						
Amortization of unrecognized net periodic benefit credit, net of tax of: (2023 – Three-month period $86, Nine-month period $257) (2022 – Three-month period $49, Nine-month period $146)						
Amortization of unrecognized net periodic benefit cost (credit), net of tax: (2024 – $65; 2023 – $86)						
Net actuarial gain	**(247)**	(141)	**(741)**	(422)	**(187)**	(247)
Interest rate swap and foreign currency translation:						
Change in unrealized income (loss) on interest rate swap, net of tax of: (2023 – Three-month period $127, Nine-month period $277) (2022 – Three-month period $206, Nine-month period $844)	**(360)**	581	**(781)**	2,383		
Change in foreign currency translation, net of tax of: (2023 – Three-month period $132, Nine-month period $3) (2022 – Three-month period $509, Nine-month period $595)	**(376)**	(1,436)	**5**	(1,682)		
Change in unrealized loss on interest rate swap, net of tax: (2024 – $130; 2023 – $161)					**(366)**	(452)
Change in foreign currency translation, net of tax: (2024 – $150; 2023 – $6)					**(426)**	(18)
OTHER COMPREHENSIVE INCOME (LOSS), net of tax	**(983)**	(996)	**(1,517)**	279	**(979)**	(717)
TOTAL COMPREHENSIVE INCOME	**$ 33,934**	$ 87,846	**$ 145,126**	$261,151		
TOTAL COMPREHENSIVE INCOME (LOSS)					**$ (3,291)**	$ 70,566

See notes to consolidated financial statements.

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ARCBEST CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Three Months Ended September 30, 2023 and 2022					
	Common Stock	Additional Paid-In	Retained	Treasury Stock	Accumulated Other Comprehensive	Total

	Shares	Amount	Capital	Earnings	Shares	Amount	Income	Equity
				(Unaudited)				
				(in thousands)				
Balance at June 30, 2023	**30,008**	**$ 300**	**$ 335,397**	**$ 1,194,610**	**5,983**	**$ (325,515)**	**$ 6,569**	**$ 1,211,361**
Net income				34,917				34,917
Other comprehensive loss, net of tax							(983)	(983)
Issuance of common stock under share-based compensation plans	10	—	—					—
Shares withheld for employee tax remittance on share-based compensation			(34)					(34)
Share-based compensation expense			3,005					3,005
Purchase of treasury stock					235	(24,646)		(24,646)
Dividends declared on common stock				(2,887)				(2,887)
Balance at September 30, 2023	**30,018**	**$ 300**	**$ 338,368**	**$ 1,226,640**	**6,218**	**$ (350,161)**	**$ 5,586**	**$ 1,220,733**
Balance at June 30, 2022	**29,615**	**$ 296**	**$ 340,035**	**$ 968,417**	**5,109**	**$ (250,510)**	**$ 4,974**	**$ 1,063,212**
Net income				88,842				88,842
Other comprehensive loss, net of tax							(996)	(996)
Issuance of common stock under share-based compensation plans	133	1	(1)					—
Shares withheld for employee tax remittance on share-based compensation			(6,096)					(6,096)
Share-based compensation expense			3,175					3,175
Purchase of treasury stock					232	(18,880)		(18,880)
Dividends declared on common stock				(2,965)				(2,965)
Balance at September 30, 2022	**29,748**	**$ 297**	**$ 337,113**	**$ 1,054,294**	**5,341**	**$ (269,390)**	**$ 3,978**	**$ 1,126,292**

	Three Months Ended March 31, 2024 and 2023							
	Common Stock		Additional Paid-In	Retained	Treasury Stock		Accumulated Other Comprehensive	Total
	Shares	Amount	Capital	Earnings	Shares	Amount	Income	Equity
				(Unaudited)				
				(in thousands)				
Balance at December 31, 2023	**30,024**	**$ 300**	**$ 340,961**	**$ 1,272,584**	**6,460**	**$ (375,806)**	**$ 4,324**	**$ 1,242,363**
Net loss				(2,312)				(2,312)
Other comprehensive loss, net of tax							(979)	(979)
Issuance of common stock under share-based compensation plans	15	—	—					—
Shares withheld for employee tax remittance on share-based compensation			(748)					(748)
Share-based compensation expense			2,889					2,889
Purchase of treasury stock					121	(15,652)		(15,652)
Dividends declared on common stock				(2,828)				(2,828)
Balance at March 31, 2024	**30,039**	**$ 300**	**$ 343,102**	**$ 1,267,444**	**6,581**	**$ (391,458)**	**$ 3,345**	**$ 1,222,733**
Balance at December 31, 2022	**29,759**	**$ 298**	**$ 339,582**	**$ 1,088,693**	**5,529**	**$ (284,275)**	**$ 7,103**	**$ 1,151,401**
Net income				71,283				71,283
Other comprehensive loss, net of tax							(717)	(717)
Issuance of common stock under share-based compensation plans	50	—	—					—
Shares withheld for employee tax remittance on share-based compensation			(1,590)					(1,590)

Share-based compensation expense			2,489					2,489
Purchase of treasury stock					154	(14,092)		(14,092)
Dividends declared on common stock				(2,915)				(2,915)
Balance at March 31, 2023	**29,809**	**$ 298**	**$ 340,481**	**$ 1,157,061**	**5,683**	**$ (298,367)**	**$ 6,386**	**$ 1,205,859**

	Nine Months Ended September 30, 2023 and 2022							
	Common Stock		Additional Paid-In	Retained	Treasury Stock		Accumulated Other Comprehensive	Total
	Shares	Amount	Capital	Earnings	Shares	Amount	Income	Equity
	(Unaudited)							
	(in thousands)							
Balance at December 31, 2022	**29,759**	**$ 298**	**$ 339,582**	**$ 1,088,693**	**5,529**	**$ (284,275)**	**$ 7,103**	**$ 1,151,401**
Net income				146,643				146,643
Other comprehensive loss, net of tax							(1,517)	(1,517)
Issuance of common stock under share-based compensation plans	259	2	(2)					—
Shares withheld for employee tax remittance on share-based compensation			(10,056)					(10,056)
Share-based compensation expense			8,844					8,844
Purchase of treasury stock					689	(65,886)		(65,886)
Dividends declared on common stock				(8,696)				(8,696)
Balance at September 30, 2023	**30,018**	**$ 300**	**$ 338,368**	**$ 1,226,640**	**6,218**	**$ (350,161)**	**$ 5,586**	**$ 1,220,733**
Balance at December 31, 2021	**29,360**	**$ 294**	**$ 318,033**	**$ 801,314**	**4,493**	**$ (194,273)**	**$ 3,699**	**$ 929,067**
Net income				260,872				260,872
Other comprehensive income, net of tax							279	279
Issuance of common stock under share-based compensation plans	388	3	(3)					—
Shares withheld for employee tax remittance on share-based compensation			(15,733)					(15,733)
Share-based compensation expense			9,816					9,816
Purchase of treasury stock					634	(50,117)		(50,117)
Forward contract for accelerated share repurchases			25,000		214	(25,000)		—
Dividends declared on common stock				(7,892)				(7,892)
Balance at September 30, 2022	**29,748**	**$ 297**	**$ 337,113**	**$ 1,054,294**	**5,341**	**$ (269,390)**	**$ 3,978**	**$ 1,126,292**

See notes to consolidated financial statements.

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ARCBEST CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2024	2023
	(Unaudited) (in thousands)			
OPERATING ACTIVITIES			(Unaudited) (in thousands)	
Net income	**$ 146,643**	$ 260,872		
Adjustments to reconcile net income to net cash provided by operating activities:				
Net income (loss)			**$ (2,312)**	$ 71,283
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	**98,711**	95,169	**33,616**	32,187
Amortization of intangibles	**9,631**	9,691	**3,217**	3,203
Share-based compensation expense	**8,590**	9,816	**2,889**	2,235
Provision for losses on accounts receivable	**2,621**	5,065	**1,055**	1,427
Change in deferred income taxes	**(10,880)**	3,745	**(12,548)**	(9,814)
(Gain) loss on sale of property and equipment	**1,134**	(9,759)	**217**	(9)
Gain on sale of subsidiary	**—**	(402)		
Pre-tax gain on sale of discontinued operations	**(70,201)**	—	**(806)**	(69,083)
Lease impairment charges	**30,162**	—		
Change in fair value of contingent consideration	**(12,800)**	810	**7,320**	15,040
Change in fair value of equity investment	**(3,739)**	—	**28,739**	—
Changes in operating assets and liabilities:				
Receivables	**43,478**	(54,889)	**35,059**	43,977
Prepaid expenses	**8,640**	7,550	**(2,198)**	(1,464)
Other assets	**2,393**	287	**(1,218)**	3,874
Income taxes	**(22,051)**	(11,068)	**(8,305)**	6,221
Operating right-of-use assets and lease liabilities, net	**3,286**	1,579	**(7,710)**	1,570
Accounts payable, accrued expenses, and other liabilities	**(40,863)**	31,983	**(70,548)**	(79,984)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**194,755**	350,449	**6,467**	20,663
INVESTING ACTIVITIES				
Purchases of property, plant and equipment, net of financings	**(129,779)**	(76,068)	**(55,049)**	(34,657)
Proceeds from sale of property and equipment	**5,972**	13,938	**1,292**	1,833
Proceeds from sale of discontinued operations	**100,949**	—	**—**	101,138
Business acquisition, net of cash acquired	**—**	2,279		
Proceeds from the sale of subsidiary	**—**	475		
Purchases of short-term investments	**(80,353)**	(145,254)	**(5,236)**	(35,588)
Proceeds from sale of short-term investments	**160,570**	48,161	**5,635**	41,865
Capitalization of internally developed software	**(9,424)**	(13,922)	**(3,635)**	(3,631)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**47,935**	(170,391)	**(56,993)**	70,960
FINANCING ACTIVITIES				
Borrowings under credit facilities	**—**	58,000		

Proceeds from notes payable	—	12,113		
Payments on long-term debt	**(52,489)**	(99,567)	**(16,767)**	(17,649)
Net change in book overdrafts	**(12,489)**	2,102	**(2,850)**	(10,493)
Deferred financing costs	**57**	(53)	—	63
Payment of common stock dividends	**(8,696)**	(7,892)	**(2,828)**	(2,915)
Purchases of treasury stock	**(65,886)**	(50,117)	**(15,652)**	(14,092)
Payments for tax withheld on share-based compensation	**(10,056)**	(15,733)	**(748)**	(1,590)
NET CASH USED IN FINANCING ACTIVITIES	**(149,559)**	(101,147)	**(38,845)**	(46,676)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**93,131**	78,911		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			**(89,371)**	44,947
Cash and cash equivalents of continuing operations at beginning of period	**158,264**	76,568	**262,226**	158,264
Cash and cash equivalents of discontinued operations at beginning of period	**108**	52	—	108
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 251,503**	$ 155,531	**$ 172,855**	$ 203,319
NONCASH INVESTING ACTIVITIES				
Equipment financed	**$ 31,024**	$ 57,241	**$ —**	$ 3,478
Accruals for equipment received	**$ 5,743**	$ 5,587	**$ 915**	$ 1,453
Lease liabilities arising from obtaining right-of-use assets	**$ 49,033**	$ 78,324	**$ 5,694**	$ 30,581

See notes to consolidated financial statements.

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ARCBEST CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE A – ORGANIZATION AND DESCRIPTION OF THE BUSINESS AND FINANCIAL STATEMENT PRESENTATION

Organization and Description of Business

ArcBest Corporation™ (the "Company") is a multibillion-dollar integrated logistics company that leverages technology and a full suite of shipping and logistics solutions to meet customers' supply chain needs and help keep the needs. The Company, which started over a century ago as a local freight hauler, is now a logistics powerhouse with global supply chain moving. reach. The Company's operations are conducted through its two reportable operating segments: Asset-Based, which consists of ABF Freight System, Inc. and certain other subsidiaries ("ABF Freight"); , and Asset-Light, which includes MoLo Solutions, LLC ("MoLo"), Panther Premium Logistics® ("Panther"), and certain other subsidiaries. References to the Company in this Quarterly Report on Form 10-Q are primarily to the Company and its subsidiaries on a consolidated basis.

The Asset-Based segment represented approximately 63% of the Company's total revenues before other revenues and intercompany eliminations for the nine three months ended September 30, 2023 March 31, 2024. As of September 2023, March 2024, approximately 82% of the Asset-Based segment's employees were covered under the a collective bargaining agreement, the ABF National Master Freight Agreement (the "2023 ABF NMFA"), with the International Brotherhood of Teamsters (the "IBT"), which was ratified on June 30, 2023 by a majority of ABF Freight's IBT member employees. A majority of the 2023 ABF NMFA supplements also passed. The remaining supplements were ratified on July 7, 2023. The 2023 ABF NMFA was implemented on July 16, 2023, effective retroactive to July 1, 2023, and will remain in effect through June 30, 2028.

The major economic provisions of the 2023 ABF NMFA include wage rate increases in each year of the contract, with the initial increase effective retroactive to July 1, 2023; profit-sharing bonuses upon the Asset-Based segment's achievement of certain annual operating ratios for

any full calendar year under the contract; an additional paid holiday; two additional sick days; and a new non-CDL employee classification. The 2023 ABF NMFA and the related supplemental agreements provide for annual contribution rate increases to multiemployer health and welfare and pension funds to which ABF Freight contributed under the previous agreement. Under the 2023 ABF NMFA, the contractual wages and benefits top hourly rates are estimated to increase approximately 4.2% on a compounded annual basis through the end of the agreement.

Financial Statement Presentation

On February 28, 2023, the Company sold FleetNet America, Inc. ("FleetNet"), a wholly owned subsidiary and reportable operating segment of the Company, for an aggregate adjusted cash purchase price of $100.9 million, including post-closing adjustments. The sale of FleetNet® was a strategic shift for the Company as it exited the fleet roadside assistance and maintenance management business; therefore, the sale was accounted for as discontinued operations. As such, historical results of FleetNet have been excluded from both continuing operations and segment results for all periods presented, and reclassifications have been made to the prior-period financial statements to conform to the current-year presentation. Related assets and liabilities associated with FleetNet are classified as discontinued operations in the consolidated balance sheets for all periods presented. The cash flows related to the discontinued operations have not been segregated and are included in the consolidated statements of cash flows. Unless otherwise indicated, all amounts in this Quarterly Report on Form 10-Q refer to continuing operations, including comparisons to the prior year. For more information on the Company's discontinued operations, see Note C.

Certain For the three months ended March 31, 2023, certain reclassifications have been made to between operating expenses lines of the prior-year presentation of other long-term liabilities Asset-Light segment to conform to the current-year presentation (see Note J). There was no impact on total Asset-Light operating expenses as a result of the contingent consideration liability on a separate line in the consolidated balance sheets.For the three- and nine-month periods ended September 30, 2022, intersegment revenues presented in Note J have been adjusted from those previously reported to correct the breakdown of certain revenues between segments. The adjustments made to the presentation are not material. these reclassifications.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and applicable rules and regulations of the Securities and Exchange Commission (the "SEC") pertaining to interim financial information. Accordingly, these interim financial statements do not include all information or footnote disclosures required by accounting principles generally accepted in the

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United States for complete financial statements and, therefore, should be read in conjunction with the audited financial statements and accompanying notes included in the Company's 2022 2023 Annual Report on Form 10-K which have not been adjusted to reflect FleetNet as discontinued operations, and other current filings with the SEC. In the opinion of management, all adjustments (which are of a normal and recurring nature) considered necessary for a fair presentation have been included.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual amounts may differ from those estimates.

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Accounting Pronouncements Not Yet Adopted

Management believes there Accounting Standards Codification ("ASC") Topic 280, *Segment Reporting*, was amended in November 2023 through the issuance of Accounting Standards Update ("ASU") No. 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 will require enhanced disclosures of significant segment expenses on an annual and interim basis. ASU 2023-07, which is no new accounting guidance issued but effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, is not yet effective that would expected to have a material significant impact on the Company's disclosures.

ASC Topic 740, *Income Taxes*, was amended in December 2023 through the issuance of ASU No. 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"), to improve income tax disclosures primarily related to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, while early adoption is permitted. The Company is currently assessing the amendment's impact on the Company's current disclosures.

In March 2024, the SEC adopted final rules under SEC Release Nos. 33-11275 and 33-99678, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, that will require registrants to provide certain climate-related information in their registration statements and annual reports. This information includes, among other things, material climate-related risks; activities to mitigate or adapt to such risks; information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition; disclosure of Scope 1 and 2 greenhouse gas emissions; the filing of an attestation report covering the required disclosure of such registrants' Scope 1 and 2 emissions; and disclosure of the financial statement effects of severe weather events and other natural conditions in the notes to the consolidated financial statements. Disclosure requirements are effective using a phased-in compliance period beginning with the Company's 2025 Annual Report on Form 10-K. Subsequent to issuance, the rules became the subject of litigation, and the SEC has issued a stay to allow the legal process to proceed. The Company is currently assessing the impact of the final rules on the Company's disclosures.

NOTE B – FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Financial Instruments

The following table presents the components of cash and cash equivalents and short-term investments:

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
	(in thousands)			
				(in thousands)
Cash and cash equivalents				
Cash deposits(1)	**$ 160,671**	$ 137,247	**$140,655**	$ 168,472
Variable rate demand notes(1)(2)	**—**	9,285		
Money market funds(3)	**90,832**	11,732		
Money market funds(2)			**32,200**	93,754
Total cash and cash equivalents	**$ 251,503**	$ 158,264	**$172,855**	$ 262,226
Short-term investments				
Certificates of deposit(1)	**$ 69,421**	$ 88,851	**$ 68,065**	$ 67,842

U.S. Treasury securities(4)	**19,905**	78,811
Total short-term investments	**$ 89,326**	$ 167,662

(1) Recorded at cost plus accrued interest, which approximates fair value.

(2) Amounts may be redeemed on a daily basis with the original issuer.

(3) Recorded at fair value as determined by quoted market prices (see amounts presented in the table of financial assets and liabilities measured at fair value within this Note).

(4) Recorded at amortized cost plus accrued interest, which approximates fair value. U.S. Treasury securities included in short-term investments are held-to-maturity investments with maturity dates of less than one year.

The Company's long-term financial instruments are presented in the table of financial assets and liabilities measured at fair value within this Note.

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Concentrations of Credit Risk of Financial Instruments

The Company is potentially subject to concentrations of credit risk related to its cash, cash equivalents, and short-term investments. The Company reduces credit risk by maintaining its cash deposits and short-term investments in accounts and certificates of deposit which are primarily FDIC-insured or in direct obligations of the U.S. government. However, certain cash deposits and certificates of deposit may exceed federally insured limits. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, cash deposits and short-term investments which were neither FDIC insured nor direct obligations of the U.S. government totaled $70.2 totaling $60.0 million and $87.6 $76.3 million, respectively. respectively, were not FDIC insured. The Company also holds money market funds, which are invested in U.S. government securities and repurchase agreements collateralized solely by U.S. government securities.

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Fair Value Disclosure of Financial Instruments

Fair value disclosures are made in accordance with the following hierarchy of valuation techniques based on whether the inputs of market data and market assumptions used to measure fair value are observable or unobservable:

- Level 1 — Quoted prices for identical assets and liabilities in active markets.
- Level 2 — Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs (Company's market assumptions) that are significant to the valuation model.

Fair value and carrying value disclosures of financial instruments are presented in the following table:

	September 30	**December 31**	**March 31**	**December 31**

	2023		2022		2024		2023	
	(in thousands)							
	Carrying Value	Fair Value	Carrying Value	Fair Value				
					(in thousands)			
					Carrying Value	Fair Value	Carrying Value	Fair Value
Credit Facility(1)	**$ 50,000**	**$ 50,000**	$ 50,000	$ 50,000	**$ 50,000**	**$ 50,000**	$ 50,000	$ 50,000
Notes payable(2)	**193,158**	**188,841**	214,623	207,778	**162,171**	**159,385**	178,938	177,149
New England Pension Fund withdrawal liability(3)	**19,579**	**17,408**	20,100	18,911	**19,222**	**17,734**	19,402	18,220
	$ 262,737	**$ 256,249**	$ 284,723	$ 276,689	**$231,393**	**$227,119**	$248,340	$245,369

(1) The revolving credit facility (the "Credit Facility") carries a variable interest rate based on Secured Overnight Financing Rate ("SOFR"), plus a margin, priced at market for debt instruments having similar terms and collateral requirements (Level 2 of the fair value hierarchy).

(2) Fair value of the notes payable was determined using a present value income approach based on quoted interest rates from lending institutions with which the Company would enter into similar transactions (Level 2 of the fair value hierarchy).

(3) ABF Freight's multiemployer pension plan obligation with the New England Teamsters and Trucking Industry Pension Fund (the "New England Pension Fund") was restructured under a transition agreement effective on August 1, 2018, which resulted in a related withdrawal liability. The fair value of the outstanding withdrawal liability is equal to the present value of the future withdrawal liability payments, discounted at an interest rate of 6.1% 5.6% and 5.3% at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, determined using the 20-year U.S. Treasury rate plus a spread (Level 2 of the fair value hierarchy). As of September 30, 2023 March 31, 2024, the outstanding withdrawal liability totaled $19.6 $19.2 million, of which $0.7 million was recorded in accrued expenses, and the remaining portion was recorded in other long-term liabilities.

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Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the assets and liabilities that are measured at fair value on a recurring basis:

	September 30, 2023			March 31, 2024		
	Fair Value Measurements Using			Fair Value Measurements Using		
	Quoted Prices In Active Markets	Significant Observable Inputs	Significant Unobservable Inputs	Quoted Prices In Active Markets	Significant Observable Inputs	Significant Unobservable Inputs

	Total	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)	(Level 3)
	(in thousands)				(in thousands)			
Assets:								
Money market funds(1)	$ 90,832	$ 90,832	$ —	$ —	$ 32,200	$ 32,200	$ —	$ —
Equity, bond, and money market mutual funds held in trust related to the Voluntary Savings Plan(2)	4,072	4,072	—	—	4,821	4,821	—	—
Interest rate swap(3)	2,468	—	2,468	—	1,214	—	1,214	—
	$ 97,372	$ 94,904	$ 2,468	$ —	$ 38,235	$ 37,021	$ 1,214	$ —
Liabilities:								
Contingent consideration(4)	99,200	—	—	99,200	$100,220	$ —	$ —	$ 100,220
	$ 99,200	$ —	$ —	$ 99,200				

	December 31, 2022				December 31, 2023			
		Fair Value Measurements Using				Fair Value Measurements Using		
	Total	Quoted Prices In Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices In Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)				(in thousands)			
Assets:								
Money market funds(1)	$ 11,732	$ 11,732	$ —	$ —	$ 93,754	$ 93,754	$ —	$ —
Equity, bond, and money market mutual funds held in trust related to the Voluntary Savings Plan(2)	3,982	3,982	—	—	4,627	4,627	—	—
Interest rate swap(3)	3,526	—	3,526	—	1,710	—	1,710	—

	$ 19,240	$ 15,714	$ 3,526	$ —	$100,091	$ 98,381	$ 1,710	$ —
Liabilities:								
Contingent consideration(4)	112,000	—	—	112,000	$ 92,900	$ —	$ —	$ 92,900
	$ 112,000	$ —	$ —	$ 112,000				

(1) Included in cash and cash equivalents.

(2) Nonqualified deferred compensation plan investments consist of U.S. and international equity mutual funds, government and corporate bond mutual funds, and money market funds which are held in a trust with a third-party brokerage firm. Included in other long-term assets, with a corresponding liability reported within other long-term liabilities.

(3) Included in other long-term assets. The fair value of the interest rate swap was determined by discounting future cash flows and receipts based on expected interest rates observed in market interest rate curves adjusted for estimated credit valuation considerations reflecting nonperformance risk of the Company and the counterparty, which are generally considered to be in Level 3 of the fair value hierarchy. However, the Company assessed Level 3 inputs as insignificant to the valuation at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and considers the interest rate swap valuation in Level 2 of the fair value hierarchy.

(4) Included as a long-term liability, based on the March 31, 2024 remeasurement as achievement of the 2024 target is not expected. As part of the Agreement and Plan of Merger (the "Merger Agreement") of MoLo, executed in November 2021, on November 1, 2021, certain additional cash consideration is required to be paid by the Company based on the achievement of certain incremental targets of adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA") for each of the years ended December 31, 2023, 2024, and 2025. The adjusted EBITDA metric was below target for 2023, resulting in no earnout payment for 2023. At 100% of the target, the cumulative additional consideration for years 2023 through 2025 would be $215.0 million, with $215.0 million, consisting of target earnout payments of $70.0 million and $145.0 million, including catch-up provisions, for the possible years ended December 31, 2024 and 2025, respectively. Possible undiscounted cash consideration due ranging could range from a total of $95.0 million at 80% of target to $455.0 million at 300% of target, as outlined in the Merger Agreement. The estimated fair value of contingent earnout consideration is determined by assessing Level 3 inputs. The Level 3 assessments utilize a Monte Carlo simulation with inputs including scenarios of estimated revenues and earnings before interest, taxes, depreciation, and amortization adjusted EBITDA to be achieved for the applicable performance periods, volatility factors applied to the simulations, and the discount rate applied, which was 14.5% 13.4% and 14.0% 13.3% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Changes in the significant unobservable inputs might result in a significantly higher or lower fair value at the reporting date. As of September 30, 2023, the contingent earnout consideration was recorded in long-term liabilities based on the September 30, 2023 remeasurement as achievement of the 2023 target is not expected. The decrease increase in fair value of contingent earnout consideration as of September 30, 2023 March 31, 2024, compared to December 31, 2022 December 31, 2023, reflects revised assumptions for primarily relates to the shorter discount period remaining until the expected payout.

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business growth in 2024 and 2025, as well as the impact of continuing softer market conditions during 2023 and a higher discount rate at the September 30, 2023 remeasurement date.

The following table provides the changes in fair value of the liabilities measured at fair value using inputs categorized in Level 3 of the fair value hierarchy:

	Contingent Consideration (in thousands)	Contingent Consideration (in thousands)
Balance at December 31, 2022	$ 112,000	
Balance at December 31, 2023		$ 92,900
Change in fair value included in operating income	(12,800)	7,320
Balance at September 30, 2023	$ 99,200	

Balance at March 31, 2024	$ 100,220

Assets Measured at Fair Value on a Nonrecurring Basis

The Company remeasures certain assets on a nonrecurring basis upon the occurrence of certain events. In November 2021, the Company recorded an equity investment for $25.0 million in Phantom Auto, a startup provider of human-centered remote operation software, and became a lead investor in their Series B Preferred offering. The equity investment was accounted for as a nonmarketable equity security without a readily determinable value using the measurement alternative, which allowed the investment to be recorded at cost, less any impairment and adjusted for observable price changes. During the nine months ended September 30, 2023, the Company remeasured second quarter of 2023, the fair value of its equity investments the Company's investment in private entities upon Phantom Auto increased by $3.7 million based on an observable price change upon the closing of Phantom Auto's Series B-2 funding round. During the first quarter of 2024, the Company was notified that Phantom Auto was ceasing operations due to liquidity concerns from failing to secure additional funding from investors or lenders. As a result, the Company assessed the likelihood of recovering its investment as remote and remeasured certain long-lived recorded a pre-tax, noncash impairment charge of $28.7 million, to write off the equity investment in Phantom Auto, which was recognized below the operating lease right-of-use assets and leasehold improvements for which impairment charges were recognized during the period. income line in "Other, net" within "Other income (costs)."

The following table provides the change in fair value of equity investments on a nonrecurring basis using inputs categorized in Level 3 of the fair value hierarchy:

	Equity Investment(1)
	(in thousands)
Balance at December 31, 2022	$ 25,000
Change in fair value included in operating income	3,739
Balance at September 30, 2023	$ 28,739

(1) Represents the Company's equity investment in Phantom Auto, a provider of human-centered remote operation software. The equity investment is accounted for as a nonmarketable equity security without a readily determinable value using the measurement alternative, which allows for the investment to be recorded at cost, less any impairment and adjusted for observable price changes in orderly transactions for an identical or similar equity security of the same issuer. The $3.7 million increase in fair value of the Company's equity investment was measured as of April 26, 2023, based on an observable price change upon the closing of Phantom Auto's Series B-2 funding round. The fair value of the investment was estimated using a hybrid method of the Black-Scholes option pricing model and the probability-weighted expected return method. This method produces a per-share value based on a probability-weighted scenario analysis. The scenarios reflect changes to the liquidation preferences based on the potential liquidity event. The Black-Scholes option pricing model used various inputs, including expected volatility, expected term to liquidity, risk-free rate over the expected term, breakpoints values, and liquidation preferences.

	Equity Investment
	(in thousands)
Balance at December 31, 2023	$ 28,739
Change in fair value included in other income	(28,739)
Balance at March 31, 2024	$ —

The following table provides the changes in the long-lived assets measured on a nonrecurring basis for which impairment charges were recognized during the three and nine months ended September 30, 2023. The fair value measurements used inputs categorized in Level 3 of the fair value hierarchy.

	Lease		
	Carrying Value	Impairment Charges(1)	Fair Value
		(in thousands)	
Operating right-of-use assets	$ 48,417	$ (28,124)	$ 20,293
Leasehold improvements	3,874	(2,038)	1,836
	$ 52,291	$ (30,162)	$ 22,129

NOTE C – DISCONTINUED OPERATIONS

(1) During the third quarter of 2023, the Company recorded impairment charges of $30.2 million related to operating right-of-use assets and leasehold improvements associated with a freight handling pilot facility, a service center, and office spaces that were made available for sublease. The fair value of these asset groups was estimated at September 1, 2023, using a discounted cash flow method utilizing market-participant discountrates ranging from 7.5% to 9.5% and certain unobservable inputs, including estimated cash flows based on anticipated future sublease terms as determined using third-party real estate broker quotes. See Note F for additional discussion related to these impairment charges.

On February 28, 2023, the Company sold FleetNet, a wholly owned subsidiary of the Company, for an initial aggregate cash purchase price of $101.1 million, which was subject to certain tax and other customary adjustments, and recorded a pre-tax gain on sale of $69.1 million, or $51.4 million, net of tax. The purchase price was adjusted during the second quarter of 2023, resulting in an aggregate adjusted cash purchase price of $100.9 million. After adjustments the total pre-tax gain recognized in 2023 and the first quarter of 2024 was $70.2 million and $0.8 million, respectively. FleetNet provided roadside repair solutions and vehicle maintenance management services for commercial and private fleets through a network of third-party service providers. The sale of FleetNet allowed the Company to focus on growing its continuing operations, as FleetNet was no longer core to the Company's growth initiatives. The financial results of FleetNet have been accounted for as discontinued operations for all periods presented.

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NOTE C – DISCONTINUED OPERATIONS

On February 28, 2023, the Company sold FleetNet, a wholly owned subsidiary of the Company, for an aggregate adjusted cash purchase price of $100.9 million, and recorded a pre-tax gain on sale of $70.2 million, or $52.3 million, net of tax. FleetNet provided roadside repair solutions and vehicle maintenance management services for commercial and private fleets through a network of third-party service providers. The sale of FleetNet allows the Company to focus on growing its continuing operations, as FleetNet was no longer core to the Company's growth initiatives. The financial results of FleetNet have been accounted for as discontinued operations for all periods presented.

The following table summarizes the financial results from discontinued operations:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	**2022**	**2023**	**2022**
		(in thousands)		
Revenues	**$ —**	$ 76,101	**$ 55,929**	$ 214,321
Operating expenses				
(Gain) loss on sale of business(1)	**14**	—	**(70,201)**	—
Other	**—**	75,676	**54,623**	210,604
	14	75,676	**(15,578)**	210,604
Operating income (loss)	**(14)**	425	**71,507**	3,717
Other income, net(2)	**—**	25	**17**	42
Income (loss) from discontinued operations before income taxes	**(14)**	450	**71,524**	3,759

Income tax provision (benefit)	**(4)**	221	**18,255**	1,050
Income (loss) from discontinued operations, net of tax	**$ (10)**	$ 229	**$ 53,269**	$ 2,709

(1) The gain recognized for the three and nine months ended September 30, 2023 includes post-closing adjustments, including the resolution of certain post-close contingencies in the second quarter of 2023. The total pre-tax gain of $70.2 million for the nine months ended September 30, 2023, includes transaction costs of $3.8 million consisting of consulting fees, professional fees, and employee-related expenses.

(2) Includes interest income, net of interest expense, of which the amounts are immaterial for all periods presented.

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The following table summarizes the assets and liabilities financial results from discontinued operations:

	December 31, 2022
	(in thousands)
Cash and cash equivalents	$ 108
Accounts receivable, net	63,022
Other current assets	1,606
Total current assets of discontinued operations	$ 64,736
Property, plant and equipment, net	10,350
Goodwill	630
Intangible assets, net	63
Other long-term assets	54
Total long-term assets of discontinued operations	$ 11,097
Accounts payable	47,687
Income taxes payable	613
Accrued expenses	3,365
Total current liabilities of discontinued operations	$ 51,665
Deferred tax liability	781
Total long-term liabilities of discontinued operations	$ 781

	Three Months Ended March 31	
	2024	2023
	(in thousands)	
Revenues	**$ —**	$ 55,929
Operating expenses		
Gain on sale of business(1)	**(806)**	(69,083)
Other	**—**	54,623
	(806)	(14,460)

Operating income	**806**	70,389
Other income, net(2)	**—**	17
Income from discontinued operations before income taxes	**806**	70,406
Income tax provision	**206**	17,970
Income from discontinued operations, net of tax	**$ 600**	$ 52,436

(1) The 2024 period includes the reversal of an employee-related contingent liability that expired one-year after disposition, per the purchase agreement. The 2023 period includes transaction costs of $4.4 million consisting of consulting fees, professional fees, and employee-related expenses prior to resolution of certain post-close contingencies in second quarter 2023.

(2) The 2023 period includes interest expense, which is immaterial.

Cash flows from discontinued operations of FleetNet were as follows:

	Nine Months Ended September 30		Three Months Ended March 31	
	2023	**2022**	**2024**	**2023**
	(in thousands)			
Net cash provided by operating activities(1)	**$ 762**	$ 796	**$ —**	$ 762
Net cash used in investing activities(2)	**(397)**	(2,781)	**—**	(398)
Net cash provided by (used in) financing activities	**(473)**	2,004		
Net increase (decrease) in cash and cash equivalents	**$ (108)**	$ 19		
Net cash used in financing activities			**—**	(472)
Net decrease in cash and cash equivalents			**$ —**	$ (108)

(1) Includes The 2023 period includes depreciation and amortization expense of $0.4 million and $1.4 million for the nine months ended September 30, 2023 and 2022, respectively. Also includes share-based compensation expense for the nine months ended September 30, 2023 of $0.3 million, which is included in the “Pre-tax gain on sale of discontinued operations” line of the consolidated statements of cash flows.

(2) Includes The 2023 period includes purchases of property, plant and equipment of $0.1 million and $1.3 million for the nine months ended September 30, 2023 and 2022, respectively. . Excludes the proceeds from the sale of discontinued operations, which are included in cash flows from continuing operations.

NOTE D – GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of cost over the fair value of net identifiable tangible and intangible assets acquired. The December 31, 2022 balance has been adjusted to reclassify the $0.6 million of goodwill related to FleetNet to discontinued operations. The remaining goodwill balance of $304.8 million at both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, primarily relates to the Asset-Light segment acquisitions of MoLo and Panther.

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Intangible assets consisted of the following:

	September 30, 2023				December 31, 2022			March 31, 2024				Dec
	Weighted-Average Amortization Period	Cost	Accumulated Amortization	Net Value	Cost	Accumulated Amortization	Net Value	Weighted-Average Amortization Period	Cost	Accumulated Amortization	Net Value	Cost
	(in years)		(in thousands)			(in thousands)		(in years)		(in thousands)		
Finite-lived intangible assets												
Customer relationships	**12**	**$ 99,579**	**$ 49,251**	**$ 50,328**	$ 99,579	$ 42,933	$ 56,646	**12**	**$ 99,579**	**$ 53,463**	**$46,116**	$ 99,579
Other	**8**	**30,092**	**8,432**	**21,660**	29,914	5,127	24,787	**8**	**30,158**	**10,634**	**19,524**	30,151
	11	**129,671**	**57,683**	**71,988**	129,493	48,060	81,433	**11**	**129,737**	**64,097**	**65,640**	129,730
Indefinite-lived intangible assets												
Indefinite-lived intangible asset												
Trade name	**N/A**	**32,300**	**N/A**	**32,300**	32,300	N/A	32,300	**N/A**	**32,300**	**N/A**	**32,300**	32,300

Total intangible assets	N/A	$161,971	$ 57,683	$104,288	$161,793	$ 48,060	$113,733	N/A	$162,037	$ 64,097	$97,940	$162,030	$	

As of March 31, 2024, the future amortization for intangible assets acquired through business acquisitions were as follows:

	Amortization of Intangible Assets
	(in thousands)
Remainder of 2024	$ 9,598
2025	12,798
2026	8,691
2027	7,266
2028	7,266
Thereafter	20,021
Total amortization	$ 65,640

As of September 30, 2023, the future amortization of intangible assets was as follows:

	Amortization of Intangible Assets
	(in thousands)
Remainder of 2023	$ 3,197
2024	12,790
2025	12,790
2026	8,683
2027	7,259
Thereafter	27,269
Total amortization	$ 71,988

NOTE E – INCOME TAXES

The Company's total effective tax benefit rate was 25.5% and 23.1% 40.3% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared due primarily to 22.7% and 23.3% the pre-tax loss from a noncash impairment charge to write off our equity investment in Phantom Auto included in the loss from continuing operations during the first quarter of 2024. The Company's total effective tax rate of 24.1% for the same periods of 2022, including three months ended March 31, 2023 includes discontinued operations which are further discussed in Note C. The effective tax benefit rate from continuing operations was 25.5% and 21.6% 37.7% for the three and nine months ended September 30, 2023, respectively, compared to 22.6% and 23.3% March 31, 2024. The effective tax rate from continuing operations was 20.0% for the same periods of 2022. three months ended March 31, 2023. State tax rates vary among states and average approximately 6.0% to 6.5%, although some state rates are higher, and a small number of states do not impose an income tax.

For the three and nine months ended September 30, 2023 March 31 2024 and 2022. 2023, the difference between the Company's effective tax rate from continuing operations and the federal statutory rate resulted from state income taxes, nondeductible expenses, changes in the cash surrender value of life insurance, the federal alternative fuel tax credit, the federal research and development tax credit, changes in tax valuation allowances, the federal alternative fuel tax credit and the tax benefit from the vesting of stock awards.

As of September 30, 2023 March 31, 2024, the Company's deferred tax liabilities, which will reverse in future years, exceeded the deferred tax assets. The Company evaluated the total deferred tax assets at September 30, 2023 March 31, 2024, and concluded that, other than for certain deferred tax assets related to foreign and state tax credit carryforwards and state net operating losses, the assets did not exceed the amount for which realization is more likely than not. In making this determination, the Company considered the future reversal of existing taxable temporary differences, future taxable income, and tax planning strategies. Valuation allowances for deferred tax assets totaled $1.8 million at both March 31, 2024 and $1.7 million at September 30, 2023 and December 31, 2022, respectively. December 31, 2023.

During the nine three months ended September 30, 2023 and 2022, March 31, 2024, the Company paid federal, state, and foreign income taxes of $78.3 $19.1 million and $87.5 received refunds of less than $0.1 million respectively, of state income taxes that were paid in prior years. For the three months ended March 31, 2023, the Company paid federal, state, and foreign income taxes of $27.7 million and received refunds of $1.6 million of federal and state income taxes that were paid in prior years of $1.7 million and $1.2 million, respectively. years.

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Income tax expense reflected in discontinued operations, was a tax benefit of less than $0.1 million, or an effective tax benefit rate of 25.5%, and tax expense of $18.3 million, or an effective tax rate of 25.5%, for the three and nine months ended September 30, 2023, respectively, which primarily consisted of federal and state income taxes on the gain on the sale of FleetNet. For FleetNet, was $0.2 million and $18.0 million for the three and nine months ended September 30, 2022, income tax expense reflected in discontinued operations was $0.2 million, March 31, 2024 and 2023, respectively, or an effective tax rate of 49.1%, and $1.1 million, or an effective tax rate of 27.9%, respectively. 25.5% in each period.

NOTE F – LEASES

The Company has operating lease arrangements for certain facilities and revenue equipment used in the Asset-Based and Asset-Light segment operations and certain other facilities and office equipment.

The components of operating lease expense were as follows:

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
	(in thousands)					
Operating lease expense	**$ 9,880**	$ 8,666	**$29,094**	$23,116	**$ 10,276**	$ 9,166
Variable lease expense	**1,792**	1,176	**5,094**	3,220	**1,681**	1,540
Sublease income	**(49)**	(286)	**(168)**	(544)	**(646)**	(114)
Total operating lease expense(1)	**$ 11,623**	$ 9,556	**$34,020**	$25,792	**$ 11,311**	$ 10,592

(1) Operating lease expense excludes short-term leases with a term of 12 months or less.

The operating cash flows from operating lease activity were as follows:

	Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2024	2023
	(in thousands)			
Noncash change in operating right-of-use assets	**$ 25,836**	$ 20,356	**$ 8,618**	$ 7,485
Cash payments to obtain right-of-use assets			**(7,752)**	—
Change in operating lease liabilities	**(22,550)**	(18,777)	**(8,576)**	(5,915)
Operating right-of-use-assets and lease liabilities, net	**$ 3,286**	$ 1,579	**$ (7,710)**	$ 1,570
Cash paid for amounts included in the measurement of operating lease liabilities	**$ (25,738)**	$ (21,526)	**$(10,226)**	$(7,596)

Maturities of operating lease liabilities at September 30, 2023 March 31, 2024, were as follows:

	Total	Land and Structures(1)	Equipment and Other	Total	Land and Structures(1)	Equipment and Other
	(in thousands)					
Remainder of 2023	$ 9,908	$ 9,810	$ 98			
2024	38,264	37,947	317			
				(in thousands)		
Remainder of 2024				$ 30,278	$ 30,085	$ 193
2025	34,301	34,278	23	37,922	37,899	23
2026	31,535	31,535	—	34,746	34,746	—
2027	25,418	25,418	—	28,069	28,069	—
2028				24,584	24,584	—
Thereafter	99,524	99,524	—	87,556	87,556	—
Total lease payments	238,950	238,512	438	243,155	242,939	216
Less imputed interest	(35,781)	(35,771)	(10)	(37,084)	(37,081)	(3)
Total	$ 203,169	$ 202,741	$ 428	$206,071	$ 205,858	$ 213

(1) Excludes future minimum lease payments for leases which were executed but had not yet commenced as of September 30, 2023 March 31, 2024, totaling $51.3 $28.8 million, which will be paid over approximately 10 years.

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Lease Impairment Charges

Long-lived assets, including operating right-of-use assets, are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. During the third quarter of 2023, the Company evaluated for impairment certain long-lived operating right-of-use assets that were made available for sublease. The assets evaluated for impairment include the right-of-use assets and leasehold improvements for a service center within the Asset-Based segment from which operations were relocated to a recently purchased facility; certain office spaces within the Asset-Light segment that have been vacated as a cost reduction measure in light of ongoing market changes impacting the Asset-Light business and changing employee work location trends; and certain leased facilities reported within "Other and eliminations" utilized for the service center operations of a freight handling pilot location, as operations transitioned back to the owned Asset-Based service center facility where they had previously been located, following the pause of the hardware pilot program at ABF Freight.

After determining the carrying values of these asset groups were not recoverable, impairment was measured and lease impairment charges were recognized for the amount by which the carrying value exceeded the fair value of the asset groups. To estimate the fair value of the asset groups, the Company relied on a discounted cash flow method utilizing market-participant discount rates estimated with Level 3 inputs (see Note B).

As a result of these evaluations, the Company recognized $30.2 million of lease impairment charges as a component of operating expenses in the consolidated statements of operations for the three and nine months ended September 30, 2023. The impairment losses recorded include $28.1 million related to the operating right-of-use assets with the remaining amount related to leasehold improvements. The Company determined the right-of-use assets and leasehold improvements are not or will not be abandoned, as there is a plan to sublease the properties, and the right-of-use assets will continue to be classified as held and used.

NOTE G – LONG-TERM DEBT AND FINANCING ARRANGEMENTS

Long-Term Debt Obligations

Long-term debt consisted of borrowings outstanding under the Company's revolving credit facility, which is further described in Financing Arrangements within this Note, and notes payable related to the financing of revenue equipment (tractors and trailers used primarily in Asset-Based segment operations), and certain other equipment and software were as follows:

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
	(in thousands)			
Credit Facility (interest rate of 6.5%(1) at September 30, 2023)	**$ 50,000**	$ 50,000		
Notes payable (weighted-average interest rate of 3.7% at September 30, 2023)	**193,158**	214,623		

			(in thousands)	
Credit Facility (interest rate of 6.6%[1] at March 31, 2024)			**$ 50,000**	$ 50,000
Notes payable (weighted-average interest rate of 3.9% at March 31, 2024)			**162,171**	178,938
	243,158	264,623	**212,171**	228,938
Less current portion	**66,862**	66,252	**63,179**	66,948
Long-term debt, less current portion	**$ 176,296**	$ 198,371	**$148,992**	$ 161,990

(1) The interest rate swap mitigates interest rate risk by effectively converting the $50.0 million of borrowings under the Credit Facility from variable-rate interest to fixed-rate interest with a per annum rate of 1.55% based on the margin of the Credit Facility as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

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Scheduled maturities of long-term debt obligations as of September 30, 2023 March 31, 2024, were as follows:

	Total	Credit Facility[1]	Notes Payable	Total	Credit Facility[1]	Notes Payable
		(in thousands)			(in thousands)	
Due in one year or less	$ 76,410	$ 3,336	$ 73,074	$ 71,602	$ 3,142	$ 68,460
Due after one year through two years	60,059	2,897	57,162	50,181	2,690	47,491
Due after two years through three years	43,696	2,651	41,045	38,552	2,502	36,050
Due after three years through four years	30,247	2,639	27,608	69,270	51,273	17,997
Due after four years through five years	58,531	50,044	8,487	3,433	—	3,433
Due after five years	70	—	70	—	—	—
Total payments	269,013	61,567	207,446	233,038	59,607	173,431
Less amounts representing interest	25,855	11,567	14,288	20,867	9,607	11,260
Long-term debt	$ 243,158	$ 50,000	$ 193,158	$212,171	$50,000	$162,171

(1) The future interest payments included in the scheduled maturities due are calculated using variable interest rates based on the SOFR swap curve, plus the anticipated applicable margin, exclusive of payments on the interest rate swap.

Assets securing notes payable were included in property, plant and equipment as follows:

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
	(in thousands)			
			(in thousands)	
Revenue equipment	**$ 311,646**	$ 294,700	**$300,161**	$ 300,922
Service, office, and other equipment	**38,138**	41,522		
Service, office and other equipment			**38,138**	38,138
Total assets securing notes payable	**349,784**	336,222	**338,299**	339,060
Less accumulated depreciation	**137,122**	119,244		
Less accumulated depreciation(1)			**145,630**	135,305
Net assets securing notes payable	**$ 212,662**	$ 216,978	**$192,669**	$ 203,755

(1) Depreciation of assets securing notes payable is included in depreciation expense.

Financing Arrangements

Credit Facility

As of September 30, 2023 March 31, 2024, the Company has a revolving credit facility (the "Credit Facility") under its Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), with an initial maximum credit amount of up to $250.0 million, including

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a swing line facility in an aggregate amount of up to $40.0 million and a letter of credit sub-facility providing for the issuance of letters of credit up to an aggregate amount of $20.0 million. The Company may request additional revolving commitments or incremental term loans thereunder up to an aggregate amount of up to $125.0 million, subject to the satisfaction of certain additional conditions as provided in the Credit Agreement. As of September 30, 2023 March 31, 2024, the Company had available borrowing capacity of $200.0 million under the initial maximum credit amount of the Credit Facility.

Principal payments under the Credit Facility are due upon maturity of the facility on October 7, 2027; however, borrowings may be repaid, at the Company's discretion, in whole or in part at any time, without penalty, subject to required notice periods and compliance with minimum prepayment amounts. In addition, the Credit Facility requires the Company to pay a fee on unused commitments. The Credit Agreement contains conditions, representations and warranties, events of default, and indemnification provisions that are customary for financings of this type, including, but not limited to, a minimum interest coverage ratio, a maximum adjusted leverage ratio, and limitations on incurrence of debt, investments, liens on assets, certain sale and leaseback transactions, transactions with affiliates, mergers, consolidations, and sales of assets. The Company was in compliance with the covenants under the Credit Agreement at September 30, 2023 March 31, 2024.

Interest Rate Swap

As noted in the table above, the Company has an interest rate swap agreement with a $50.0 million notional amount, which will end on October 1, 2024. The Company will receive receives floating-rate interest amounts based on one-month SOFR in exchange for fixed-rate interest payments of 0.33% throughout the remaining term of the agreement. The fair value of the interest rate swap of $2.5 $1.2 million and $3.5 $1.7 million was recorded in other long-term assets at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

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The unrealized gain or loss on the interest rate swap instrument in effect at the balance sheet date was reported as a component of accumulated other comprehensive income, net of tax, in stockholders' equity at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, and the change in the unrealized gain or loss on the interest rate swap for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was reported in other comprehensive income (loss), net of tax, in the consolidated statements of comprehensive income. The interest rate swap is subject to certain customary provisions that could allow the counterparty to request immediate settlement of the fair value liability or asset upon violation of any or all of the provisions. The Company was in compliance with all provisions of the interest rate swap agreement at September 30, 2023 March 31, 2024.

Accounts Receivable Securitization Program

The Company's accounts receivable securitization program, which matures on July 1, 2024, provides available cash proceeds of $50.0 million to be provided under the program and has an accordion feature allowing the Company to request additional borrowings up to $100.0 million, subject to certain conditions.

Under this program, certain subsidiaries of the Company continuously sell a designated pool of trade accounts receivables to a wholly owned subsidiary which, in turn, may borrow funds on a revolving basis. This wholly owned consolidated subsidiary is a separate bankruptcy-remote entity, and its assets would be available only to satisfy the claims related to the lenders' interest in the trade accounts receivables. Borrowings under the accounts receivable securitization program bear interest based upon SOFR, plus a margin, and an annual facility fee. The securitization agreement contains representations and warranties, affirmative and negative covenants, and events of default that are customary for financings of this type, including a maximum adjusted leverage ratio covenant. The Company was in compliance with the covenants under the accounts receivable securitization program at September 30, 2023 March 31, 2024.

The accounts receivable securitization program includes a provision under which the Company may request, and the letter of credit issuer may issue standby letters of credit, primarily in support of workers' compensation and third-party casualty claims liabilities in various states in which the Company is self-insured. The outstanding standby letters of credit reduce the availability of borrowings under the program. As of September 30, 2023 March 31, 2024, standby letters of credit of $10.0 $16.8 million have been issued under the program, which reduced the available borrowing capacity to $40.0 $33.2 million.

Letter of Credit Agreements and Surety Bond Programs

As of September 30, 2023 March 31, 2024, the Company had letters of credit outstanding of $10.6 $17.4 million (including $10.0 $16.8 million issued under the accounts receivable securitization program). The Company has programs in place with multiple surety

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companies for the issuance of surety bonds in support of its self-insurance program. As of September 30, 2023 March 31, 2024, surety bonds outstanding related to the self-insurance program totaled $58.8 $67.7 million.

Notes Payable

The Company has financed the purchase of certain revenue equipment and other equipment through promissory note arrangements, including $27.5 million and $31.0 million for revenue equipment during the three and nine months ended September 30, 2023, respectively.

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NOTE H – STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Income

Components of accumulated other comprehensive income were as follows:

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
	(in thousands)		(in thousands)	
Pre-tax amounts:				
Unrecognized net periodic benefit credit	**$ 8,289**	$ 9,287	**$ 6,564**	$ 6,816
Interest rate swap	**2,468**	3,526	**1,214**	1,710
Foreign currency translation	**(3,239)**	(3,247)	**(3,285)**	(2,709)
Total	**$ 7,518**	$ 9,566	**$ 4,493**	$ 5,817
After-tax amounts:				
Unrecognized net periodic benefit credit	**$ 6,155**	$ 6,896	**$ 4,874**	$ 5,061
Interest rate swap	**1,823**	2,604	**897**	1,263
Foreign currency translation	**(2,392)**	(2,397)	**(2,426)**	(2,000)
Total	**$ 5,586**	$ 7,103	**$ 3,345**	$ 4,324

The following is a summary of the changes in accumulated other comprehensive income, net of tax, by component for the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Total	Unrecognized Net Periodic Benefit Credit	Interest Rate Swap	Foreign Currency Translation	Total	Unrecognized Benefit Credit	Interest Swap	Foreign Translation
	(in thousands)							
						(in thousands)		
Balances at December 31, 2023					**$4,324**	**$ 5,061**	**$1,263**	**$ (2,000)**
Other comprehensive loss before reclassifications					**(792)**	**—**	**(366)**	**(426)**
Amounts reclassified from accumulated other comprehensive income					**(187)**	**(187)**	**—**	**—**
Net current-period other comprehensive loss					**(979)**	**(187)**	**(366)**	**(426)**
Balances at March 31, 2024					**$3,345**	**$ 4,874**	**$ 897**	**$ (2,426)**
Balances at December 31, 2022	**$ 7,103**	**$ 6,896**	**$ 2,604**	**$ (2,397)**	$7,103	$ 6,896	$2,604	$ (2,397)
Other comprehensive income (loss) before reclassifications	**(776)**	**—**	**(781)**	**5**				
Other comprehensive loss before reclassifications					(470)	—	(452)	(18)
Amounts reclassified from accumulated other comprehensive income	**(741)**	**(741)**	**—**	**—**	(247)	(247)	—	—
Net current-period other comprehensive income (loss)	**(1,517)**	**(741)**	**(781)**	**5**				
Net current-period other comprehensive loss					(717)	(247)	(452)	(18)
Balances at September 30, 2023	**$ 5,586**	**$ 6,155**	**$ 1,823**	**$ (2,392)**				
Balances at December 31, 2021	$ 3,699	$ 4,160	$ 309	$ (770)				
Other comprehensive income (loss) before reclassifications	701	—	2,383	(1,682)				
Amounts reclassified from accumulated other comprehensive income	(422)	(422)	—	—				
Net current-period other comprehensive income (loss)	279	(422)	2,383	(1,682)				
Balances at September 30, 2022	$ 3,978	$ 3,738	$ 2,692	$ (2,452)				

Balances at March 31, 2023	$6,386	$ 6,649	$2,152	$ (2,415)

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The following is a summary of the significant reclassifications out of accumulated other comprehensive income by component:

	Unrecognized Net Periodic Benefit Credit Nine Months Ended September 30		Unrecognized Net Periodic Benefit Credit Three Months Ended March 31	
	2023	2022	2024	2023
	(in thousands)			
				(in thousands)
Amortization of net actuarial gain, pre-tax(1)	**$ 998**	$ 568	**$ 252**	$ 333
Tax expense	**(257)**	(146)	**(65)**	(86)
Total, net of tax	**$ 741**	$ 422	**$ 187**	$ 247

(1) Included in the computation of net periodic benefit credit of the Company's supplemental benefit plan ("SBP") and postretirement health benefit plan.

Dividends on Common Stock

The following table is a summary of dividends declared during the applicable quarter:

	2023		2022		2024		2023	
	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount
	(in thousands, except per share data)							

									(in thousands, except per share data)					
First quarter	**$**	**0.12**	**$**	**2,915**	$	0.08	$	1,978	**$**	**0.12**	**$2,828**	$	0.12	$2,915
Second quarter	**$**	**0.12**	**$**	**2,894**	$	0.12	$	2,949						
Third quarter	**$**	**0.12**	**$**	**2,887**	$	0.12	$	2,965						

On October 25, 2023 April 26, 2024, the Company announced its Board of Directors declared a dividend of $0.12 per share to stockholders of record as of November 8, 2023 May 10, 2024.

Treasury Stock

The Company has a program to repurchase its common stock in the open market or in privately negotiated transactions (the "share repurchase program"). The share repurchase program has no expiration date but may be terminated at any time at the Board of Directors' discretion. Repurchases may be made using the Company's cash reserves or other available sources.

As of December 31, 2022 December 31, 2023, the Company had $26.5 $33.5 million available for repurchases of its common stock in total under the share repurchase program. In February 2023, 2024, the Board of Directors reauthorized the share repurchase program and increased the total amount available for purchases of the Company's common stock under the program to $125.0 million. In March 2023, the Company executed a 10b5-1 plan allowing for stock repurchases during the closed trading window extending from March 16, 2023 to May 2, 2023. In September 2023, the Company executed a second 10b5-1 plan extending from September 18, 2023 to October 31, 2023.

During the nine three months ended September 30, 2023 March 31, 2024, the Company repurchased 688,502 120,681 shares for an aggregate cost of $65.9 $15.7 million, including 348,799 65,366 shares for an aggregate cost of $32.3 $8.0 million under both Rule 10b5-1 plans. plans, which allows for stock repurchases during closed trading windows. The Company had $59.1 $115.3 million remaining under its share repurchase program as of September 30, 2023 March 31, 2024. Subsequent to September 30, 2023 March 31, 2024 through November 2, 2023 April 30, 2024, the Company settled repurchases of 137,905 36,547 shares for an aggregate cost of $13.6 million under its 10b5-1 plan executed in September 2023. $5.2 million.

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NOTE I – EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
	(in thousands, except share and per share data)					

					(in thousands, except share and per share data)	
Basic						
Numerator:						
Net income from continuing operations	**$ 34,927**	$ 88,613	**$ 93,374**	$ 258,163		
Net income (loss) from discontinued operations	**(10)**	229	**53,269**	2,709		
Net income	**$ 34,917**	$ 88,842	**$ 146,643**	$ 260,872		
Net income (loss) from continuing operations					**$ (2,912)**	$ 18,847
Net income from discontinued operations					**600**	52,436
Net income (loss)					**$ (2,312)**	$ 71,283
Denominator:						
Weighted-average shares	**24,004,255**	24,605,228	**24,119,449**	24,640,706	**23,561,309**	24,288,138
Basic earnings per common share						
Continuing operations	**$ 1.46**	$ 3.60	**$ 3.87**	$ 10.48	**$ (0.12)**	$ 0.78
Discontinued operations	**—**	0.01	**2.21**	0.11	**0.03**	2.16
Total basic earnings per common share(1)	**$ 1.45**	$ 3.61	**$ 6.08**	$ 10.59	**$ (0.10)**	$ 2.93
Diluted						
Numerator:						
Net income from continuing operations	**$ 34,927**	$ 88,613	**$ 93,374**	$ 258,163		
Net income (loss) from discontinued operations	**(10)**	229	**53,269**	2,709		
Net income	**$ 34,917**	$ 88,842	**$ 146,643**	$ 260,872		
Net income (loss) from continuing operations					**$ (2,912)**	$ 18,847
Net income from discontinued operations					**600**	52,436
Net income (loss)					**$ (2,312)**	$ 71,283
Denominator:						
Weighted-average shares	**24,004,255**	24,605,228	**24,119,449**	24,640,706	**23,561,309**	24,288,138
Effect of dilutive securities	**521,003**	767,527	**637,544**	985,519	**—**	769,588
Adjusted weighted-average shares and assumed conversions	**24,525,258**	25,372,755	**24,756,993**	25,626,225	**23,561,309**	25,057,726
Diluted earnings per common share						
Continuing operations	**$ 1.42**	$ 3.49	**$ 3.77**	$ 10.07	**$ (0.12)**	$ 0.75
Discontinued operations	**—**	0.01	**2.15**	0.11	**0.03**	2.09
Total diluted earnings per common share(1)	**$ 1.42**	$ 3.50	**$ 5.92**	$ 10.18	**$ (0.10)**	$ 2.84

(1) Earnings per common share is calculated in total and may not equal the sum of earnings per common share from continuing operations and discontinued operations due to rounding.

NOTE J – OPERATING SEGMENT DATA

The Company uses the “management approach” to determine its reportable operating segments, as well as to determine the basis of reporting the operating segment information. The management approach focuses on financial information that the Company’s management uses to make operating decisions. Management uses revenues, operating expense categories, operating ratios, operating income (loss), and key operating statistics to evaluate performance and allocate resources to the Company’s operations.

On February 28, 2023, the Company sold FleetNet, a wholly owned subsidiary and reportable operating segment of the Company. Following the sale, FleetNet is reported as discontinued operations. As such, historical results of FleetNet have been excluded from both continuing

operations and segment results for all periods presented, and reclassifications have been made to the prior-period financial statements to conform to the current-year presentation. presented.

The Company's reportable operating segments are impacted by seasonal fluctuations which affect tonnage and shipment levels and demand for services, as described below; therefore, operating results for the interim periods presented may not necessarily be indicative of the results for the fiscal year. Inclement weather conditions can adversely affect freight shipments and operating costs of the Asset-Based and Asset-Light segments. Shipments may decline during winter months

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because of post-holiday slowdowns and during summer months due to plant shutdowns affecting automotive and

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manufacturing customers of the Asset-Light segment; however, weather and other disruptive events can result in higher short-term demand for expedite services depending on the impact to customers' supply chains.

Historically, the second and third calendar quarters of each year usually have the highest tonnage and shipment levels, while the first quarter generally has the lowest, although other factors, including the state of the U.S. and global economies; available capacity in the market; the impact of yield initiatives; and the impact of external events or conditions, may influence quarterly business levels. The Company's yield initiatives, along with increased technology-driven intelligence and visibility with respect to demand, have allowed for shipment optimization in non-peak times, reducing the Company's susceptibility to seasonal fluctuations in recent years, including the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

The Company's reportable operating segments are as follows:

- The Asset-Based segment includes the results of operations of ABF Freight System, Inc. and certain other subsidiaries. The segment operations include national, inter-regional, and regional transportation of general commodities through standard, expedited, and guaranteed LTL services. The Asset-Based segment provides services to the Asset-Light segment, including freight transportation related to managed transportation solutions and other services.

- The Asset-Light segment includes the results of operations of the Company's service offerings in truckload, ground truckload, expedite, dedicated, intermodal, household goods moving, managed transportation, warehousing and distribution, and international freight transportation for air, ocean, and ground. The Asset-Light segment provides services to the Asset-Based segment.

The Company's other business activities and operations that are not reportable segments include ArcBest Corporation (the parent holding company) and certain subsidiaries. Certain costs incurred by the parent holding company and the Company's shared services subsidiary are allocated to the reportable reporting segments. The Company eliminates intercompany transactions in consolidation. However, the information used by the Company's management with respect to its reportable operating segments is before intersegment eliminations of revenues and expenses.

Shared services represent costs incurred to support all segments, including sales, pricing, customer service, marketing, capacity sourcing functions, human resources, financial services, information technology, and other company-wide services. Certain overhead costs are not attributable to any segment and remain unallocated in “Other and eliminations.” Included in unallocated costs are expenses related to investor relations, legal, the Company’s Board of Directors, and certain technology investments. Shared services costs attributable to the reportable operating segments are predominantly allocated based upon estimated and planned resource utilization-related metrics, such as estimated shipment levels or number of personnel supported. The bases for such charges are modified and adjusted by management when necessary or appropriate to reflect fairly and equitably reflect the actual incidence of cost incurred by the reportable operating segments. Management believes the methods used to allocate expenses are reasonable.

Further classifications of operations or revenues by geographic location are impracticable and, therefore, are not provided. The Company’s foreign operations are not significant.

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The following tables reflect the Company’s reportable operating segment information from continuing operations:

	Three Months Ended March 31	
	2024	2023
	(in thousands)	
REVENUES		
Asset-Based	**$ 671,467**	$ 697,817
Asset-Light	**396,363**	438,092
Other and eliminations	**(31,411)**	(29,815)
Total consolidated revenues	**$ 1,036,419**	$ 1,106,094
OPERATING EXPENSES		
Asset-Based		
Salaries, wages, and benefits	**$ 344,999**	$ 335,605
Fuel, supplies, and expenses	**81,044**	94,288
Operating taxes and licenses	**13,529**	13,979
Insurance	**14,482**	13,273
Communications and utilities	**4,799**	5,304
Depreciation and amortization	**27,007**	24,911
Rents and purchased transportation	**65,671**	90,744
Shared services	**64,914**	64,613
(Gain) loss on sale of property and equipment	**149**	(51)
Innovative technology costs(1)	**—**	6,068
Other	**1,417**	1,612
Total Asset-Based	**618,011**	650,346
Asset-Light		
Purchased transportation	**344,122**	370,163
Salaries, wages, and benefits(2)	**30,304**	34,894
Supplies and expenses(2)	**2,809**	3,629

Depreciation and amortization[3]	**5,078**	5,068
Shared services[2]	**16,274**	16,535
Contingent consideration[4]	**7,320**	15,040
Other[2]	**5,714**	6,854
Total Asset-Light	**411,621**	452,183
Other and eliminations	**(15,648)**	(17,594)
Total consolidated operating expenses	**$ 1,013,984**	$ 1,084,935

(1) Represents costs associated with the freight handling pilot test program at ABF Freight, for which the decision was made to pause the pilot during third quarter 2023.

(2) For the 2023 period, certain expenses have been reclassed to conform to the current year presentation, including amounts previously reported in "Shared services" that were reclassed to present "Salaries, wages, and benefits" expenses in a separate line item, and certain immaterial facility rent expenses which were reclassed between line items.

(3) Depreciation and amortization includes amortization of intangibles associated with acquired businesses.

(4) Represents the change in fair value of the contingent earnout consideration related to the MoLo acquisition (see Note B).

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The following tables reflect the Company's reportable operating segment information from continuing operations:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	**2022**	**2023**	**2022**
	(in thousands)			
REVENUES				
Asset-Based	**$ 741,186**	$ 791,531	**$ 2,161,018**	$ 2,299,464
Asset-Light	**419,312**	515,235	**1,267,220**	1,660,174
Other and eliminations	**(32,148)**	(31,036)	**(90,330)**	(94,125)
Total consolidated revenues	**$ 1,128,350**	$ 1,275,730	**$ 3,337,908**	$ 3,865,513
OPERATING EXPENSES				
Asset-Based				
Salaries, wages, and benefits	**$ 357,582**	$ 332,359	**$ 1,037,725**	$ 973,924
Fuel, supplies, and expenses	**91,493**	97,279	**276,678**	281,406
Operating taxes and licenses	**13,865**	13,089	**41,938**	38,405
Insurance	**13,654**	13,180	**39,816**	35,808
Communications and utilities	**4,729**	4,794	**14,586**	14,129
Depreciation and amortization	**26,537**	24,117	**76,721**	72,885
Rents and purchased transportation	**79,233**	123,714	**271,899**	348,249
Shared services	**70,699**	72,286	**209,780**	215,020
(Gain) loss on sale of property and equipment and lease impairment charges[1]	**540**	(5,910)	**905**	(9,975)
Innovative technology costs[2]	**7,300**	6,068	**21,711**	20,982
Other	**731**	1,243	**3,640**	2,629
Total Asset-Based	**666,363**	682,219	**1,995,399**	1,993,462

Asset-Light				
Purchased transportation	**365,217**	425,567	**1,078,482**	1,382,107
Supplies and expenses	**2,773**	4,378	**10,193**	11,907
Depreciation and amortization(3)	**5,097**	5,072	**15,250**	15,720
Shared services	**47,411**	56,371	**147,825**	164,554
Contingent consideration(4)	**(17,840)**	—	**(12,800)**	810
Lease impairment charges(5)	**14,407**	—	**14,407**	—
Gain on sale of subsidiary(6)	**—**	—	**—**	(402)
Other	**5,951**	8,463	**18,478**	21,499
Total Asset-Light	**423,016**	499,851	**1,271,835**	1,596,195
Other and eliminations(7)	**(6,120)**	(21,676)	**(37,692)**	(68,461)
Total consolidated operating expenses	**$ 1,083,259**	$ 1,160,394	**$ 3,229,542**	$ 3,521,196

	Three Months Ended March 31	
	2024	**2023**
	(in thousands)	
OPERATING INCOME (LOSS) FROM CONTINUING OPERATIONS		
Asset-Based	**$ 53,456**	$ 47,471
Asset-Light	**(15,258)**	(14,091)
Other and eliminations	**(15,763)**	(12,221)
Total consolidated operating income	**$ 22,435**	$ 21,159
OTHER INCOME (COSTS) FROM CONTINUING OPERATIONS		
Interest and dividend income	**$ 3,315**	$ 2,933
Interest and other related financing costs	**(2,228)**	(2,327)
Other, net(1)	**(28,199)**	1,780
Total other income (costs)	**(27,112)**	2,386
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**$ (4,677)**	$ 23,545

(1) The three and nine months ended September 30, 2023 include 2024 period includes a $0.7 million noncash lease-related impairment charge for a service center. The three and nine months ended September 30, 2022 include a $4.3 million noncash gain on a like-kind property exchange of a service center, with the remaining gains related primarily to sales of replaced equipment.

(2) Represents costs associated with the freight handling pilot test program at ABF Freight. The decision was made to pause the pilot during third quarter 2023,as previously announced.

(3) Depreciation and amortization includes amortization of intangibles associated with acquired businesses.

(4) Represents the change in fair value of the contingent earnout consideration related to the MoLo acquisition (see Note B). The decrease in fair value for third quarter 2023 and the net decrease in fair value for the nine months ended September 30, 2023 reflect the impact of continuing softer market conditions in 2023 and revised business growth assumptions for 2024 and 2025 on the forecasts utilized at the September 30, 2023 remeasurement date.

(5) Represents noncash lease-related impairment charges for certain office spaces that were made available for sublease.

(6) Gain relates to the contingent amount recognized in second quarter 2022 when funds from the May 2021 sale of the labor services portion of the Asset-Light segment's moving business were released from escrow.

(7) "Other and eliminations" includes $15.1 million of noncash lease-related impairment charges for a freight handling pilot facility.

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
	(in thousands)			
OPERATING INCOME (LOSS)				
Asset-Based	**$ 74,823**	$ 109,312	**$ 165,619**	$ 306,002
Asset-Light	**(3,704)**	15,384	**(4,615)**	63,979
Other and eliminations(1)	**(26,028)**	(9,360)	**(52,638)**	(25,664)
Total consolidated operating income	**$ 45,091**	$ 115,336	**$ 108,366**	$ 344,317
OTHER INCOME (COSTS)				
Interest and dividend income	**$ 3,946**	$ 1,127	**$ 10,604**	$ 1,579
Interest and other related financing costs	**(2,236)**	(1,755)	**(6,768)**	(5,558)
Other, net(2)	**89**	(189)	**6,907**	(3,822)
Total other income (costs)	**1,799**	(817)	**10,743**	(7,801)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**$ 46,890**	$ 114,519	**$ 119,109**	$ 336,516

(1) "Other and eliminations" includes $15.1 million of noncash lease-related impairment charges for a freight handling pilot facility.

(2) Includes the components of net periodic benefit cost (credit) other than service cost related to the Company's SBP and postretirement health benefit plan and proceeds and changes in cash surrender value of life insurance policies. For the nine months ended September 30, 2023, includes a $3.7 million fair value increase related to write off the Company's equity investment in Phantom Auto, based on an observable price change a provider of human-centered remote operation software, which ceased operations during second first quarter 2023 (see Note B). 2024.

The following table reflects information about revenues from customers and intersegment revenues:

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022(1)	2023	2022(1)
	(in thousands)			
Revenues from customers				
Asset-Based	**$ 709,126**	$ 761,616	**$ 2,073,101**	$ 2,211,688
Asset-Light	**417,744**	512,745	**1,261,703**	1,650,737
Other	**1,480**	1,369	**3,104**	3,088
Total consolidated revenues	**$ 1,128,350**	$ 1,275,730	**$ 3,337,908**	$ 3,865,513
Intersegment revenues				
Asset-Based	**$ 32,060**	$ 29,915	**$ 87,917**	$ 87,776
Asset-Light	**1,568**	2,490	**5,517**	9,437
Other and eliminations	**(33,628)**	(32,405)	**(93,434)**	(97,213)
Total intersegment revenues	**$ —**	$ —	**$ —**	$ —
Total segment revenues				
Asset-Based	**$ 741,186**	$ 791,531	**$ 2,161,018**	$ 2,299,464
Asset-Light	**419,312**	515,235	**1,267,220**	1,660,174
Other and eliminations	**(32,148)**	(31,036)	**(90,330)**	(94,125)
Total consolidated revenues	**$ 1,128,350**	$ 1,275,730	**$ 3,337,908**	$ 3,865,513

(1) The 2022 amountshave been adjusted from those previously reported to correct the intersegment breakdown of certain revenues from customers and intersegment revenues between the segments. Adjustments made are not material.

	Three Months Ended March 31	
	2024	2023
	(in thousands)	
Revenues from customers		
Asset-Based	**$ 640,576**	$ 669,220
Asset-Light	**394,825**	436,033
Other	**1,018**	841
Total consolidated revenues	**$ 1,036,419**	$ 1,106,094
Intersegment revenues		
Asset-Based	**$ 30,891**	$ 28,597
Asset-Light	**1,538**	2,059
Other and eliminations	**(32,429)**	(30,656)
Total intersegment revenues	**$ —**	$ —
Total segment revenues		
Asset-Based	$ **671,467**	$ 697,817
Asset-Light	**396,363**	438,092
Other and eliminations	**(31,411)**	(29,815)
Total consolidated revenues	**$ 1,036,419**	$ 1,106,094

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The following table presents operating expenses by category on a consolidated basis:

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
	(in thousands)					
OPERATING EXPENSES					(in thousands)	
Salaries, wages, and benefits	**$ 456,022**	$ 444,164	**$1,342,028**	$1,301,944	**$ 439,523**	$ 436,982
Rents, purchased transportation, and other costs of services	**410,436**	517,106	**1,255,753**	1,633,193	**375,319**	429,605
Fuel, supplies, and expenses	**122,700**	125,349	**369,466**	365,213		
Depreciation and amortization(1)	**37,141**	34,229	**107,962**	103,509		

Contingent consideration[2]	**(17,840)**	—	**(12,800)**	810		
Lease impairment charges[3]	**30,162**	—	**30,162**	—		
Other	**44,638**	39,546	**136,971**	116,527		
Fuel, supplies, and expenses[1]					**109,522**	122,175
Depreciation and amortization[2]					**36,833**	35,010
Contingent consideration[3]					**7,320**	15,040
Other[1]					**45,467**	46,123
	$ 1,083,259	$ 1,160,394	**$3,229,542**	$3,521,196	**$1,013,984**	$1,084,935

(1) For the 2023 period, certain facility rent expenses have been reclassed between line items to conform to the current year presentation. Adjustments made are not material.

(2) Includes amortization of intangible assets.

(2) (3) Represents the change in fair value of the contingent earnout consideration related to the MoLo acquisition (see Note B).

(3) Represents noncash lease-related impairment charges for a freight handling pilot facility, a service center, and office spaces that were made available for sublease.

NOTE K – LEGAL PROCEEDINGS, ENVIRONMENTAL MATTERS, AND OTHER EVENTS

The Company is involved in various legal actions arising in the ordinary course of business. The Company maintains liability insurance against certain risks arising out of the normal course of its business, subject to certain self-insured retention limits. The Company routinely establishes and reviews the adequacy of reserves for estimated legal, environmental, and self-insurance exposures. While management believes that amounts accrued in the consolidated financial statements are adequate, estimates of these liabilities may change as circumstances develop. Considering amounts recorded, routine legal matters are not expected to have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

Legal Proceedings

In January 2023, the Company and MoLo were named as defendants in lawsuits related to an auto accident which involved a MoLo contract carrier. The accident occurred prior to the Company's acquisition of MoLo on November 1, 2021. The Company intends to vigorously defend against these lawsuits. The Company believes that a loss related to this matter is reasonably possible. The Company cannot estimate the amount or a range of reasonably possible losses for this matter, if any, at this time; however, it is reasonably possible that such amounts could be material to the Company's financial condition, results of operations, or cash flows. The Company will pursue recovery for its losses, if any, against all available sources, including, but not limited to, insurance and any potentially responsible third parties.

Environmental Matters

The Company's subsidiaries store fuel for use in tractors and trucks in underground tanks at certain facilities. Maintenance of such tanks is regulated at the federal and, in most cases, state levels. The Company believes it is in substantial compliance with all such regulations. The Company's underground storage tanks are required to have leak detection systems. The Company is not aware of any leaks from such tanks that could reasonably be expected to have a material adverse effect on the Company.

The Company has received notices from the Environmental Protection Agency (the "EPA") and others that it has been identified as a potentially responsible party under the *Comprehensive Environmental Response Compensation and Liability Act of 1980,* as amended, or other federal or state environmental statutes, at several hazardous waste sites. After investigating the Company's involvement in waste disposal or waste generation at such sites, the Company has either agreed to de minimis settlements or determined that its obligations, other than those specifically accrued with respect to such sites, would involve immaterial monetary liability, although there can be no assurances in this regard. The Company

maintains a reserve within accrued expenses, for estimated environmental cleanup costs of properties currently or previously operated by the Company. Amounts accrued reflect management's best estimate of the future undiscounted

exposure related to identified properties based on current environmental regulations, management's experience with similar environmental matters, and testing performed at certain sites.

On March 20, 2023, ABF Freight entered into a consent decree with the EPA (the "Consent Decree") to resolve alleged compliance issues under the federal *Clean Water Act* (the "CWA") and, as a result, paid civil penalties of $0.5 million, including interest, during the third quarter of 2023. The estimated settlement expense for this matter was reserved within accrued expenses as of December 31, 2022. By the date of the Consent Decree, the Asset-Based service center facilities were in general compliance with the stormwater laws and have ensured compliance with applicable stormwater permits under the CWA. ABF Freight has internally developed an environmental stormwater management strategy, including the delineation of roles and responsibilities for stormwater maintenance and compliance; developing procedures for tracking the permit process, including comprehensive employee training; implementing standard operating procedures; ensuring contractor awareness of stormwater laws; and tracking facility-specific corrective actions throughout the term of the Consent Decree.

Other Events

During second quarter 2023, the Company received a Notice of Assessment from a state regarding an ongoing sales and use tax audit for the trailing time period of December 1, 2018 to March 31, 2021. This notice is in addition to the February 2021 Notice of Assessment from that state pertaining to uncollected sales and use tax, including interest and penalties, for the period of September 1, 2016 to November 30, 2018. The Company does not agree with the basis of these assessments and filed an appeal for the 2023 assessment in October 2023 on the same legal basis as the appeal filed in May 2021 for the earlier assessment. The Company has previously accrued an amount related to these assessments consistent with applicable accounting guidance, but if the state prevails in its position, the Company may owe additional tax. Management does not believe the resolution of this matter will have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

The During fourth quarter 2023, the Company is working to settle tentatively settled a dispute relating claim related to the classification of exempt versus nonexempt status certain Asset-Light employees under the *Fair Labor Standards Act* for certain MoLo employees. To date, no lawsuit has been filed against MoLo or the Company. However, the Company believes that a loss related to this matter approximately $9.5 million. The settlement is reasonably possible. pending court approval. The Company cannot estimate the amount or a range of reasonably possible losses estimated settlement expense for this matter if any, at this time; however, it was recognized during the fourth quarter of 2023 and the reserve is reasonably possible that such amounts could be material to maintained within accrued expenses in the Company's financial condition, results consolidated balance sheet as of operations, or cash flows.
March 31, 2024.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

ArcBest Corporation™ (together with its subsidiaries, the "Company," "ArcBest®," "we," "us," and "our") is a multibillion-dollar integrated logistics company that leverages our technology and a full suite of shipping and logistics solutions to meet our customers' supply chain needs and help keep the global supply chain moving. needs. Our operations are conducted through two reportable operating segments: Asset-Based, which consists of ABF Freight System, Inc. and certain other subsidiaries ("ABF Freight"); and Asset-Light, which includes MoLo Solutions, LLC ("MoLo"), Panther Premium Logistics®, and certain other subsidiaries. References to the Company, including "we," "us," and "our," in this Quarterly Report on Form 10-Q, are primarily to the Company and its subsidiaries on a consolidated basis.

On February 28, 2023, the Company sold FleetNet America, Inc. ("FleetNet"), a wholly owned subsidiary of the Company, for an aggregate adjusted cash purchase price of $100.9 million, including post-closing adjustments. Following the sale, FleetNet® was reported as discontinued operations. As such, historical results of FleetNet have been excluded from both continuing operations and segment results for all periods presented, and reclassifications have been made to the prior-period financial statements to conform to the current-year presentation. results. Unless otherwise indicated, all amounts in this Quarterly Report on Form 10-Q refer to continuing operations, including comparisons to the prior year. For more information on our discontinued operations, see Note C to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided to assist readers in understanding our financial performance during the periods presented and significant trends which may impact our future performance, including the principal factors affecting our results of operations, liquidity and capital resources, and critical accounting policies. This discussion should be read in conjunction with the accompanying quarterly unaudited consolidated financial statements and the related notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Our 2022 2023 Annual Report on Form 10-K includes additional information about significant accounting policies, practices, and the transactions that underlie our financial results, as well as a detailed discussion of the most significant risks and uncertainties to which our financial and operating results are subject.

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Results of Operations

Consolidated Results

The following table reflects the Company's consolidated results, including segment revenues and operating income from continuing operations:

Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
2023	2022	2023	2022	2024	2023

	(in thousands, except per share data)				(in thousands, except per share data)	
REVENUES						
Asset-Based	**$ 741,186**	$ 791,531	**$ 2,161,018**	$2,299,464	**$ 671,467**	$ 697,817
Asset-Light	**419,312**	515,235	**1,267,220**	1,660,174	**396,363**	438,092
Other and eliminations	**(32,148)**	(31,036)	**(90,330)**	(94,125)	**(31,411)**	(29,815)
Total consolidated revenues	**$ 1,128,350**	$ 1,275,730	**$ 3,337,908**	$3,865,513	**$ 1,036,419**	$ 1,106,094
OPERATING INCOME (LOSS)						
Asset-Based	**$ 74,823**	$ 109,312	**$ 165,619**	$ 306,002	**$ 53,456**	$ 47,471
Asset-Light	**(3,704)**	15,384	**(4,615)**	63,979	**(15,258)**	(14,091)
Other and eliminations	**(26,028)**	(9,360)	**(52,638)**	(25,664)	**(15,763)**	(12,221)
Total consolidated operating income	**$ 45,091**	$ 115,336	**$ 108,366**	$ 344,317	**$ 22,435**	$ 21,159
NET INCOME FROM CONTINUING OPERATIONS	**$ 34,927**	$ 88,613	**$ 93,374**	$ 258,163		
NET INCOME (LOSS) FROM CONTINUING OPERATIONS					**$ (2,912)**	$ 18,847
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX(1)	**(10)**	229	**53,269**	2,709		
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX(1)					**600**	52,436
NET INCOME	**$ 34,917**	$ 88,842	**$ 146,643**	$ 260,872		
NET INCOME (LOSS)					**$ (2,312)**	$ 71,283
DILUTED EARNINGS PER COMMON SHARE						
Continuing operations	**$ 1.42**	$ 3.49	**$ 3.77**	$ 10.07	**$ (0.12)**	$ 0.75
Discontinued operations(1)	**—**	0.01	**2.15**	0.11	**0.03**	2.09
Total diluted earnings per common share	**$ 1.42**	$ 3.50	**$ 5.92**	$ 10.18	**$ (0.10)**	$ 2.84

(1) Discontinued operations represents the FleetNet segment, which sold on February 28, 2023, as previously discussed. The nine-month 2024 period ended September 30, 2023 represents adjustments related to the prior year gain on sale of FleetNet. The 2023 period includes the net gain on sale of FleetNet of $52.3 million $51.4 million (after-tax) or $2.11 $2.05 diluted earnings per share. Discontinued operations are further described within Note C to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Our consolidated revenues, which totaled $1,128.4 million and $3,337.9 $1,036.4 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, decreased 11.6% and 13.6%, respectively, 6.3% compared to the same prior-year periods. period. The revenue declines are decline is primarily attributable to lower market rates for our Asset-Light shipping and logistics services in a softer market environment, with more available capacity, and a decrease in our Asset-Based daily tonnage levels. The lower tonnage levels are due to fewer daily shipments and lower weight per shipment experienced within the network, compared to the prior-year periods. period, despite an increase in demand for our core, published LTL business during the first quarter of 2024 following market disruption, as further discussed below. The year-over-year decreases decrease in consolidated revenues for the three and nine months ended September 30, 2023 reflect decreases March 31, 2024 reflects a decrease in our Asset-Based revenues of 6.4% 3.8%, and 6.0%, respectively, and decreases a decrease in Asset-Light revenues of 18.6% and 23.7%, respectively. 9.5%. The increased elimination of revenues reported in the “Other and eliminations” line of consolidated revenues increased 3.6% for the three months ended September 30, 2023 and decreased 4.0% for the nine months ended

September 30, 2023 March 31, 2024, compared to the same periods period of 2022, reflecting year-over-year changes in 2023, includes the impact of increased intersegment business levels among our operating segments.

Our Asset-Based revenue decline reflects a 6.3% per-day 16.8% decrease in tonnage per day, partially offset by a 1.9% 15.6% increase in billed revenue per hundredweight, including fuel surcharges, for the three months ended September 30, 2023 March 31, 2024, compared to the same period of 2022, and a 4.7% decrease in billed revenue per hundredweight, including fuel surcharges, and a 0.9% per-day decrease in tonnage for the nine months ended September 30, 2023, compared to the same prior-year period. 2023. The change increase in total billed revenue per hundredweight reflects favorable pricing, partially offset by a decrease in fuel surcharge revenue associated with lower fuel prices, and lower weight per shipment driven by a weaker manufacturing sector and changes in our business mix. DuringLower weight per shipment was also affected by low truckload rates as larger LTL shipments are moving into the full truckload space due to excess capacity and lower market rates. As compared to the first half quarter of 2023, the company increased utilization of we targeted less dynamically priced, transactional LTL shipments due to improved

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transactional LTL shipments as the volume of demand for core, published LTL-rated published shipments declined. shipments. Following the shutdown of one of our larger LTL competitors in late July 2023 (as further discussed in the Asset-Based Overview within the Asset-Based Operations section) and the resulting decline in LTL industry carrier capacity, , our Asset-Based segment experienced an increase in demand for its core, published LTL business and was able to secure these shipments at profitable rates. This increase in published LTL-rated shipments and resulting decrease in transactional business positively impacted the Asset-Based business mix operating results for the third first quarter of 2023. For the three and nine months ended September 30, 2023, Asset-Based daily shipments increased 1.5% and 4.5%, respectively, while weight per shipment decreased 7.7% and 5.1%, respectively, compared to the same prior-year periods. 2024.

The decrease in revenues of our Asset-Light segment for the three and nine months ended September 30, 2023 March 31, 2024, compared to the same prior-year periods, reflects period, was impacted by a 22.8% and 28.0% decrease 19.7% decline in revenue per shipment respectively. The revenue decrease was impacted by changes in business mix associated with softer market conditions and changes in business mix, partially offset by a 3.7% and 2.7% 13.6% increase in shipments per day, respectively, resulting from growth in the truckload business. The day. Our Asset-Light operating segment generated approximately 36% 37% and 37% 39% of our total revenues before other revenues and intercompany eliminations for the three and nine months ended September 30, 2023, respectively, compared to approximately 39% March 31, 2024 and 42%, respectively, for the same periods of 2022. 2023, respectively.

Consolidated operating income totaled $45.1 million and $108.4 $22.4 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to $115.3 $21.2 million and $344.3 million, respectively, for the same periods period of 2022. Operating 2023. The year-over-year improvement in operating income reflects a decrease in operating expenses for the three- and nine-month periods ended September 30, 2023, compared due to the same prior-year periods, were impacted by lower purchased transportation costs in the Asset-Light and Asset-Based both of our operating segments and lower employee costs in the Asset-Light segment due to the from continued alignment of costs to business levels, offset partially by higher employee costs in the Asset-Based segment due to union wage and benefit rate increases and higher headcount. increases. Segment operating expenses are further described in the Asset-Based Segment Results and Asset-Light Segment Results sections of Results of Operations. In addition to the results of our operating segments, the year-over-year comparison of consolidated operating income was also impacted by items described in the following paragraphs.

Innovative technology costs impacted our consolidated operating results for the three months ended March 31, 2024 and our consolidated and Asset-Based segment results for the three and nine months ended September 30, 2023 and 2022. These costs include the freight handling pilot test program at ABF Freight, as further discussed in the Asset-Based Segment Results section. same period of 2023. In March 2023, we publicly launched our customer offering of Vaux™ – the innovative suite of hardware and software which modernizes and transforms how freight is loaded, unloaded, and transferred in warehouse and dock operations. In February 2024, we announced the next step in our Vaux suite – Vaux Smart Autonomy™, which combines autonomous mobile robot forklifts and reach trucks, intelligent software, and remote teleoperation capability to autonomously handle materials movement within warehouses, distribution centers, and manufacturing facilities, while

being monitored by humans. Certain costs related to our growing number of Vaux pilot programs in customer test locations and other initiatives to optimize our performance through technological innovation are reported in the “Other and eliminations” line of consolidated operating income. These For the three months ended March 31, 2023, innovative technology costs also included our freight handling pilot test program at ABF Freight, as further discussed in the Asset-Based Segment Results section. Our combined innovative technology costs impacted consolidated operating results by a total of $14.1 $9.7 million (pre-tax), or $10.6 $7.4 million (after-tax) and $0.43 $0.31 per diluted share, for third first quarter 2023, 2024, compared to $10.1 $12.5 million (pre-tax), or $7.6 million $9.5 million (after-tax) and $0.30 $0.38 per diluted share, for third first quarter 2022. For the nine months ended September 30, 2023, these costs impacted consolidated results by a total of $41.4 million (pre-tax), or $31.3 million (after-tax) and $1.26 per diluted share, compared to $30.1 million (pre-tax), or $22.7 million (after-tax) and $0.89 per diluted share, for the same period of 2022. 2023.

The liability for contingent earnout consideration recorded for the MoLo® acquisition is remeasured at each quarterly reporting date, and any change in fair value as a result of the recurring assessments is recognized in operating income. The Consolidated operating results decreased by $7.3 million (pre-tax), or $5.5 million (after-tax) and $0.23 per diluted share, due to quarterly remeasurement which resulted in a higher liability of the contingent earnout consideration increased consolidated results by $17.8 million (pre-tax), or $13.4 million (after-tax) and $0.55 per diluted share in for the third quarter of 2023, with no comparable adjustment recognized in the third quarter of 2022. three months ended March 31, 2024. For the nine three months ended September 30, 2023 March 31, 2023, the quarterly remeasurements increased consolidated results by $12.8 million (pre-tax), or $9.6 million (after-tax) and $0.39 per diluted share, while quarterly remeasurements reduced remeasurement decreased consolidated operating results by $0.8 $15.0 million (pre-tax), or $0.6 million $11.3 million (after-tax) and $0.02 $0.45 per diluted share, for the same period of 2022. share. Remeasurement of the contingent earnout consideration is further described within Note B to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The Company recognized lease impairment charges during the third quarter of 2023 related to a freight handling pilot facility, a service center, and certain office spaces that were made available for sublease, as further described within Note F to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. For the three

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and nine months ended September 30, 2023 March 31, 2024, lease consolidated net loss and earnings per share were impacted by a one-time, noncash impairment charges reduced operating results by $30.2 million (pre-tax), or $22.6 charge of $21.6 million (after-tax), and $0.92 or $0.90 per diluted share, and $0.91 per diluted share for to write off our equity investment in Phantom Auto, a provider of human-centered remote operation software, which ceased operations during the three and nine months ended September 30, 2023, respectively. Remeasurement first quarter of the right-of-use assets and leasehold improvements 2024. This charge was recognized in “Other, net” within “Other income (costs).” The write-off of our equity investment is further described within Note B to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition to the above items, the year-over-year changes in consolidated net income and earnings per share were impacted by changes in the cash surrender value of variable life insurance policies, changes in the fair value of our equity investment in Phantom Auto, tax benefits from the vesting of share-based

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compensation awards, tax credits, and other changes in the effective tax rate as described within the Income Taxes section of MD&A. A portion of our variable life insurance policies have investments, through separate accounts, in equity and fixed income securities and, therefore, are subject to market volatility. Changes in the cash surrender value of life insurance policies, which are reported below the operating income line in the consolidated statements of operations, increased consolidated net income by $0.2 $1.2 million, or $0.01 per diluted share, and $2.8 million, or $0.11 $0.05 per diluted share, for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to a decrease in net income of $0.2 $1.5 million, or $0.01 per diluted share, and $3.7 million, or $0.14 $0.06 per diluted share, for the same respective prior-year periods.We recorded an adjustment to the fair value of our equity investment in Phantom Auto, a provider of human-centered remote operation software, based on an observable price change during second quarter 2023, which increased consolidated net income by $2.8 million, or $0.11 per diluted share, for the nine-month period ended September 30, 2023, with no comparable prior-year impact. The change in fair value of our equity investment is further described within Note B to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. period. The vesting of restricted stock units resulted in a tax benefit of $0.2 $0.5 million, or $0.01 per diluted share, and $5.1 million, or $0.21 $0.02 per diluted share, for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to $2.4 $1.1 million, or $0.09 per diluted share, and $8.3 million, or $0.32 $0.04 per diluted share, for the same periods of 2022.Consolidated net income and earnings per share were also positively impacted by $2.1 million, or $0.08 per diluted share, for the three and nine months ended September 30, 2022, for amounts recognized during the third quarter of 2022 related to the retroactive reinstatement of the alternative fuel tax credit which was extended in August 2022 with H.R. 5376, the Inflation Reduction Act of 2022 ("the Inflation Reduction Act"). prior-year period.

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Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA")

We report our financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). However, management believes that certain non-GAAP performance measures and ratios, such as Adjusted EBITDA, utilized for internal analysis provide analysts, investors, and others the same information that we use internally for purposes of assessing our core operating performance and provides performance. These measures provide meaningful comparisons between current and prior period results, as well as important information regarding performance trends. Accordingly, using these measures improves comparability in analyzing our performance because it removes the impact of items from operating results that, in management's opinion, do not reflect our core operating performance. Management uses Adjusted EBITDA as a key measure of performance and for business planning. The measure is particularly meaningful for analysis of our operating performance, because it excludes amortization of acquired intangibles and software of the Asset-Light segment and changes in the fair value of contingent earnout consideration and our equity investment, and lease impairment charges, which are significant expenses resulting from strategic decisions or other factors rather than core daily operations. Additionally, Adjusted EBITDA is a primary component of the financial covenants contained in our Fourth Amended and Restated Credit Agreement (see Note G to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). Other companies may calculate Adjusted EBITDA differently; therefore, our calculation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results. Adjusted EBITDA should not be construed as a better measurement than operating income, operating cash flow, net income (loss), or earnings per share, as determined under GAAP. The following table presents a reconciliation of Adjusted EBITDA to our net income (loss) from continuing operations, which is the most directly comparable GAAP measure for the periods presented.

Consolidated Adjusted EBITDA from Continuing Operations

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
	(in thousands)					
Net Income from Continuing Operations	**$ 34,927**	$ 88,613	**$ 93,374**	$258,163		

					(in thousands)	
Net Income (Loss) from Continuing Operations					**$ (2,912)**	$ 18,847
Interest and other related financing costs	**2,236**	1,755	**6,768**	5,558	**2,228**	2,327
Income tax provision	**11,963**	25,906	**25,735**	78,353		
Income tax provision (benefit)					**(1,765)**	4,698
Depreciation and amortization(1)	**37,141**	34,229	**107,962**	103,509	**36,833**	35,010
Amortization of share-based compensation	**3,005**	3,091	**8,537**	9,591	**2,889**	2,182
Change in fair value of contingent consideration(2)	**(17,840)**	—	**(12,800)**	810	**7,320**	15,040
Lease impairment charges(3)	**30,162**	—	**30,162**	—		
Change in fair value of equity investment(4)	**—**	—	**(3,739)**	—		
Gain on sale of subsidiary(5)	**—**	—	**—**	(402)		
Change in fair value of equity investment(3)					**28,739**	—
Consolidated Adjusted EBITDA from Continuing Operations	**$ 101,594**	$ 153,594	**$255,999**	$455,582	**$ 73,332**	$ 78,104

(1) Includes amortization of intangibles associated with acquired businesses.

(2) Represents changes change in fair value of the contingent earnout consideration recorded for the MoLo acquisition, as previously discussed.

(3) Represents a noncash lease-related impairment charges for a freight handling pilot facility, a service center, and office spaces that were made available for sublease.

(4) Represents increase in fair value of charge to write off our equity investment in Phantom Auto, as previously discussed.

(5) Gain relates to the contingent amount recognized in second quarter 2022 when funds from the May 2021 sale of the labor services portion of the Asset-Light segment's moving business were released from escrow.

Asset-Based Operations

Asset-Based Segment Overview

The Asset-Based segment consists of ABF Freight System, Inc., a wholly owned subsidiary of ArcBest Corporation, and certain other subsidiaries. Our Asset-Based segment operates provides freight transportation services through one of North

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America's largest less-than-truckload ("LTL") networks providing freight transportation services. carriers. Our customers trust the LTL solutions that ABF Freight has provided for 100 years over a century and rely on us our unwavering commitment to quality, safety, and customer service to solve their transportation challenges through market disruptions and rapidly changing economic conditions. We are strategically investing in our Asset-Based operations to utilize and leveraging technology to drive efficiency and productivity productivity. We are also committed to deepening our customer relationships as we help customers navigate current and provide better experiences for our customers. future challenges.

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Our Asset-Based operations are affected by general economic conditions, as well as a number of other competitive factors that are more fully described in Item 1 (Business) and in Item 1A (Risk Factors) of Part I of our 2022 2023 Annual Report on Form 10-K. See Note J to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description of the Asset-Based segment and additional segment information, including revenues, operating expenses, and operating income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

The key indicators necessary to understand the operating results of our Asset-Based segment, which are more fully described in the Asset-Based Segment Overview within the Asset-Based Operations section of Results of Operations in Item 7 (MD&A) of Part II of our 2022 2023 Annual Report on Form 10-K, are outlined below. These key indicators are used by management to evaluate segment operating performance and measure the effectiveness of strategic initiatives in the results of our Asset-Based segment. We quantify certain key indicators using key operating statistics, which are important measures in analyzing segment operating results from period to period. These statistics are defined within the key indicators below and referred to throughout the discussion of the results of our Asset-Based segment:

- Overall customer demand for Asset-Based transportation services, including the impact of economic factors.

- Volume of transportation services provided and processed through our network which influences operating leverage as the level of tonnage and number of shipments vary, primarily measured by:

  Pounds or Tonnage per day (average daily shipment weight) – total weight of shipments processed during the period in U.S. pounds or U.S. tons.

  Tonnage per day (average daily shipment weight) – tonnage tons divided by the number of workdays in the period.

  Shipments per day – total number of shipments moving through the Asset-Based freight network during the period divided by the number of workdays in the period.

  Pounds per shipment (weight per shipment) – total weight of shipments processed during the period in U.S. pounds divided by the number of shipments during the period.

  Average length of haul (miles) – total miles between origin and destination service centers for all shipments (including shipments moved with purchased transportation) during the period, with miles based on the size of shipments. period.

- Prices obtained for services, including fuel surcharges, primarily measured by:

  Billed revenue per hundredweight, including fuel surcharges (yield) – revenue per 100 pounds of shipment weight, including fuel surcharges, systematically calculated as shipments are processed in the Asset-Based freight network. Revenue for undelivered freight is deferred for financial statement purposes in accordance with our revenue recognition policy. Billed revenue used for calculating revenue per hundredweight measurements is not adjusted for the portion of revenue deferred for financial statement purposes.

  Billed revenue per shipment, including fuel surcharges – Asset-Based freight revenue, including fuel surcharges, divided by the number of shipments that are processed in the Asset-Based freight network. Revenue for undelivered freight is deferred for financial statement purposes in accordance with our revenue recognition policy. Billed revenue used for calculating revenue per shipment measurements is not adjusted for the portion of revenue deferred for financial statement purposes.

- Ability to manage cost structure, primarily in the area of salaries, wages, and benefits (“labor”), with the total cost structure primarily measured by:

  Operating ratio – the percent of operating expenses to revenue levels. as a percentage of revenue.

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We also quantify certain key operating statistics, which are used by management to evaluate productivity of operations within the Asset-Based freight network and to measure the effectiveness of strategic initiatives to manage the segment’s cost structure from period to period. These measures are defined below and further discussed in the Asset-Based Operating Expenses section within Asset-Based Segment Results:

- Shipments per DSY hour – total shipments (including shipments handled by purchased transportation agents) divided by dock, street, and yard (“DSY”) hours. This metric is used to measure labor efficiency in the segment’s local operations. The shipments per DSY hour metric will generally increase when more purchased

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transportation is used; however, the labor efficiency may be offset by increased purchase purchased transportation expense.

- Pounds per mile – total pounds divided by total miles driven during the period (including pounds and miles moved with purchased transportation). This metric is used to measure labor efficiency of linehaul operations, although it is influenced by other factors including freight density, loading efficiency, average length of haul, and the degree to which purchased transportation (including rail service) is used.

Other companies within our industry may present different key performance indicators or operating statistics, or they may calculate their measures differently; therefore, our key performance indicators or operating statistics may not be comparable to similarly titled measures of other companies. Key performance indicators or operating statistics should be viewed in addition to, and not as an alternative for, our reported results. Our key performance indicators or operating statistics should not be construed as better measurements of our results than operating income, operating cash flow, net income, or earnings per share, as determined under GAAP.

As of September 2023, March 2024, approximately 82% of our Asset-Based segment’s employees were covered under the ABF National Master Freight Agreement (the “2023 ABF NMFA”), the collective bargaining agreement with the IBT, International Brotherhood of Teamsters (the “IBT”), which was ratified on June 30, 2023 by a majority of ABF’s IBT member employees. A majority of the supplements to the 2023 ABF NMFA also passed. Following ratification of the remaining supplements on July 7, 2023, the 2023 ABF NMFA was implemented on July 16, 2023, effective retroactive to July 1, 2023. The 2023 ABF NMFA will remain in effect through June 30, 2028.

The terms of the 2023 ABF NMFA continue to provide some of the best wages and benefits in the industry to our contractual employees. The 2023 ABF NMFA provides for wage rate increases in each year of the contract, with the initial increase effective retroactive to July 1, 2023; profit-sharing bonuses upon the Asset-Based segment’s achievement of certain annual operating ratios for any full calendar year under the

contract; an additional paid holiday; two additional sick days; and a new non-CDL employee classification. Under the new agreement, ABF Freight continues to pay some of the highest benefit contribution rates in the industry, which includes annual contribution rate increases to multiemployer health and welfare and pension plans to which ABF Freight contributed under the previous 2018 ABF NMFA. Under the 2023 ABF NMFA, the combined contractual wage and benefits top hourly rate is estimated to increase approximately 4.2% on a compounded annual basis through the end of the agreement, with potential profit-sharing bonuses representing additional costs under the 2023 ABF NMFA.

On July 30, 2023, one of our larger LTL competitors ceased operations. While the long-term impact of that competitor's bankruptcy is still uncertain, in the short term, we have seen an increase in demand for core, published LTL business, which was secured at profitable rates. Although we continually evaluate our business mix to ensure revenue optimization, the resulting increase in revenues could be offset partially or entirely by the related increase in expenses to service shipment volumes. There can be no assurance that the prices we secure on these shipments will allow us to maintain the higher shipment volume, or that the higher published LTL-rated shipment volumes experienced during the third quarter of 2023 resulting from this reduction in LTL industry carrier capacity will be maintained as customer re-pricing occurs.

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Asset-Based Segment Results

The following table sets forth a summary of operating expenses and operating income as a percentage of revenue for the Asset-Based segment:

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
Asset-Based Operating Expenses (Operating Ratio)						
Salaries, wages, and benefits	**48.2 %**	42.0 %	**48.0 %**	42.4 %	**51.4 %**	48.1 %
Fuel, supplies, and expenses	**12.4**	12.3	**12.8**	12.2	**12.1**	13.5
Operating taxes and licenses	**1.9**	1.6	**1.9**	1.7	**2.0**	2.0
Insurance	**1.8**	1.7	**1.8**	1.5	**2.1**	1.9
Communications and utilities	**0.6**	0.6	**0.7**	0.6	**0.7**	0.8
Depreciation and amortization	**3.6**	3.0	**3.6**	3.2	**4.0**	3.6
Rents and purchased transportation	**10.7**	15.6	**12.6**	15.1	**9.8**	13.0
Shared services	**9.5**	9.1	**9.7**	9.4	**9.7**	9.2
(Gain) loss on sale of property and equipment and lease impairment charges	**0.1**	(0.7)	**—**	(0.4)		
(Gain) loss on sale of property and equipment					**—**	—
Innovative technology costs(1)	**1.0**	0.8	**1.0**	0.9	**—**	0.9
Other	**0.1**	0.2	**0.2**	0.1	**0.2**	0.2
	89.9 %	86.2 %	**92.3 %**	86.7 %	**92.0 %**	93.2 %
Asset-Based Operating Income	**10.1 %**	13.8 %	**7.7 %**	13.3 %	**8.0 %**	6.8 %

(1) Represents costs associated with the freight handling pilot test program at ABF Freight, as further discussed in the Asset-Based Operating Income section.

The following table provides a comparison of key operating statistics for the Asset-Based segment, as previously defined in the Asset-Based Segment Overview:

	Three Months Ended September 30			Nine Months Ended September 30			Three Months Ended March 31		
	2023	2022	% Change	2023	2022	% Change	2024	2023	% Change
Workdays(1)	**62.5**	64.0		**190.0**	191.0		**63.5**	64.0	
Billed revenue per hundredweight, including fuel surcharges	**$ 47.28**	$ 46.42	1.9 %	**$ 43.17**	$ 45.32	(4.7)%	**$ 48.56**	$ 41.99	15.6 %
Tonnage	**774,291**	846,613	(8.5)%	**2,506,495**	2,541,710	(1.4)%			
Billed revenue per shipment, including fuel surcharges							**542.84**	529.43	2.5 %
Tonnage per day	**12,389**	13,228	(6.3)%	**13,192**	13,307	(0.9)%	**10,937**	13,149	(16.8)%
Shipments per day	**20,373**	20,078	1.5 %	**20,727**	19,838	4.5 %	**19,566**	20,856	(6.2)%
Shipments per DSY hour	**0.421**	0.429	(1.9)%	**0.423**	0.431	(1.9)%	**0.442**	0.431	2.6 %
Pounds per shipment	**1,216**	1,318	(7.7)%	**1,273**	1,342	(5.1)%	**1,118**	1,261	(11.3)%
Pounds per mile	**18.50**	18.35	0.8 %	**18.98**	18.90	0.4 %	**18.53**	19.42	(4.6)%
Average length of haul (miles)	**1,065**	1,100	(3.2)%	**1,096**	1,092	0.4 %	**1,110**	1,096	1.3 %

(1) Workdays represent the number of operating days during the period after adjusting for holidays and weekends.

Asset-Based Revenues

Asset-Based segment revenues for the three and nine months ended September 30, 2023 March 31, 2024, totaled $741.2 $671.5 million, and $2,161.0 million, respectively, compared to $791.5 million and $2,299.5 $697.8 million for the same periods period of 2022. 2023. The decrease in revenues, compared to the prior-year periods, period, primarily reflects a decrease in tonnage per day related to a softer market environment, and our response to market conditions, which included partially offset by changes in the Asset-Based business mix. Following the previously discussed shutdown of one of our larger LTL competitors at the end of July 2023, Asset-Based experienced an increase mix in published LTL-rated shipments at profitable rates as freight was redistributed in the response to market resulting in an increase in shipments per day of 1.5% for the three months ended September 30, 2023, compared to the same period of 2022. The increase in published LTL-rated shipments in the third quarter and higher levels of dynamically priced transactional shipments during

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the first half of 2023, resulted in an increase in shipments per day of 4.5% for the nine months ended September 30, 2023, compared to the same period of 2022, despite the softer market.

While shipment volumes have increased, billed conditions. Billed revenue (as described in the Asset-Based Segment Overview) decreased 4.6% and 5.6% 3.8% on a per-day basis for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022, 2023, primarily reflecting a 6.3% 16.8% decrease in tonnage per day, partially offset by a 1.9% 15.6% increase in billed revenue per hundredweight, including fuel surcharges for third first quarter 2023, and a 4.7% decrease in total billed revenue per hundredweight, including fuel surcharges, and 0.9% decrease in tonnage per day for the nine-month period ended September 30, 2023. 2024. The decrease in revenues, compared to the prior-year periods, period, also reflects the decrease in fuel surcharge revenue associated with lower fuel prices. There The number of workdays was one and fewer by half of a half fewer workdays day in the third first quarter of 2023, 2024, versus the third first quarter of 2022, and one less workday in the nine-month period ended September 30, 2023, compared to the same period of 2022. 2023.

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The 6.3% and 0.9% 16.8% decrease in tonnage per day for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same prior-year periods, despite an increase in period, reflects lower daily shipment levels reflects lower and a decrease in average weight per shipment on both LTL-rated and truckload-rated shipments, primarily related to changes in Asset-Based business mix and macro-economic trends of smaller shipment sizes for our core customers. We began to experience a deceleration in demand trends during third quarter 2022. In this softer market environment, have strategically decreased our dynamic pricing option for transactional LTL-rated shipments allowed allowing us to strategically utilize network capacity focus on our core published LTL-rated business as demand improved during the first half of 2023. The previously discussed current-year period primarily due to the market disruption related to the shutdown of a large LTL carrier at the end of July 2023 resulted in an increase in available LTL shipments in the market. 2023.

The 1.9% 15.6% increase in total billed revenue per hundredweight, including fuel surcharges, for third first quarter 2023, 2024, compared to third first quarter 2022, 2023, was driven by a higher proportion of core, published LTL-rated tonnage due to the previously discussed market disruption and higher improved pricing on fewer dynamic LTL-rated and truckload-rated shipments at and the positive impact of changes in mix, as core, published LTL-rated tonnage represented a lower weight per shipment. higher proportion of Asset-Based business in first quarter 2024. The 4.7% decrease increase in total billed revenue per hundredweight including fuel surcharges, for the nine months ended September 30, 2023, compared was also impacted by lower weight per shipment due to the same periods of 2022, was negatively impacted by the softened pricing environment and the effect of lower-priced dynamic LTL-rated shipments being a higher proportion of total changes in business than core, published LTL-rated business during the first half of 2023. mix. The percentage change in billed revenue per hundredweight, including fuel surcharges, on LTL-rated freight was a low-single low-double digit increase for the three months ended September 30, 2023, and a mid-single digit decrease for the nine months ended September 30, 2023 March 31, 2024, compared to the same periods period of 2022. Total billed revenue per hundredweight on truckload-rated freight decreased year-over-year for the three and nine months ended September 30, 2023. 2023. Lower fuel surcharge revenue associated with decreased fuel prices, compared to the prior-year periods, period, negatively impacted the billed revenue per hundredweight measure during the three and nine months ended September 30, 2023 March 31, 2024. The pricing environment for LTL shipments improved following the tightening in market capacity at the end of July 2023, as previously discussed, and continues to be rational. Pricing on core, published LTL-rated business, excluding fuel surcharges, increased by a percentage in the low-single digits for the three months ended September 30, 2023 and in the mid-single digits for the nine months ended September 30, 2023 March 31, 2024, compared to the same periods period of 2022. 2023. Prices on accounts subject to deferred pricing agreements and annually negotiated contracts which were renewed during the three and nine months ended September 30, 2023 March 31, 2024, increased approximately 4.0% and 3.7% 5.3%, respectively, compared to the same periods period of 2022. The quarterly percentage improvements in contractual pricing for the first nine months of 2023 were lower than the year-over-year increases secured in 2022, which were historically high average price increases. 2023. The Asset-Based segment implemented general rate increases on its LTL base rate tariffs of 5.9% effective on both November 7, 2022 October 2, 2023 and October 2, 2023 November 7, 2022, although the rate changes vary by lane and shipment characteristics.

Total shipments increased 1.5% on a per-day basis for the three months ended September 30, 2023, compared to the same period of 2022, primarily due to the increase in core, published LTL-rated shipments, offset partially by a decline in dynamically priced LTL-rated and truckload-rated shipments per day as core LTL shipments were prioritized. Total shipments increased 4.5% on a per-day basis for the nine months ended September 30, 2023, compared to the same period of 2022, primarily due to growth in average daily dynamically priced LTL-rated and truckload-rated shipments during the first half of 2023, offset partially by lower published LTL-rated shipments reflecting reduced order quantities and smaller shipment sizes from existing customers prior to August 2023. The increase in published LTL-rated shipments in third quarter 2023 and the increase in dynamically priced LTL-rated business to maintain more consistent business levels relative

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to available capacity in the Asset-Based network during the first half of 2023 contributed to an increased proportion of LTL-rated shipments, which drove the decline in the total weight per shipment metric for the three- and nine-month periods ended September 30, 2023, compared to the same prior-year period.

The Asset-Based segment's average nominal fuel surcharge rate decreased by approximately 10 percentage points and 7 5 percentage points in the three- and nine-month three-month period ended September 30, 2023 March 31, 2024, respectively, compared to the same period of 2022. 2023. During periods of changing diesel fuel prices, the fuel surcharge and associated direct diesel fuel costs also vary by different differing degrees. Depending upon the rates of these changes and the impact on costs in other fuel- and energy-related areas, operating margins could be impacted. Whether fuel prices fluctuate or remain constant, operating results may be adversely affected if competitive pressures limit our ability to recover fuel surcharges. In periods of declining fuel prices, fuel surcharge percentages also decrease, which negatively impacts the total billed revenue per hundredweight measure and, consequently, revenues. The revenue decline may be disproportionate to the change in our fuel costs. The segment's operating results will continue to be impacted by further changes in fuel prices and related fuel surcharges.

Asset-Based Operating Income

The Asset-Based segment generated operating income of $74.8 million and $165.6 $53.5 million for the three and nine months ended September 30, 2023 March 31, 2024, compared to $109.3 million and $306.0 $47.5 million for the same periods period of 2022. 2023. The Asset-Based segment's operating ratio increased improved by 3.7 percentage points and 5.6 1.2 percentage points for the three and nine months ended September 30, 2023 March 31, 2024, compared to the same prior-year periods, period, primarily reflecting decreased revenues.

Innovative technology costs related operating expenses and cost control efforts to the freight handling pilot at ABF Freight impacted operating results reduce utilization of the Asset-Based segment by $7.3 million and $21.7 million for the three and nine months ended September 30, 2023, compared to $6.1 million and $21.0 million for the same periods of 2022. The freight handling pilot at ABF Freight includes both hardware and software elements. During the third quarter of 2023, the Company announced that the hardware portion of the pilot would be paused at ABF Freight distribution centers in Kansas City, Missouri and Salt Lake City, Utah, outside resources, as we refocus the implementation team's efforts toward training managers and employees on operational best practices. The software portion of the pilot program, which provides greater visibility into Asset-Based operations, will be utilized further discussed in the Asset-Based operations network to drive efficiency, productivity, and service improvements.As a result of pausing the hardware portion of the pilot, the Asset-Based segment should not incur further associated innovative technology costs in fourth quarter 2023, while these costs totaled $6.2 million in fourth quarter 2022. following paragraphs.

Asset-Based Operating Expenses

Labor costs, which are reported in operating expenses as salaries, wages, and benefits, amounted to approximately 48% 51.4% of Asset-Based segment revenues for the three- and nine-month periods three-month period ended September 30, 2023 March 31, 2024, compared to approximately 42% 48.1% for the same periods period of 2022. 2023. The increase in salaries, wages, and benefits as a percentage of revenue for the three and nine months ended September 30, 2023 March 31, 2024, compared to the same prior-year periods, period, was partially more than offset by lower utilization of purchased transportation as discussed later in this section.The increase in salaries, wages, and benefits as a percentage of revenue was also influenced by the effect of lower revenues. Salaries, wages, and benefits increased $25.2 million and $63.8 $9.4 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022, 2023, primarily due to a 13% increase in union wages related to the wage and mileage rate increases effective July 1, 2023 under the 2023 ABF NMFA, and higher headcount as additional drivers and service center personnel have been hired over the past year to support higher shipment levels. Higher utilization of dynamically priced LTL shipments during the first half of 2023, as previously discussed in the Asset-Based Assed-Based Revenues section, enabled the segment partially offset by a decrease in headcount to add incremental revenue and maintain headcount in the nine-month period ended September 30, 2023, despite the weaker economic environment, while also preserving system capacity for a market rebound. align with lower shipment levels. The increases in labor costs also reflect year-over-year increases in contractual benefit contribution rates under the labor agreements with the IBT. The average health, welfare, and pension benefit contribution rate increased approximately 3.7% 3.6% and 2.5%, effective primarily on August 1, 2023 and 2022, respectively.

The Asset-Based segment manages costs with shipment levels; however, a number of factors impact the efficiency of DSY tasks, productivity, including the effect of freight profile and mix changes, utilization of purchased transportation, local delivery agents, and personnel efficiency. Changes Shipments per DSY hour increased 2.6% for the three months ended March 31, 2024, compared to the same period of 2023, primarily due to a decrease in freight profile and mix, driven by dynamic LTL price-quoted LTL-price-quoted shipments, accounting for more which typically require a higher number of the total Asset-Based network shipments stops, during the first half quarter of 2023, impacted productivity and, combined with the impact of lower utilization of purchased transportation during the first nine months of 2023, resulted in a 1.9% decline in shipments per DSY hour for the three and nine months ended September 30, 2023. 2024. For the three and nine months ended

September 30, 2023, March 31, 2024, the year-over-year increase decrease in pounds per mile of 0.8% and 0.4%, respectively 4.6% reflects lower weight per shipment, partially offset by an improvement in linehaul productivity partially offset by and an increase in the impact average length of the changes in freight profile. haul.

Fuel, supplies, and expenses as a percentage of revenue increased 0.1 decreased 1.4 percentage point and 0.6 percentage point points during the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022, reflecting the impact of lower revenues, as these costs decreased $5.8 million and $4.7 million during the three and nine-month periods ended September 30, 2023, respectively. 2023. Fuel expense decreased during the 2023 periods, 2024 period, as the Asset-Based segment's average fuel price per gallon (excluding taxes) decreased 18.0% and 20.0% 10.7% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022. For 2023. Lower city tractor age contributed to the nine months ended September 30, 2023, lower fuel costs were partially offset by increased repairs and maintenance costs. Delays decrease in receiving new revenue equipment and higher market-driven costs to repair and maintain revenue equipment units have led to increased maintenance expenses during 2023, first quarter 2024, compared to 2022.

Depreciation and amortization as a percentage of revenue increased 0.6 percentage point and 0.4 percentage point for the three and nine-month periods ended September 30, 2023, respectively, compared to the same periods of 2022, as a result of receiving additional equipment at higher replacement costs during first quarter 2023.

Rents and purchased transportation as a percentage of revenue decreased 4.9 percentage points and 2.5 3.2 percentage points for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022, 2023, primarily due to focused reduction in the utilization of local delivery agents and linehaul purchased transportation. Rail miles decreased approximately 21% and 10% 16% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022. 2023.

Gain (loss) on sale Shared services as a percentage of property and equipment and lease impairment charges revenue increased the Asset-Based segment operating ratio by 0.8 percentage point and 0.4 0.5 percentage point for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022. 2023, primarily reflecting the impact of lower revenues during the three-month period ended March 31, 2024.

The hardware portion of the freight handling pilot test program (the "pilot") at certain ABF Freight distribution centers was paused during third quarter 2023. The Asset-Based segment did not incur innovative technology costs related to the pilot in first quarter 2024, while these costs totaled $6.1 million in first quarter 2023, resulting in a decrease of 0.9 percentage point as a percentage of revenue for the three and nine months ended September 30, 2023 were impacted by a $0.7 million noncash lease-related impairment charge on a service center made

available for sublease. The three- and nine-month periods ended September 30, 2022 March 31, 2024, included a $4.3 million gain on compared to the like-kind exchange same period of a service center property and other gains on the sale of replaced equipment. 2023.

Asset-Light Operations

Asset-Light Segment Overview

Our Asset-Light segment is a key component of our strategy to offer a single source of integrated logistics solutions, designed to satisfy customers' complex supply chain needs and unique shipping requirements. Asset-Light financial results previously included the ArcBest segment and FleetNet. In our discussion below, Asset-Light represents the reportable operating segment previously named ArcBest, exclusive of the discontinued operations of FleetNet, which sold on February 28, 2023, as previously discussed in the General section of MD&A.

We are focused on growing and making strategic investments in our Asset-Light segment that enhance our service offerings and strengthen our customer relationships. Throughout our operations, we are seeking opportunities to expand our revenues by deepening existing customer relationships, securing new customers, and adding capacity options for our customers.

Our acquisition of MoLo, which was completed on November 1, 2021, accelerated the growth of our company by increasing the scale of truckload brokerage services offered within our Asset-Light segment and expanding our access to truckload capacity partners. We continue to develop our managed transportation solutions as part of our strategic efforts to cross-sell our service offerings and meet the demand for these services that include increase operational efficiencies, reduce costs, and provide better supply chain optimization. visibility. We expect to benefit from these and other strategic initiatives as we continue to deliver innovative solutions to customers.

The revenues of our Asset-Light operating segment generated approximately 36% and 37% of our total revenues before other revenues and intercompany eliminations for the three and nine months ended September 30, 2023, respectively, compared to approximately 39% and 42% for the same prior-year periods. The Asset-Light revenue decline for the three and nine months ended September 30, 2023, compared to the same prior-year periods reflects a softer market, which began in the second half of 2022.

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Our Asset-Light segment is operations are affected by general economic conditions, as well as several other competitive factors that are more fully described in Item 1 (Business) and in Item 1A (Risk Factors) of Part I of our 2022 2023 Annual Report on Form 10-K. See Note J to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a description descriptions of the Asset-Light segment and additional segment information, including revenues, operating expenses, and operating income (loss) loss for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

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The key indicators necessary to understand our Asset-Light segment operating segment results are outlined below. These key indicators are used by management to evaluate segment operating performance and measure the effectiveness of strategic initiatives in the results of our Asset-Light segment. We quantify certain key indicators using key operating statistics which are important measures in analyzing segment operating results from period to period. These statistics are defined within the key indicators below and referred to throughout the discussion of the results of our Asset-Light segment:

- Customer demand for logistics and premium transportation services, combined with economic factors, which influence the number of shipments used to measure changes in business levels, primarily measured by:

  Shipments per day – total shipments (excluding managed transportation solutions, as discussed below) divided by the number of working days during the period, compared to the same prior-year period.

- Prices obtained for services, primarily measured by:

  Revenue per shipment – total segment revenue divided by total segment shipments during the period, (excluding managed transportation solutions, as discussed below), compared to the same prior-year period.

- Availability of market capacity and cost of purchased transportation to fulfill customer shipments, with a measure of purchased transportation cost expressed as:

  Purchased transportation costs as a percentage of revenue – the expense incurred for third-party transportation providers to haul or deliver freight during the period, divided by segment revenues for the period, expressed as a percentage.

- Management of operating costs, primarily in the area of purchased transportation, with the total cost structure primarily measured by:

  Operating ratio – the percent of operating expenses to revenue levels.

Presentation and discussion of the key operating statistics of revenue per shipment and shipments per day for the Asset-Light segment exclude statistical data of our managed transportation solutions transactions. Shipments for managed transportation solutions comprised 40% to 45% of the Asset-Light segment's total shipments, while the business represented less than 20% of segment revenues, for the three and nine months ended September 30, 2023. Due to the nature of our managed transportation solutions, which typically involve a larger number of shipments at a significantly lower revenue per shipment level than the segment's other service offerings, inclusion of the managed transportation solutions data would result in key operating statistics which are not representative of the operating results of the segment as a whole. As such, the key operating statistics management uses to evaluate performance percentage of the Asset-Light segment exclude managed transportation services transactions. revenue.

Other companies within our industry may present different key performance indicators or they may calculate their key performance indicators differently; therefore, our key performance indicators may not be comparable to similarly titled measures of other companies. Key performance indicators should be viewed in addition to, and not as an alternative for, our reported results. Our key performance indicators should not be construed as better measurements of our results than operating income, (loss), operating cash flow, net income, or earnings per share, as determined under GAAP.

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Asset-Light Segment Results

The following table sets forth a summary of operating expenses and operating income (loss) loss as a percentage of revenue for the Asset-Light segment:

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
Asset-Light Segment Operating Expenses (Operating Ratio)						
Purchased transportation	**87.1 %**	82.6 %	**85.1 %**	83.3 %	**86.8 %**	84.5 %
Supplies and expenses	**0.7**	0.9	**0.8**	0.7		
Depreciation and amortization(1)	**1.2**	1.0	**1.2**	0.9		
Shared services	**11.3**	10.9	**11.7**	9.9		
Contingent consideration(2)	**(4.3)**	—	**(1.0)**	—		
Lease impairment charges(3)	**3.4**	—	**1.1**	—		
Gain on sale of subsidiary(4)	**—**	—	**—**	—		
Other	**1.5**	1.6	**1.5**	1.3		
Salaries, wages, and benefits(1)					**7.6**	8.0
Supplies and expenses(1)					**0.7**	0.8
Depreciation and amortization(2)					**1.3**	1.2
Shared services(1)					**4.1**	3.8
Contingent consideration(3)					**1.8**	3.4
Other(1)					**1.5**	1.5
	100.9 %	97.0 %	**100.4 %**	96.1 %	**103.8 %**	103.2 %
Asset-Light Segment Operating Income (Loss)	**(0.9)%**	3.0 %	**(0.4)%**	3.9 %		
Asset-Light Segment Operating Loss					**(3.8)%**	(3.2)%

(1) For 2023, certain expenses have been reclassed to conform to the current year presentation. Amounts previously reported in “Shared services” were reclassed to present “Salaries, wages, and benefits” expenses in a separate line item and certain immaterial facility rent expenses were reclassed from “Supplies and expenses” to “Other.”

(2) Includes amortization of intangibles associated with acquired businesses.

(2) (3) Represents the change in fair value of the contingent earnout consideration recorded for the MoLo acquisition, as further discussed in Asset-Light Operating Expenses below.

(3) Represents noncash lease-related impairment charges for certain office spaces that were made available for sublease.

(4) The nine months ended September 30, 2022 includes a gain of $0.4 million recognized when funds were released from escrow in second quarter 2022 related to the May 2021 sale of the labor services portion of the Asset-Light segment’s moving business.

A comparison of key operating statistics for the Asset-Light segment, excluding managed transportation shipments, as previously defined in the Asset-Light Segment Overview section, is presented in the following table:

	Year Over Year % Change	
	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Revenue per shipment	(22.8%)	(28.0%)
Shipments per day	3.7%	2.7%

	Year Over Year % Change Three Months Ended March 31, 2024(1)
Revenue per shipment	**(19.7%)**
Shipments per day	**13.6%**

(1) Statistical data for the periods presented include transactions related to managed transportation solutions which were previously excluded from the presentation of operating statistics for the Asset-Light segment for the three months ended March 31, 2023.

Asset-Light Revenues

Asset-Light segment revenues totaled $419.3 million and $1,267.2 decreased 9.5% to $396.4 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to $515.2 million and $1,660.2 $438.1 million for the same respective periods period of 2022. The segment's revenues decreased 18.6% and 23.7% for the three and nine months ended September 30, 2023, respectively, compared to the same prior-year periods. 2023. Current year results have been impacted by changes in business mix and lower average revenue per shipment associated with a softer market environment. environment and changes in business mix. Excess capacity in the truckload market continues to impact spot market rates resulting in lower revenue per shipment and compressed margins. Although average daily shipment levels increased due to growth in managed transportation service offerings despite weak market demand, due to growth in the truckload business, lower revenue per shipment rates drove the reduction in revenue compared to the prior-year periods. period.

Asset-Light Operating Income (Loss) Loss

The Asset-Light segment generated an operating loss of $3.7 $15.3 million and $4.6 million $14.1 million for the three and nine months ended September 30, 2023 March 31, 2024, and 2023, respectively. Operating results were impacted by lease-related impairment charges for certain office spaces made available for sublease, which increased expenses by $14.4 million for the three- and nine-month periods ended September 30, 2023. Changes changes in fair value of the contingent earnout consideration related to the MoLo Molo acquisition, reduced which increased expenses by $17.8 million and $12.8 million in $7.3 million for the three and the nine months ended September 30, 2023,

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respectively, compared to no adjustment March 31, 2024 and $15.0 million for the three months ended September 30, 2022 and an increase in expense same period of $0.8 million for the nine months ended September 30, 2022. Operating income was $15.4 million and $64.0 million for the three and nine months ended September 30, 2022, respectively. 2023. The year-over-year decline in operating results reflects the decrease in revenues; the previously described impairment charges and lower revenues along with changes in fair value; and changes in costs, primarily purchased transportation costs, as operating expenses discussed in the following paragraphs.

Asset-Light Operating Expenses

Operating expenses decreased $76.8 million and $324.4 million $40.6 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as purchased transportation buy rates steadily declined in compared to the soft market environment. Employee-related and outside service cost reductions were implemented in second quarter 2023 and continued during third quarter 2023 to better align resources with business levels. Operating expenses same prior-year period, but increased as a percentage of revenue increased for the three and nine months ended September 30, 2023, by 0.6 percentage point, due to lower revenue, partially offset by lower operating expenses including purchased transportation costs. revenues in the first quarter of 2024.

The segment's Purchased transportation buy rates have declined in the softer market environment. Although the purchased transportation costs cost was $26.0 million lower, as a percentage of revenue, it increased by 4.5 percentage points and 1.8 2.3 percentage points for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same periods period of 2022, reflecting lower 2023. This increase as a percentage of revenue outpacing the reduction of purchased transportation costs was due, in the 2023 periods, as previously discussed. part, to weather events in January 2024. Changes in market capacity impact the cost of purchased transportation and may not correspond to the timing of revisions to customer pricing and revenue per shipment. There can be no assurance that we will be able to secure prices from our customers that will allow us to maintain or improve our margins on the cost of sourcing carrier capacity.

Shared service costs Salaries, wages and benefits, decreased $4.6 million and as a percentage of revenue increased decreased by 0.4 percentage point, and 1.8 percentage points for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same prior-year periods, due to the effect of lower revenue. Shared service costs decreased for the three and nine months ended

September 30, 2023, as employee costs were aligned to business levels; however, portions of operating expenses are fixed in nature and cost reductions can be limited period, as the segment strives continued its efforts to maintain customer service.

Lease-related impairment charges of $14.4 million recorded in the third quarter of 2023, as previously described, were 3.5 percentage points and 1.1 percentage points of revenue for the three and nine months ended September 30, 2023, respectively. The lease-related impairment charges are discussed further in Note B and Note F to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. align resources with business levels.

Contingent earnout consideration, as previously described, decreased as a percentage of revenue by 4.3 1.6 percentage points and 1.0 percentage point for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to the same prior-year periods as remeasurements in 2023 considered the impact of the continued soft market environment on the achievement of earnout targets through 2025. period. The contingent earnout consideration is discussed further in Note B to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

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Asset-Light Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("Asset-Light Adjusted EBITDA")

We report our financial results in accordance with GAAP. However, management believes that certain non-GAAP performance measures and ratios, such as Asset-Light Adjusted EBITDA, which is utilized for internal analysis, provide analysts, investors, and others the same information that we use internally for purposes of assessing our core operating performance and provides performance. These measures provide meaningful comparisons between current and prior period results, as well as important information regarding performance trends. The use of certain non-GAAP measures improves comparability in analyzing our performance because it removes the impact of items from operating results that, in management's opinion, do not reflect our core operating performance. Management uses Asset-Light Adjusted EBITDA as a key measure of performance and for business planning. This measure is particularly meaningful for analysis of our Asset-Light segment, because it excludes amortization of acquired intangibles and software and changes in the fair value of contingent earnout consideration, and lease impairment charges, which are significant expenses or gains resulting from strategic decisions or other factors rather than core daily operations. Management also believes Asset-Light Adjusted EBITDA to be relevant and useful information, as EBITDA is a standard measure commonly reported and widely used by analysts, investors, and others to measure financial performance of asset-light businesses and the ability to service debt obligations. Other companies may calculate Adjusted adjusted EBITDA differently; therefore, our calculation of Asset-Light Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results. Asset-Light Adjusted EBITDA should not be construed as a better measurement than operating income (loss), operating cash flow, net income, or earnings per share, as determined under GAAP.

Asset-Light Adjusted EBITDA

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
	(in thousands)					

Operating Income (Loss)(1)	**$ (3,704)**	$ 15,384	**$ (4,615)**	$63,979	**$ (15,258)**	$ (14,091)
Depreciation and amortization(2)	**5,097**	5,072	**15,250**	15,720	**5,078**	5,068
Change in fair value of contingent consideration(3)	**(17,840)**	—	**(12,800)**	810	**7,320**	15,040
Lease impairment charges(4)	**14,407**	—	**14,407**	—		
Gain on sale of subsidiary(5)	**—**	—	**—**	(402)		
Asset-Light Adjusted EBITDA	**$ (2,040)**	$ 20,456	**$ 12,242**	$80,107	**$ (2,860)**	$ 6,017

(1) The calculation of Asset-Light Adjusted EBITDA as presented in this table begins with operating income (loss) as the most directly comparable GAAP measure. Other income (costs), income taxes, and net income (loss) are reported at the consolidated level and not included in the operating segment financial information evaluated by management to make operating decisions. Consolidated Adjusted EBITDA is reconciled to consolidated net income (loss) in the Consolidated Results section of Results of Operations.

(2) Includes amortization of intangibles associated with acquired businesses which businesses. Amortization of acquired intangibles totaled $3.2 million and $9.6 million for each of the respective three- and nine-month three-month periods ended in both September 30, 2023 March 31, 2024 and 2022 2023, and is expected to total $12.8 million for full-year 2023, compared to $12.9 million in 2022. 2024, consistent with 2023.

(3) Represents the change in fair value of the contingent earnout consideration recorded for the MoLo acquisition. The liability for contingent consideration is remeasured at each quarterly reporting date, and any change in fair value as a result of the recurring assessments is recognized in operating income (loss). See Note B to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(4) Represents noncash lease-related impairment charges for certain office spaces that were made available for sublease. See Note B and Note F to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

(5) Gain relates to the contingent amount recognized in second quarter 2022 when funds from the May 2021 sale of the labor services portion of the Asset-Light segment's moving business were released from escrow.

Current Economic Conditions

Economic conditions continue to be challenged by higher inflation levels and interest rates; supply chain challenges; volatility, including the impact of geopolitical conflicts; and a tight labor market; market. Although inflation has declined and geopolitical conflicts, including the Russia-Ukraine manufacturing sector as measured by the Purchasing Managers' Index ("PMI") showed expansion in March 2024 for the first time since October 2022, recession risk still exists, as the housing market continues to face affordability constraints of high home prices and Israel-Hamas wars. Recession risk remains elevated though it interest rates through the first quarter of 2024.Economic growth is becoming increasingly possible for economic growth to slowly decelerate gradually decelerating without causing a recessionary downturn as measured by U.S. real gross domestic product ("real GDP"). Manufacturing and home sales continued to contract, primarily driven by a declining growth rate of consumer spending, driven in the first nine months part by increasing levels of 2023, following the U.S. Federal Reserve's implementation of a tighter

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monetary policy in March 2022 in an effort to curb inflation, which included rapidly increasing its targeted federal funds rate and reducing its security holdings. consumer debt.

Recent economic measures continue to indicate slowing economic activity despite third quarter 2023 economic growth exceeding expectations in the second half of 2023, which, combined with rising consumer prices, has created additional uncertainties in the global and U.S. economies and supply chains. According to the advance estimate released by the Bureau of Economic

Analysis on October 26, 2023 April 25, 2024, real GDP increased at an annual rate of 4.9% 1.6% for third first quarter 2023. The Manufacturing Purchasing Managers' Index ("Manufacturing PMI"), 2024. PMI, which is a leading indicator for demand in the freight transportation and logistics industry, was 46.7% for October 2023, compared to 50.2% crossed into economic growth territory in October 2022. The October 2023 Manufacturing PMI marks the twelfth month March 2024 following sixteen consecutive months of economic contraction in the manufacturing sector following the 29-month period of growth in factory activity since the COVID-19 pandemic-related contractions sector. PMI was slightly lower for April 2024 at 49.2%, compared to 47.1% in April and May 2020 and is the result of weak demand conditions and related low manufacturing outputs. 2023. The Industrial Production Index issued by the Federal Reserve increased decreased at an annual rate of 2.5% 1.8% for third first quarter 2023. 2024. Our business has been impacted by the economic conditions indicated by these statistics as we respond related to the softened softer economic environment, which resulted in decelerating customer demand trends for transportation and logistics services in our existing customer-base for both Asset-Based and Asset-Light businesses during the first half of 2023. Market disruption this extended freight recession. The spike in shipment volume caused by the shutdown of a large LTL competitor at the end of July 2023 resulted in an influx of demand for core, published LTL business has moderated, although we retained our general rate increases and secured increases on deferred pricing agreements and annually negotiated contracts during the third first quarter of 2023. 2024. There can be no assurance that the economic environment, including the impact of rising interest rates on consumer demand, will be favorable for our freight services in future periods and that the impact of recent market disruptions will continue to positively impact demand for our Asset-Based and Asset-Light services.

Geopolitical conflicts, including the escalating tensions in the Israel-Hamas war and the related Red Sea crisis, have and could in future periods result in a shift in trade routes, including requiring a reduction in the use of the Suez Canal to ship goods to the U.S. East Coast. A lack of rainfall in Panama has also forced a reduction in the number of vessels traveling through the Panama Canal. Additionally, the full extent of the impact from the Port of Baltimore bridge collapse is yet to be determined. As freight flow is reshaped by these disruptions, supply of goods, including those of our customers, may be delayed and could result in an increase in shipping costs.

Given the uncertainties of current economic conditions, there can be no assurance that our estimates and assumptions including those regarding the pricing environment and economic conditions, which are made for purposes of impairment tests related to operating assets and deferred tax assets, will prove to be accurate. Extended periods of economic disruption and resulting declines in industrial production and manufacturing and consumer spending could negatively impact demand for our services and have an adverse effect on our results of operations, financial condition, and cash flows. The softer market freight environment, and available truckload capacity, which we experienced continued to experience during the first nine months quarter of 2023, 2024, resulted in a year-over-year decline in market pricing for many of our services, as compared to the first nine months quarter of 2022. The previously mentioned market disruption in late July 2023 resulted in a decline in LTL industry carrier capacity. Our Asset-Based segment was able to secure additional core, published LTL-rated shipments at profitable rates. However, there 2023. There can be no assurance that we will be able to continue to secure adequate prices from this new business or from our existing customers to maintain or improve our operating results. Significant declines in our business levels or other changes in cash flow assumptions or other factors that negatively impact the fair value of the operations of our reporting units could result in impairment and a resulting noncash write-off of a significant portion of the goodwill and intangible assets of our Asset-Light segment, which would have an adverse effect on our financial condition and operating results.

Effects of Inflation

Inflation remains above normal and historical levels. Global supply chain volatility and labor and energy shortages, in addition to the impact of federal programs and monetary policy, have elevated costs higher across a broad array of consumer goods. The year-over-year change in the consumer price index ("CPI") declined to an increase of 3.7% increased 3.5%, before seasonal adjustment, year-over-year in September 2023, slowing for March 2024 and 0.4% from February 2024. While CPI has declined from the fifteenth consecutive month, a direct level reached in June 2022 due to market response to the Federal Reserve's tighter monetary policy implemented in March 2022. 2022, the last several months of increases in CPI indicate an ongoing challenge in achieving the Federal Reserve's target inflation of 2%. Inflation is impacted by energy prices, including petroleum products; shelter; shelter prices; and food prices, which have moderated in recent months while remaining elevated. Most of our expenses are affected by inflation, which generally results in increased operating costs. As such, there can be no assurances of the potential impact of inflationary conditions on our business, including demand for our transportation services.

Generally, inflationary increases in labor and fuel costs as they relate to our Asset-Based operations have historically been mostly offset through price increases and fuel surcharges. In periods of increasing fuel prices, the effect of higher associated fuel surcharges on the overall

price to the customer influences our ability to obtain increases in base freight rates. In addition, certain nonstandard arrangements with some of our customers have limited the amount of fuel surcharge recovered. The timing and extent of base price increases on our Asset-Based revenues may not correspond with contractual increases in wage rates and other inflationary increases in cost elements and, as a result, could adversely impact our operating results. The Our Asset-Based segment's ability to fully offset inflationary and contractual cost increases can be challenging during periods of recessionary and uncertain economic conditions.

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Generally, inflationary increases in labor and operating costs related to our Asset-Light segment operations have historically been offset through price increases. The pricing environment, however, generally becomes more competitive during economic downturns, which may, as it has in the past, affect the ability to obtain price increases from customers both during and following such periods. The pricing environment continues to be rational, and we believe that Asset-Light pricing has stabilized at the bottom of the truckload market cycle and should improve as 2024 progresses.

The impact of supply chain disruptions and component shortages has limited the availability and production of certain revenue equipment and certain other equipment used in our business operations. Consequently, the prices for these items have also increased. Partly as a result of inflationary pressures, our revenue equipment (tractors and trailers) has been and will very likely continue to be replaced at higher per-unit costs, which could result in higher depreciation charges on a per-unit basis. We consider these costs in setting our pricing policies, although the overall freight rate structure is governed by market forces. In addition to general effects of inflation, the motor carrier freight transportation industry faces rising costs related to compliance with government regulations on safety, equipment design and maintenance, driver utilization, emissions, and fuel economy.

Environmental and Legal Matters

We are subject to federal, state, and local environmental laws and regulations relating to, among other things: emissions control, transportation or handling of hazardous materials, underground and aboveground storage tanks, stormwater pollution prevention, contingency planning for spills of petroleum products, and disposal of waste oil. We may transport or arrange for the transportation of hazardous materials and explosives, and we operate in industrial areas where truck service centers and other industrial activities are located and where groundwater or other forms of environmental contamination could occur. In March 2023, ABF Freight entered into a Consent Decree with the Environmental Protection Agency (the "EPA") to resolve alleged compliance issues under the federal Clean Water Act. As a result of the Consent Decree, ABF Freight paid a civil penalty of $0.5 million during the third quarter of 2023 and has agreed to certain compliance tasks. See Note K to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion of the environmental matters to which we are subject, including additional detail on ABF Freight's Consent Decree with the EPA.

Concern over climate change has led to legislative and regulatory efforts to limit carbon and other greenhouse gas ("GHG") emissions, and we may incur significant costs to comply with increased regulation related to climate change in the future. Customers are increasingly focused on concerns related to climate change and demand for our services may be adversely impacted if we are less effective than our competitors in reducing or offsetting our GHG emissions. In consideration of the environmental impact of emissions from our operations, we are seeking more sustainable options for our equipment. We are piloting a small number of electric forklifts, electric yard tractors, and electric straight trucks at several ABF Freight service centers across our network. Electric tractors are significantly more expensive than new diesel tractors, and to tractors. To comply with more stringent emissions sustainability standards for tractors, we expect the cost of our equipment, as well as our fuel and maintenance costs, will continue to increase in future periods. We are also investing in upgrades to our facilities, including energy efficient lighting, plumbing updates that lower our water usage, and other sustainability sustainability-related remodels and updates. To address our environmental impact in our city pickup and delivery operations, during 2021 and 2022, we built, tested and, 2023, with the help of a third-party leading provider of AI-enabled data analytics and solutions using artificial intelligence solutions, ("AI"), we implemented City Route Optimization ("CRO") technology at our service centers that identifies opportunities to optimize routes and reduce emissions. During the first

nine months of 2023, we made substantial progress towards the planned implementation of CRO at our service centers. We are targeting completion of the CRO implementation project in fourth quarter 2023.

Physical effects from climate change, including more severe weather events, have the potential to adversely impact our business levels and employee working conditions, cause shipping delays or disruptions to disrupt our operations, increase our operating costs, and cause damage to our property and equipment. Due to the uncertainty of these matters, we cannot estimate the impact of climate-related developments on our operations or financial condition at this time. These and other matters related to climate change and the related risks to our business are further discussed in Part I, Item 1 (Business) and Part I, Item 1A (Risk Factors) of our 2022 2023 Annual Report on Form 10-K. In addition to our focus on sustainability of our equipment and facilities, we continue our commitment to advance environmental and social and governance initiatives issues that are critical to our business and our customers' businesses by investing in innovative technologies, developing our employees, and enhancing our capabilities and services for customers.

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We are involved in various legal actions, the majority of which arise in the ordinary course of business. We maintain liability insurance against certain risks arising out of the normal course of our business, subject to certain self-insured retention limits. We routinely establish and review the adequacy of reserves for estimated legal, environmental, and self-insurance exposures. While management believes that amounts accrued in the consolidated financial statements are adequate, estimates of these liabilities may change as circumstances develop. Considering amounts recorded, routine legal matters are not expected to have a material adverse effect on our financial condition, results of operations, or cash flows.

In January 2023, the Company we and MoLo were named as defendants in lawsuits related to an auto accident involving one of MoLo's contract carriers, which occurred prior to our acquisition of MoLo. Although we cannot estimate a range of reasonably possible losses for this matter at this time, it is reasonably possible that such amounts could be material to our financial condition, results of operations, or cash flows. See Note K to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion of the legal matters in which we are currently involved.

As disclosed in Note K to our consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, the Company is working to settle we tentatively settled a dispute claim relating to the classification between exempt and nonexempt status of MoLo employees. To date, no lawsuit has been filed. While certain Asset-Light employees under the amount or range Fair Labor Standards Act. The estimated settlement expense of reasonably possible losses for this matter cannot be estimated $9.5 million, recognized in fourth quarter 2023, is reserved within accrued expenses in the consolidated balance sheet at this time, we believe that a loss related to this matter is reasonably possible. Such amounts could be material to our financial condition, results of operations, or cash flows. March 31, 2024.

Information Technology and Cybersecurity

We depend on the proper functioning, availability, and security of our information systems, including communications, data processing, financial, and operating systems, as well as proprietary software programs that are integral to the efficient operation of our business. Any significant failure or other disruption in our critical information systems, including denial of service, ransomware, and other cybersecurity attacks and incidents that impact the availability, reliability, speed, accuracy, or other proper functioning of these systems or that result in proprietary information or sensitive or confidential data, including personal information of customers, employees and others, being compromised could have a significant impact on our operations. Generative AI has the ability to create higher-quality misinformation and phishing attacks increasing the likelihood of a successful attack. Any new or enhanced technology that we develop and implement may also be subject to cybersecurity attacks and may be more prone to related incidents. We also utilize certain software applications provided by third parties; provide underlying data to third parties; grant access to certain of our systems to third parties who provide certain outsourced administrative functions or other services; and increasingly store and transmit data with our customers and third parties by means of connected information

technology (“IT”) systems, any of which may increase the risk of a data privacy breach or other cybersecurity incident. Although we strive to carefully select our third-party vendors, we do not control their actions and any problems caused by or impacting these third parties, including cyberattacks cybersecurity attacks and security breaches at a vendor, could result in claims, litigation, losses, and/or liabilities and materially adversely affect our ability to provide service to our customers and otherwise conduct our business.

Our IT systems are protected through physical and software safeguards as well as backup systems considered appropriate by management. However, these systems are vulnerable to interruption by adverse weather conditions or natural disasters; power loss; telecommunications failures; terrorist attacks; internet failures and other disruptions to technology, including computer viruses; and other events beyond our control. It is not practicable to fully protect against the possibility of these events or cybersecurity attacks and other cyber events in every potential circumstance that may arise. To mitigate the potential for such occurrences at our primary data center, we have implemented various systems, including redundant telecommunication facilities; replication of critical data to an offsite location; fire suppression systems to protect our on-site data centers; and electrical power protection and generation facilities. We also have a catastrophic disaster recovery plan and alternate processing capability available for our critical data processes in the event of a catastrophe that renders one of our data centers unusable.

A portion of our office personnel work remotely through hybrid and remote work arrangements, which may increase the demand for IT resources and our exposure to cybersecurity risks, including increased risks of phishing, an increased risk of unauthorized access to proprietary information or sensitive or confidential data, and increased risks of other cybersecurity attacks. We continue to implement physical incidents. As AI capabilities improve and are increasingly adopted, we may see cybersecurity measures in an attempt to safeguard our systems in order to serve our operational needs in a remote working environment and to provide uninterrupted service to our customers. attacks perpetrated through AI. As a component of our cyber risk management program, we periodically engage a third-party provider to assess our cyber posture and assist us in improving our security profile. Over the next few months, During 2023, we reviewed our

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we will be reviewing our processes around cybersecurity risk management and related governance framework and began performing materiality assessments in order to comply with the new cybersecurity disclosure requirements.Although we have implemented measures to mitigate our exposure to the heightened risks of cybersecurity incidents, we cannot be certain that such measures will be effective to prevent a cybersecurity incident from materializing.

Our property and cyber insurance would offset losses up to certain coverage limits in the event of a catastrophe or certain cyber incidents, including certain business interruption events related to these incidents; however, losses arising from a catastrophe or significant cyber incident may exceed our insurance coverage and could have a material adverse impact on our results of operations and financial condition. We do not have insurance coverage specific to losses resulting from a pandemic or geopolitical conflict. A significant disruption in our IT systems or a significant cybersecurity incident, including denial of service, system failure, security breach, intentional or inadvertent acts by employees or vendors with access to our systems or data, disruption by malware, or other damage, could interrupt or delay our operations, damage our reputation, cause a loss of customers, cause errors or delays in financial reporting, result in violation of privacy laws, expose us to a risk of loss or litigation, and/or cause us to incur significant time and expense to remedy such an event.

We have experienced incidents involving attempted denial of service attacks, malware attacks, and other events intended to disrupt information systems, wrongfully obtain valuable information, or cause other types of malicious events that could have resulted in harm to our business. To our knowledge, the various protections we have employed have been effective to date in identifying these types of events at a point when the impact on our business could be minimized. We must continuously monitor and develop our IT networks and infrastructure to prevent, detect, address, and mitigate the risk of unauthorized access, misuse, computer viruses, and other events that could have a security impact. We have made and continue to make significant financial investments in technologies and processes to mitigate these risks. We also provide employee awareness training around phishing, malware, and other cyber risks. Despite our efforts, due to the increasing sophistication of cyber criminals and the development of new techniques for attack, we may be unable to anticipate or promptly detect, or implement adequate protective or remedial measures against, the activities of perpetrators of cyberattacks. cybersecurity attacks. Management is not aware of any current

cybersecurity incident that has had a material effect on our operations, although there can be no assurances that a cyber incident that could have a material impact to our operations could not occur.

Liquidity and Capital Resources

Our primary sources of liquidity are cash, cash equivalents and short-term investments; cash generated by continuing operations; and borrowing capacity under our revolving credit facility or our accounts receivable securitization program.

Cash Flow and Short-Term Investments

Components of cash and cash equivalents and short-term investments, which are further described within in Note B to our consolidated financial statements included in Part I, Item 1 of the Quarterly Report on Form 10-Q, were as follows:

	September 30 2023	December 31 2022	March 31 2024	December 31 2023
	(in thousands)			
Cash and cash equivalents[1]	**$ 251,503**	$ 158,264		
			(in thousands)	
Cash and cash equivalents			**$172,855**	$ 262,226
Short-term investments	**89,326**	167,662	**68,065**	67,842
Total	**$ 340,829**	$ 325,926	**$240,920**	$ 330,068

(1) Represents amounts from continuing operations. Balances reflect the reclassification of FleetNet amounts to discontinued operations.

Cash, cash equivalents and short-term investments increased $14.9 decreased $89.1 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024. Cash provided by operating activities during the nine months ended September 30, 2023 was $194.8 million, compared to $350.4 million in the same prior-year period. Net income for the nine months ended September 30, 2023 includes $93.4 million of net income from continuing operations and $53.3 million of net income from discontinued operations including the $52.3 million after-tax gain on the sale of FleetNet, net of transaction costs. Net income from continuing operations declined $164.8 million for the nine months ended September 30, 2023, compared to the same period of 2022, primarily due to the decline in operating income, as previously discussed in the Results of Operations.

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Our consolidated statements of cash flows presented for the nine three months ended September 30, 2023 and 2022, March 31, 2023, include cash flows from continuing operations and the discontinued operations of FleetNet. FleetNet, which sold February 28, 2023. Our discussions below segregate cash flows from continuing operations from those of discontinued operations for the nine-month three-month periods ended September 30, 2023 and 2022. March 31, 2023.

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Cash Flows from Continuing Operations

Cash provided by operating activities during the three months ended March 31, 2024 was $6.5 million, compared to $19.9 million in the same prior-year period. Changes in operating assets and liabilities, excluding income taxes, increased decreased cash provided by operating activities by $17.4 $46.6 million and $31.5 million during the nine three months ended September 30, 2023 March 31, 2024 and 2023, respectively. Excluding settlement by the insurer, in the first quarter of 2024, of the receivable (and offsetting liability) for insured third-party casualty claims recorded at December 31, 2023, while reducing cash provided by operating activities by $9.7 million during the nine months ended September 30, 2022. These changes were primarily due to a decrease year-over-year increase in accounts receivable partially was offset by year-over-year decreases in accounts payable and accrued expenses for expenses. The remainder of the nine months ended September 30, 2023, change in operating assets and an increase liabilities related primarily to a lease buyout during the first quarter of 2024 of a property made available following the bankruptcy of a competitor in accounts receivable, partially offset by increases in accounts payable and accrued expenses for the nine months ended September 30, 2022. 2023.

The decreases in accounts receivable compared to increases in During the prior-year period, were primarily due to improved collections of accounts receivable and lower business levels in our Asset-Light operating segment, in the nine-month three-month period ended September 30, 2023. The decrease in accrued expenses and accounts payable at September 30, 2023 versus December 31, 2022, compared to the increase for the same prior-year period, was primarily related to higher payments in the first nine months of 2023 for certain union and nonunion performance-based incentive plans accrued at December 31, 2022, versus the payments in the first nine months of 2022 for accruals as of December 31, 2021, as well as lower business levels in our Asset-Light operating segment.

Cash provided by investing activities was impacted by $100.9 million of proceeds from the sale of FleetNet, as further discussed in the General section of MD&A. During the nine-month period ended September 30, 2023 March 31, 2024, we spent $123.7 $53.8 million on capital expenditures, net of financings and proceeds from asset sales, including property purchases and the renovation of properties for our Asset-Based network. See Capital Expenditures below for estimated annual expenditure amounts for 2023. 2024. Cash provided by investing activities during the three-month period ended March 31, 2023 was impacted by $101.1 million of proceeds from the sale of FleetNet, as further discussed in the General section of MD&A.

We have financed the purchase of certain revenue equipment, other equipment, and software through promissory note arrangements. Cash used to fund these promissory note payments during the nine three months ended September 30, 2023 March 31, 2024, was $52.5 $16.8 million. During the nine three months ended September 30, 2023 March 31, 2024, we repurchased 688,502 120,681 shares of our common stock under our share repurchase program for an aggregate cost of $65.9 $15.7 million. We also continued to return capital to our shareholders with our quarterly dividend payments, which totaled $8.7 $2.8 million during the nine three months ended September 30, 2023 March 31, 2024. Our dividends and share repurchase program are further discussed in Other Liquidity below.

Cash Flows from Discontinued Operations

We did not have any cash activities from discontinued operations during the three months ended March 31, 2024. Net cash provided by operating activities of discontinued operations was $0.8 million during both the nine three months ended September 30, 2023 and 2022, March 31, 2023, reflecting the routine operations of FleetNet. Net cash used in investing and financing activities of discontinued operations was $0.4 million and $2.8 $0.5 million, respectively, for the nine three months ended September 30, 2023 and 2022, respectively. Net cash used in financing activities of discontinued operations was $0.5 million for the nine months ended September 30, 2023, compared to net cash provided by financing activities of $2.0 million for the same prior-year period. Net cash of discontinued operations for both investing and financing activities did not have a material effect on the operations disclosed in Note C to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. March 31, 2023. Net cash activity for FleetNet has did not materially impacted impact our operations in recent years, nor is will the absence of cash flows from the discontinued operations of FleetNet expected to affect current or future liquidity or capital resources.

Financing Arrangements

We financed did not finance the purchase of $31.0 million of revenue equipment through notes payable during the nine three months ended September 30, 2023 March 31, 2024. Future payments due under our notes payable totaled $207.4 $173.4 million, including interest, as of September 30, 2023 March 31, 2024, for a decrease of $21.7 $18.5 million from December 31, 2022 December 31, 2023.

We have an accounts receivable securitization program, which matures on July 1, 2024. As of March 31, 2024, standby letters of credit of $16.8 million have been issued under the program which reduced our available borrowing capacity to $33.2 million.

Our financing arrangements and the scheduled maturities of our long-term debt obligations, are disclosed in Note G to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

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Contractual Obligations

We have purchase obligations, consisting of authorizations to purchase and binding agreements with vendors, relating to revenue equipment used in our Asset-Based and Asset-Light operations, other equipment, facility improvements, software, service contracts, and other items for which amounts were not accrued in the consolidated balance sheet as of September 30, 2023 March 31, 2024. These purchase obligations totaled $166.5 $247.2 million as of September 30, 2023 March 31, 2024, with $158.0 $238.6 million expected to be paid within the next year, provided that vendors complete their commitments to us. As of September 30, 2023 March 31, 2024, the amount of our purchase obligations has increased $65.6 $65.9 million from December 31, 2022 December 31, 2023, primarily related to revenue equipment, which is included in our 2023 capital expenditure plan. commitment timing.

As of September 30, 2023 March 31, 2024, contractual obligations for operating lease liabilities, primarily related to our Asset-Based service centers, totaled $290.2 $272.0 million, including imputed interest, for an increase a decrease of $57.4 $3.8 million from December 31, 2022 December 31, 2023. The

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scheduled maturities of our operating lease liabilities as of September 30, 2023 March 31, 2024, are disclosed in Note F to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10 Q. 10-Q. There have been no other material changes in the contractual obligations disclosed in our 2022 2023 Annual Report on Form 10-K during the nine three months ended September 30, 2023 March 31, 2024. We have no investments, loans, or any other known contractual arrangements with unconsolidated special-purpose entities, variable interest entities, or financial partnerships, and we have no outstanding loans with executive officers or directors.

Capital Expenditures

Our For 2024, our total capital expenditures, for 2023, including amounts financed, are estimated to range from $270.0 $325.0 million to $285.0 $375.0 million, net of asset sales, which is slightly lower than the second quarter 2023 sales. These 2024 estimated range. These estimated net capital expenditures include revenue equipment purchases of approximately $150.0 $155.0 million, primarily for our Asset-Based operations, including $60.0 approximately $10.2 million of equipment purchases previously planned for 2022, 2023 equipment purchases which

were delayed due to supply chain-related manufacturing delays and cancellations and carried over to our 2023 2024 planned expenditures. The remainder of our 2023 2024 expected capital expenditures includes $130.0 million of investments in real estate and facility upgrades to support our growth plans, including $46.4 million of previously planned 2023 investments which were delayed and carried over to our 2024 planned expenditures, as well as technology other investments across the enterprise, such as technology-related items and miscellaneous dock equipment upgrades and enhancements. We have the flexibility to adjust certain planned 2024 capital expenditures as business levels dictate. In January 2024, we purchased three service center locations for an all-cash purchase price of $30.2 million and executed a lease buyout for $7.8 million, as a result of the properties becoming available due to the previously mentioned LTL competitor bankruptcy. Depreciation and amortization expense, excluding amortization of intangibles, is estimated to be approximately $120.0 $142.0 million in 2023. 2024. The amortization of intangible assets is estimated to be approximately $13.0 million in 2023, 2024, primarily related to purchase accounting amortization associated with the MoLo acquisition.

Other Liquidity Information

General economic conditions including the impact of the are currently being impacted by geopolitical conflicts, competitive market factors, rising high interest rates as a result of monetary policy, and volatile energy prices, among other factors. These conditions and the related impact on our business (primarily tonnage and shipment levels and the pricing that we receive for our services in future periods) could affect our ability to generate cash from operating activities and maintain cash, cash equivalents, and short-term investments on hand. Cash, cash equivalents, and short-term investments totaled $340.8 million at September 30, 2023. Our revolving credit facility and our accounts receivable securitization program provide available sources of liquidity with flexible borrowing and payment options. We had available borrowing capacity under our revolving credit facility and our accounts receivable securitization program of $200.0 million and $40.0 million, respectively, as of September 30, 2023. We believe that these agreements provide borrowing capacity necessary for growth of our businesses. business. During the next 12 months and for the foreseeable future, we believe existing cash, cash equivalents, short-term investments, cash generated by operating activities, and amounts available under our revolving credit facility or our accounts receivable securitization program will be sufficient to finance our operating expenses; fund our ongoing initiatives to grow our business, including investments in technology; repay amounts due under our financing arrangements; and pay the contingent earnout consideration related to the MoLo acquisition as it is earned. We also have borrowing capacity available under our accounts receivable securitization program until maturity on July 1, 2024. Notes payable, finance leases, and other secured financing may also be used to fund capital expenditures, provided that such arrangements are available and the terms are acceptable to us.

The Agreement and Plan of Merger (the “Merger Agreement”) for our acquisition of MoLo provides for additional cash consideration ranging from 44% to 212% of the target payment relative to the achievement of incremental adjusted earnings before interest, taxes, depreciation, and amortization (“EBITDA”) EBITDA targets of 80% to 300% for years 2023 through

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2025. The adjusted EBITDA metric was below target for 2023, resulting in no earnout payment for 2023. The cumulative additional consideration through 2025 would be $215.0 million at 100% of the target, consisting of target earnout payments of $45.0 million, $70.0 million and $100.0 $145.0 million, including catch-up provisions, for the years ended December 31, 2023 December 31, 2024, 2024, and 2025, respectively. The contingent earnout consideration is remeasured at each quarterly reporting date and any change in fair value as a result of the recurring assessments is recognized in operating income. As of September 30, 2023, we do not expect the target earnout for 2023 to be met. As such, the current portion of the liability for contingent earnout consideration was reduced to zero following the second quarter remeasurement. The long-term liability for contingent earnout consideration was reduced as a result of the third quarter remeasurement, based on lower earnings anticipated for 2024 as a result of continued soft market conditions. Due to the cumulative nature of the consideration arrangement, amounts relating to 2023 and 2024 earnings could be payable through the catch-up period ending December 31, 2025 if the applicable targets are achieved. As of September 30, 2023 March 31, 2024, the fair value of contingent earnout consideration is estimated to be $99.2 $100.2 million representing the estimated present value of the earnout, as defined, based (see Assets and Liabilities Measured at Fair Value on Level 3 valuation techniques as disclosed in a Recurring Basis within Note B to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. 10-Q).

We continue to take actions to enhance shareholder value with our quarterly dividend payments and treasury stock purchases. On October 25, 2023 April 26, 2024, we announced our Board of Directors declared a dividend of $0.12 per share payable to stockholders of record as of November 8, 2023 May 10, 2024. We expect to continue to pay quarterly dividends on our common stock in the

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foreseeable future, although there can be no assurance in this regard since future dividends will be at the discretion of the Board of Directors and are dependent upon our future earnings, capital requirements, and financial condition; contractual restrictions applying to the payment of dividends under our Credit Agreement; revolving credit facility; and other factors.

In February 2023, 2024, our Board of Directors increased the total amount available for purchases of our common stock under our share repurchase program to $125.0 million. In March 2023, we executed a 10b5-1 plan for stock repurchases during our closed trading window extending from March 16, 2023 to May 2, 2023. In September 2023, we executed a second 10b5-1 plan for stock repurchases during our closed trading window extending from September 18, 2023 to October 31, 2023. During the nine three months ended September 30, 2023 March 31, 2024, we purchased 688,502 120,681 shares of our common stock for an aggregate cost of $65.9 $15.7 million, including 348,799 shares for an aggregate cost of $32.3 million purchased under both Rule 10b5-1 plans. The sale of FleetNet supports the return of capital to ArcBest's shareholders, as a large portion of the sale proceeds have been used to fund our share repurchases. As of September 30, 2023 March 31, 2024, $59.1 $115.3 million remained available under the share repurchase program (see Note H to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q).

Financial Instruments

We have an interest rate swap agreement, in place, which is further discussed in Note G to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. As of September 30, 2023 March 31, 2024, we have no other derivative or hedging arrangements outstanding.

Balance Sheet Changes

Other Accounts Receivable

Accounts Other accounts receivable decreased $48.0 million $40.7 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024, reflecting improved collections and lower revenue levels the settlement by the insurer for third-party casualty claims accrued as of December 31, 2023, for which the related liability was recognized in September 2023 compared to December 2022, as previously discussed in the Results of Operations. accrued expenses.

Prepaid Property, Plant and Refundable Income Taxes Equipment

The increase in property, plant and equipment, of $23.0 million from December 31, 2023 to March 31, 2024, was primarily due to the purchase of three service center properties and a lease buy-out of a service center used in our Asset-Based operations.

Other Long-Term Assets

The decrease in other long-term assets, of $28.3 million from December 31, 2023 to March 31, 2024, was primarily due to the impairment charge to write off our equity investment in Phantom Auto, which ceased operations during first quarter 2024.

Income Taxes Payable

Prepaid and refundable income taxes increased $7.3 million and income Income taxes payable decreased $14.6 million $10.4 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024, reflecting net tax payments in excess of tax accruals.

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Operating Right-of-Use Assets and Operating Lease Liabilities

The decrease in operating right-of-use assets of $2.4 million was primarily related to lease impairment charges recognized during the third quarter of 2023, as previously discussed, which reduced the carrying value of the related right-of-use assets and leasehold improvements to the estimated fair value at September 30, 2023, partially offset by new leases. The increase in operating lease liabilities, including current portion, of $29.1 million from December 31, 2022 to September 30, 2023, was primarily due to new leases and lease renewals during the nine months ended September 30, 2023.

Accounts Payable

Accounts payable decreased $24.0 million from December 31, 2022 to September 30, 2023, primarily due to the decrease in Asset-Light business levels.

Accrued Expenses

Accrued expenses decreased $15.6 million $64.5 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024, primarily due to the settlement by the insurer of third-party casualty claims accrued as of December 31, 2023, for which the related receivable was recognized in other accounts receivable, and payments made during the first nine months of 2023 of amounts accrued at December 31, 2022 quarter 2024 for certain performance-based incentive plans and contributions to our defined contribution plan offset partially by increases in wage and vacation accruals due primarily to higher wages and headcount, and higher workers' compensation and third-party casualty reserves due to an increase in claims activity and higher average claims costs. which were accrued at December 31, 2023.

Long-term Debt

The $21.5 $16.8 million decrease in long-term debt, including current portion, from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 is primarily due to payments on notes payable of $52.5 million, net of equipment financed of $31.0 million. payable.

Contingent Consideration

The contingent earnout consideration related to the MoLo acquisition, which is previously described within the Other Liquidity section, is remeasured at each quarterly reporting date and any change in fair value as a result of the recurring assessments is recognized in operating income. The liability for contingent earnout consideration decreased $12.8 increased $7.3 million from December 31, 2022 to September 30, 2023 December 31, 2023, due to the net decrease increase in fair value following remeasurements during the first nine months of 2023. remeasurement at March 31, 2024.

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Deferred Income Taxes

Deferred income tax liabilities decreased $10.1 $11.0 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024, primarily due to the gain deferred tax benefit from the capital loss on sale of FleetNet, changes our equity investment in certain accrued expenses reserves, and lease impairment charges related to Phantom Auto, the reduced carrying value of operating right-of-use assets, net of the decrease increase in contingent consideration, and tax differences related to depreciation during the first nine three months of 2023. 2024.

Income Taxes

Our For continuing operations, our effective tax benefit rate was 37.7% for the three months ended March 31, 2024, and our effective tax rate for continuing operations was 25.5% and 21.6% 20.0% for the three and nine months ended September 30, 2023, respectively, compared to 22.6% and 23.3% for the same periods of 2022. March 31, 2023. The federal statutory tax rate is 21.0% and the average state tax rate, net of the associated federal deduction, is approximately 5%. However, various factors and significant changes in nondeductible expenses, the cash surrender value of life insurance, the federal alternative fuel tax credit, and the settlement of share-based payment awards primarily vesting in the second quarter, may cause the full-year 2023 2024 tax rate to vary significantly from the statutory rate.

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Reconciliation between the effective income tax rate for continuing operations, as computed on income before income taxes, and the statutory federal income tax rate is presented in the following table:

	Three Months Ended September 30		Nine Months Ended September 30		Three Months Ended March 31	
	2023	2022	2023	2022	2024	2023
	(in thousands, except percentages)					
Income tax provision at the statutory federal rate	**$ 9,848 21.0 %**	$ 24,049 21.0 %	**$25,014 21.0 %**	$70,668 21.0 %		
					(in thousands, except percentages)	
Income tax provision (benefit) at the statutory federal rate					**$ (982)(21.0)%**	$ 4,945 21.0 %
Federal income tax effects of:						
Nondeductible expenses and other	**564 1.2 %**	1,262 1.1 %	**2,001 1.6 %**	3,439 1.0 %	**108 2.3 %**	380 1.6 %
Alternative fuel credit	**(308) (0.7)%**	(2,145) (1.9)%	**(965) (0.8)%**	(2,145) (0.6)%	**(287) (6.1)%**	(338) (1.4)%
Increase in valuation allowances	**61 0.1 %**	80 0.1 %	**88 0.1 %**	191 0.1 %	**53 1.1 %**	25 0.1 %
Tax benefit from vested RSUs	**(189) (0.4)%**	(2,380) (2.1)%	**(5,103) (4.3)%**	(8,311) (2.5)%	**(487)(10.4)%**	(1,051) (4.5)%
Federal research and development tax credits	**(18) — %**	(375) (0.3)%	**(56) — %**	(1,958) (0.6)%	**(19) (0.4)%**	(19) (0.1)%

Life insurance proceeds and changes in cash surrender value	**(45)**	**(0.1)%**	37	— %	**(587)**	**(0.5)%**	773	0.2 %
Federal income tax provision	**$ 9,913**	**21.1 %**	$ 20,528	17.9 %	**$20,392**	**17.1 %**	$62,657	18.6 %
Federal income tax provision (benefit)								
State income tax provision	**2,050**	**4.4 %**	5,378	4.7 %	**5,343**	**4.5 %**	15,696	4.7 %
Total provision for income taxes for continuing operations	**$ 11,963**	**25.5 %**	$ 25,906	22.6 %	**$25,735**	**21.6 %**	$78,353	23.3 %
Total provision (benefit) for income taxes for continuing operations								

	$(1,871)	**(40.0)%**	$ 3,628	15.4 %
	106	**2.3 %**	1,070	4.6 %
	$(1,765)	**(37.7)%**	$ 4,698	20.0 %

At September 30, 2023 March 31, 2024, we had $42.8 $34.8 million of net deferred tax liabilities after valuation allowances. We evaluated the need for a valuation allowance for deferred tax assets at September 30, 2023 March 31, 2024 by considering the future reversal of existing taxable temporary differences, future taxable income, and available tax planning strategies. Valuation allowances for deferred tax assets totaled $1.8 million at both March 31, 2024 and $1.7 million at September 30, 2023 and December 31, 2022, respectively. December 31, 2023. As of September 30, 2023 March 31, 2024, deferred tax liabilities which will reverse in future years exceeded deferred tax assets.

Financial reporting income may differ significantly from taxable income because of items such as contingent earnout consideration, prepaid expenses, accelerated depreciation for tax purposes, gains and losses on sales of assets, impairment of leases, and a significant number of liabilities such as vacation pay, workers' compensation and third-party casualty claims, and other liabilities, which, for tax purposes, are generally deductible only when paid. For the nine three months ended September 30, 2023 and 2022, March 31, 2024, there is income determined under income tax law, but a loss for financial reporting. For the three months ended March 31, 2023, income determined under income tax law exceeded financial reporting income.

During the nine three months ended September 30, 2023 March 31, 2024, we made federal, state, and foreign tax payments of $78.3 $19.1 million, and received refunds of $1.7 less than $0.1 million of federal and state income taxes that were paid in prior years. Management does not expect the cash outlays for income taxes will materially exceed reported income tax expense for the foreseeable future.

The Company's Our total effective tax benefit rate was 40.3% for the three months ended March 31, 2024, and our effective tax rate was 23.1% and 23.3% 24.1% for the nine three months ended September 30, 2023 and 2022, respectively, March 31, 2023, including discontinued operations, which are further discussed in Note C to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Income tax expense reflected in discontinued operations, was a tax benefit of less than $0.1 million, or an effective tax benefit rate of 25.5%, and income tax expense of $18.3 million, or an effective tax rate of 25.5%, for the three and nine months ended September 30, 2023, respectively, which primarily consisted of federal and state income taxes on the gain

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on the sale of FleetNet. For FleetNet, was $0.2 million and $18.0 million for the three and nine months ended September 30, 2022, income tax expense reflected in discontinued operations was $0.2 million, March 31, 2024 and 2023, respectively, or an effective tax rate of 49.1%, and $1.1 million, or an effective tax rate of 27.9%, respectively. 25.5% in each period.

Critical Accounting Policies

The accounting policies that are "critical," or the most important, to understand our financial condition and results of operations and that require management to make the most difficult judgments are described in our 2022 2023 Annual Report on Form 10-K. There have been no updates to our critical accounting policies during the nine three months ended September 30, 2023 March 31, 2024. Management believes that there is no new accounting guidance issued but not yet effective that will impact our critical accounting policies.

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Forward-Looking Statements

Certain statements and information in this report may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding (i) our expectations about our intrinsic value or our prospects for growth and value creation and (ii) our financial outlook, position, strategies, goals, and expectations. Terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “foresee,” “intend,” “may,” “plan,” “predict,” “project,” “scheduled,” “should,” “would,” and similar expressions and the negatives of such terms are intended to identify forward-looking statements. These statements are based on management’s beliefs, assumptions, and expectations based on currently available information, are not guarantees of future performance, and involve certain risks and uncertainties (some of which are beyond our control). Although we believe that the expectations reflected in these forward-looking statements are reasonable as and when made, we cannot provide assurance that our expectations will prove to be correct. Actual outcomes and results could materially differ from what is expressed, implied, or forecasted in these statements due to a number of factors, including, but not limited to: the effects of a widespread outbreak of an illness or disease including the COVID-19 pandemic, or any other public health crisis, as well as regulatory measures implemented in response to such events; external events which may adversely affect us or the third parties who provide services for us, for which our business continuity plans may not adequately prepare us, including, but not limited to, acts of war or terrorism, or military conflicts; data privacy breaches, cybersecurity incidents, and/or failures of our information systems, including disruptions or failures of services essential to our operations or upon which our information technology platforms rely; interruption or failure of third-party software or information technology systems or licenses; untimely or ineffective development and implementation of, or failure to realize the potential benefits associated with, new or enhanced technology or processes, including the freight handling pilot test program at ABF Freight and our customer pilot offering of Vaux, including human-centered remote operation software; Vaux; the loss or reduction of business from large customers; customers or an overall reduction in our customer base; the timing and performance of growth initiatives and the ability to manage our cost structure; the cost, integration, and performance of any recent or future acquisitions including the acquisition of MoLo Solutions, LLC, and the inability to realize the anticipated benefits of the acquisition within the expected time period or at all; unsolicited takeover proposals, proxy contests, and other proposals/actions by activist investors; maintaining our corporate reputation and intellectual property rights; nationwide or global disruption in the supply chain resulting in increased volatility in freight volumes; competitive initiatives and pricing pressures; increased prices for and decreased availability of equipment, including new revenue equipment, decreases in value of used revenue equipment, and higher costs of equipment-related operating expenses such as maintenance, fuel, and related taxes; availability of fuel, the effect of volatility in fuel prices and the associated changes in fuel surcharges on securing increases in base freight rates, and the inability to collect fuel surcharges; relationships with employees, including unions, and our ability to attract, retain, and upskill employees; unfavorable terms of, or the inability to reach agreement on, future collective bargaining agreements or a workforce stoppage by our employees covered under ABF Freight’s collective bargaining agreement; union employee wages and benefits, including changes in required contributions to multiemployer plans; availability and cost of reliable third-party services; our ability to secure independent owner operators owner-operators and/or operational or regulatory issues related to our use of their services; litigation or claims asserted against us; governmental regulations; environmental laws and regulations, including emissions-control regulations; default on covenants of financing arrangements and the availability and terms of future financing arrangements; our ability to generate sufficient cash from operations to support significant ongoing capital expenditure requirements and other business initiatives; self-insurance claims, and insurance premium costs; costs, and loss of our ability to self-insure; potential impairment of long-lived assets and goodwill and intangible assets; general economic conditions and related shifts in market demand that impact the performance and needs of industries we serve and/or limit our customers’ access to adequate financial resources; increasing costs due to inflation and rising higher interest rates; seasonal fluctuations, adverse weather conditions, natural disasters, and climate change; and other financial, operational, and legal risks and uncertainties detailed from time to time in ArcBest Corporation’s public filings with the Securities and Exchange Commission (“SEC”).

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events, or otherwise.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk results from fluctuations in interest rates primarily resulting from our debt portfolio. Our debt portfolio includes notes payable with a fixed rate of interest, which mitigates the impact of fluctuations in interest rates. Future issuances of long-term debt could be impacted by increases in interest rates, which could result in higher interest costs. Borrowings under our revolving credit facility and accounts receivable securitization program are at a variable interest rate and expose us to the risk of increasing interest rates. We currently utilize an interest rate swap agreement to mitigate a portion of our interest rate risk under our revolving credit facility. See Note G to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion of our interest rates.

Discussion of current economic conditions and related impact on our business can be found in “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Quarterly Report on Form 10-Q.

There have been no other significant changes in the Company’s market risks as reported in the Company’s 2022 2023 Annual Report on Form 10-K since December 31, 2022 December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, an evaluation was performed with the participation of the Company’s management, including the Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Based on that evaluation, the Company’s management, including the Principal Executive Officer and Principal Financial Officer, concluded that the Company’s disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

There were no changes in the Company’s internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

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PART II.

OTHER INFORMATION
ARCBEST CORPORATION

ITEM 1. LEGAL PROCEEDINGS

For information related to the Company's legal proceedings, see Note K, Legal Proceedings, Environmental Matters, and Other Events under Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

The Company's risk factors are fully described in the Company's 2022 2023 Annual Report on Form 10-K. No material changes to the Company's risk factors have occurred since the Company filed its 2022 2023 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) **Recent sales of unregistered securities.**

None.

(b) **Use of proceeds from registered securities.**

None.

(c) **Purchases of equity securities by the issuer and affiliated purchasers.**

The Company has a program (the "share repurchase program") to repurchase its common stock in the open market or in privately negotiated transactions. The share repurchase program has no expiration date but may be terminated at any time at the Board of Directors' discretion. Repurchases may be made using the Company's cash reserves or other available sources.

In February 2023, 2024, the Board reauthorized the program and increased the total amount available for purchases of the Company's common stock under the share repurchase program to $125.0 million and, in March 2023, executed a 10b5-1 plan, allowing the Company to repurchase shares during the closed window extending from March 16, 2023 to May 2, 2023. In September 2023, the Company executed a second 10b5-1 plan extending from September 18, 2023 to October 31, 2023. million.

During the nine three months ended September 30, 2023 March 31, 2024, the Company repurchased 688,502 120,681 shares of common stock for aggregate cost of $65.9 $15.7 million, including 348,799 65,366 shares for an aggregate cost of $32.3 $8.0 million under both Rule 10b5-1 plans. plans, which allows for stock repurchases during closed trading windows. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had $59.1 $115.3 million and $26.5 $33.5 million, respectively, remaining under the its share repurchase program.

	Total Number of Shares Purchased	Average Price Paid Per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program	Total Number of Shares Purchased	Average Price Paid Per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
	(in thousands, except share and per share data)							
7/1/2023-7/31/2023	—	$ —	—	$ 83,760				
8/1/2023-8/31/2023	114,013	107.45	114,013	$ 71,509				
9/1/2023-9/30/2023	121,193	102.27	121,193	$ 59,114				

				(in thousands, except share and per share data)			
1/1/2024-1/31/2024				44,239	$ 118.66	44,239	$ 28,219
2/1/2024-2/29/2024				33,994	136.32	33,994	$ 121,116
3/1/2024-3/31/2024				42,448	135.90	42,448	$ 115,347
Total	235,206	$ 104.78	235,206	120,681	$ 129.70	120,681	

(1) Represents weighted-average price paid per common share including commission.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

(c) During the three months ended September 30, 2023 March 31, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

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ITEM 6. EXHIBITS

The following exhibits are filed or furnished with this report or are incorporated by reference to previously filed material:

Exhibit No.	
2.1	Agreement and Plan of Merger, dated September 29, 2021, by and among the Company, Simba Sub, MoLo Solutions, LLC and Andrew Silver and Matt Vogrich, in their capacity as Sellers' Representatives (previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on September 29, 2021, File No. 000-19969, and incorporated herein by reference).
2.2	Consent and Amendment to the Agreement and Plan of Merger, dated October 25, 2021, by and among the Company, Simba Sub, LLC, MoLo Solutions, LLC and Andrew Silver and Matt Vogrich, in their capacity as Sellers' Representatives (previously filed as Exhibit 2.2 to the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 25, 2022, File No. 000-19969, and incorporated herein by reference).
2.3	Second Amendment to Agreement and Plan of Merger, dated March 31, 2022, by and among the Company on behalf of itself and MoLo Solutions, LLC, and Andrew Silver and Matt Vogrich, in their capacity as Sellers' Representatives (previously filed as Exhibit 2.3 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 6, 2022, File No. 000-19969, and incorporated herein by reference).
2.4	Third Amendment to Agreement and Plan of Merger, dated May 6, 2022, by and among the Company on behalf of itself and MoLo Solutions, LLC, and Andrew Silver and Matt Vogrich, in their capacity as Sellers' Representatives (previously filed as Exhibit 2.4 to the Company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on August 5, 2022, File No. 000-19969, and incorporated herein by reference).
3.1 3.1*	Second Third Amended and Restated Certificate of Incorporation of the Company.
3.2	Eighth Amended and Restated Bylaws of the Company dated as of February 29, 2024 (previously filed as Exhibit 3.1 to the Company's Quarterly Current Report on Form 10-Q, 8-K, filed with the Securities and Exchange Commission SEC on May 5, 2023 March 4, 2024, File No. 000-19969, and incorporated herein by reference).
3.2 10.1#*	Seventh Amended The ArcBest Section 16 Officer Annual Incentive Compensation Plan and Restated Bylaws form of the Company dated as of October 24, 2023 (previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on October 30, 2023, File No. 000-19969, and incorporated herein by reference). award.
10.1* 10.2#*	ABF National Master Freight Agreement, implemented on July 29, 2018 The ArcBest Long-Term (3-Year) Incentive Compensation Plan and effective through June 30, 2023, among the International Brotherhood form of Teamsters and ABF Freight System, Inc. award.

10.2* 10.3#*	ABF National Master Freight Form of Restricted Stock Unit Award Agreement implemented on July 16, 2023 and effective through June 30, 2028, among the International Brotherhood of Teamsters and ABF Freight System, Inc. (Employees) (2024 awards).
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document – the instance document does not appear in the Interactive Data Files because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	The Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.

Designates a compensation plan or arrangement for directors or executive officers.

* Filed herewith.

** Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARCBEST CORPORATION
(Registrant)

Date: November 3, 2023 May 3, 2024

/s/ Judy R. McReynolds
Judy R. McReynolds
Chairman, President and Chief Executive Officer
and (Principal Executive Officer Officer)

Date: November 3, 2023 May 3, 2024

/s/ J. Matthew Beasley

J. Matthew Beasley
Vice President — Chief Financial Officer and Treasurer
and (Principal Financial Officer Officer)

Exhibit EXHIBIT 3.1

4885-2218-1279

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ARCBEST CORPORATION

ArcBest Corporation, a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), hereby certifies as follows:

1. The name of the Corporation is ArcBest Corporation. The Corporation was originally incorporated under the name Best Holding Corporation pursuant to the original Certificate of Incorporation of the Corporation (the "**Original Certificate of Incorporation**") filed with the Secretary of State of the State of Delaware on August 23, 1988.

2. The Original Certificate of Incorporation was amended and restated by the Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on March 16, 1992, whereby the Corporation changed its name from Best Holding Corporation to Arkansas Best Corporation, as amended by (a) Certificate of Amendment to the Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 22, 2009 and (b) a Certificate of Ownership and Merger Merging ArcBest Corporation with Arkansas Best Corporation, which included a change of the Corporation's name from Arkansas Best Corporation to ArcBest Corporation, as filed with the Secretary of State of the State of Delaware on April 24, 2014 and effective as of May 1, 2014.

3. The Second Amended and Restated Certificate of Incorporation of the Corporation (the "**Second Amended and Restated Certificate of Incorporation**") was duly adopted by the Board of Directors of the Corporation (the "**Board of Directors**") and by the stockholders of the Corporation in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware and filed with Secretary of State of the State of Delaware on May 1, 2023.

4. This Third Amended and Restated Certificate of Incorporation of the Corporation (this "**Certificate of Incorporation**") was duly adopted by the Board of Directors and by the stockholders of the Corporation in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware; and

5. This Certificate of Incorporation amends and restates the Second Amended and Restated Certificate of Incorporation to read in its entirety as follows:

ARTICLE I

The name of the Corporation is ArcBest Corporation.

ARTICLE II

The name of the Corporation's registered agent and the address of its registered office in the State of Delaware is Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, New Castle County, 19808.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

A. The total number of shares of capital stock which the Corporation shall have the authority to issue is eighty million (80,000,000) consisting of (a) ten million (10,000,000) shares of Preferred Stock, $0.01 par value per share, and (b) seventy million (70,000,000) shares of Common Stock, $0.01 par value per share.

B. Designations, etc. of Preferred Stock.

1. Shares of Preferred Stock may be issued from time to time in one or more series, each such series to have distinctive serial designations, as shall hereafter be determined in the resolution or resolutions providing for the issue of such series from time to time adopted by the Board of Directors pursuant to the authority which is hereby vested in the Board of Directors.

2. Each series of Preferred Stock

(i) may have such number of shares;

(ii) may have such voting power, full or limited, or may be without voting power;

(iii) may be subject to redemption at such time or times and at such prices;

(iv) may be entitled to receive dividends (which may be cumulative or noncumulative), payable in cash, securities or property, at such rate or rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable in any other class or classes or series of stock;

(v) may be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation at such price or prices or at such rates of exchange, and with such adjustments;

(vi) may be entitled to the benefit of a sinking fund or purchase fund to be applied to the purchase or redemption of shares of such series in such amount or amounts;

(vii) may be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional stock (including additional shares of such series or of any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption, or other acquisition by the Corporation or any subsidiary, of any outstanding stock of the Corporation, or of other affirmative or negative covenants;

(viii) may have certain rights in the event of voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, and relative rights of priority of payment of shares of that series; and

(ix) may have such other relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof; all as shall be stated in a resolution or resolutions providing for the issue of such Preferred Stock. Except where otherwise set forth in the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of Preferred Stock, the number of shares comprising such series may be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors.

ARTICLE V

In furtherance and not limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to alter, amend or repeal the bylaws of the Corporation or to adopt new bylaws.

ARTICLE VI

A director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director or officer, except for liability (i) for any breach of the director or officer's duty of loyalty to the Corporation or its stockholders, (ii) for any act or omission not in good faith or which involves intentional misconduct or a knowing violation of law, (iii) with respect to any director, under Section 174 of the Delaware General Corporation Law, (iv) for any transaction from which the director or officer derived any improper personal benefit, or (v) with respect to any officer, in any action by or in right of the Corporation. If the Delaware General Corporation Law is amended after the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any amendment, repeal or elimination of the foregoing paragraph by the stockholders of the Corporation shall be prospective only and shall not affect any limitation on liability of a director

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or officer of the Corporation for acts or omissions occurring before such amendment, repeal or elimination unless the provision provides otherwise at the time of such act or omission.

ARTICLE VII

The number of Directors constituting the Board of Directors shall be as set forth in or pursuant to the Bylaws of the Corporation. At the 2010 annual meeting of stockholders of the Corporation, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2011 annual meeting of stockholders (which number of directors shall be approximately one-third of the total number of directors of the Corporation); at the 2011 annual meeting of stockholders of the Corporation, the successors of the directors whose terms expire at that meeting shall be elected for a term expiring at the 2012 annual meeting of stockholders (which number of directors shall be approximately two-thirds of the total number of directors of the Corporation); and at the 2012

annual meeting of stockholders, and each annual meeting of stockholders thereafter, all directors shall be elected for terms expiring at the next annual meeting of stockholders.

ARTICLE VIII

1. Right to Indemnification.

Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action or omission in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue with respect to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in paragraph 2 of this Article with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding initiated by such indemnitee only if such proceeding was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if required by the Delaware General Corporation Law, an advancement of expenses incurred by an indemnitee shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all

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amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article or otherwise.

2. Right of Indemnitee to Bring Suit.

If a claim under paragraph 1 of this Article is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation (except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days), the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, the indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law.

Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board

of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled under this Article or otherwise to be indemnified, or to such advancement of expenses, shall be on the Corporation.

3. Non-Exclusivity of Rights.

The rights to indemnification and to the advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

4. Insurance.

The Corporation may maintain insurance, at its expense, to protect itself and any indemnitee against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

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5. Indemnity of Employees and Agents of the Corporation.

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article or as otherwise permitted under the Delaware General Corporation Law with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE IX

No stockholder of the Corporation shall by reason of his holding shares of any class of its capital stock have any preemptive or preferential right to purchase or subscribe for any shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds or other securities convertible into or carrying warrants, rights or options to purchase shares of any class or any other security, now or hereafter to be authorized, whether or not the issuance of any such shares or such notes, debentures, bonds or other securities would adversely affect the dividend, voting or any other rights of such stockholder; and the Board of Directors may issue shares of any class of stock of the Corporation, or any notes, debentures, bonds or other securities convertible into or carrying warrants, rights or options to purchase shares of any class, without offering any such shares of any class, either in whole or in part, to the existing holders of any class of stock of the Corporation.

ARTICLE X

Cumulative voting for the election of Directors shall not be permitted.

ARTICLE XI

The affirmative vote of the holders of not less than a majority of the outstanding voting stock of the Corporation shall be required for the approval or authorization of any (i) merger or consolidation of the Corporation with or into any other corporation, (ii) sale, lease, exchange or other disposition of all or substantially all of the assets of the Corporation to or with any other corporation, person or other entity, (iii) dissolution of the Corporation or (iv) amendment of the Articles of Incorporation of the Corporation.

ARTICLE XII

No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

IN WITNESS WHEREOF, this Third Amended and Restated Certificate of Incorporation has been signed this 29th day of April, 2024.

ARCBEST CORPORATION

By: /s/ Judy R. McReynolds

Name: Judy R. McReynolds

Title: Chairman, President and Chief Executive Officer and Principal Executive Officer

Signature Page to the
Third Amended and Restated Certificate of Incorporation of
ArcBest Corporation

EXHIBIT 10.1

[ ] Schedule – ArcBest Section 16 Officer Annual Incentive Compensation Plan

[ ] Schedule
ArcBest Section 16 Officer Annual Incentive Compensation Plan

Pursuant to the Executive Officer Incentive Compensation Plan (the "Governing Plan"), the Compensation Committee of the ArcBest Corporation Board of Directors (the "Compensation Committee") has adopted the following Individual Award Opportunities, Performance Measures, and Participants pool for ArcBest Corporation and its subsidiaries (the "Company") for the [ ] – ArcBest Section 16 Officer Annual Incentive Compensation Plan (the "[ ] Plan"). The Compensation Committee has determined that the [ ] Plan incentive will include the following components:

[ ] Operating Income ("Operating Income Component")	60% weighting
ROCE Component	40% weighting

The weighting of the components is determined by the Compensation Committee for each Measurement Period.

I. Defined Terms

A. Act of Misconduct. Act of Misconduct shall mean the Participant (i) has committed an act of (a) gross misconduct or fraud in the performance of Participant's duties to the Company or any Subsidiary, (b) embezzlement, fraud, or dishonesty, (c) material theft or misappropriation of Company or Subsidiary property, (d) nonpayment of any obligation owed to the Company or any Subsidiary, (e) breach of fiduciary duty, (f) violation of Company ethics policy or code of conduct, or (g) deliberate disregard of Company or Subsidiary rules; (ii) is convicted of or enters a guilty plea or plea of nolo contendere with regard to any felony or act of moral turpitude; (iii) makes an unauthorized disclosure of any Company or Subsidiary trade secret or confidential information; (iv) solicits any employee or service provider to leave the employ or cease providing services to the Company or any Subsidiary; (v) breaches any intellectual property or assignment of inventions covenant; (vi) engages in any conduct constituting unfair competition or breaches any non-competition agreement; (vii) induces any Company or Subsidiary customer to breach a contract with the Company or any

Subsidiary or to cease doing business with the Company or any Subsidiary; or (viii) induces any principal for whom the Company or any Subsidiary acts as agent to terminate such agency relationship.

B. Base Salary for Section 16 Officers. Base Salary for Section 16 Officers is defined as an Section 16 Officer's total base salary earned, while an eligible Participant in the [ ] Plan, for the designated Measurement Period, but in no event shall the Base Salary for an Section 16 Officer exceed the monthly base salary for the Section 16 Officer as most recently approved by the Compensation Committee as of the end of the day on which the Plan is approved for the Measurement Period or, if later, the day on which the Participant becomes an Section 16 Officer with a salary approved by the Compensation Committee, multiplied by twelve, multiplied by 150%. Base Salary is not reduced by any voluntary salary reductions or any salary reduction contributions made to any salary reduction plan, defined contribution plan or other deferred compensation plans of the Company, but does not include any payments under the Governing Plan, any stock option or other type of equity plan, or any other bonuses, incentive pay or special awards.

C. Base Salary. Base Salary for Participants other than Section 16 Officers is defined as a Participant's total base salary earned, while an eligible Participant in the [ ] Plan, for the designated Measurement Period. Base Salary is not reduced by any voluntary salary reductions or any salary reduction contribution made to any salary reduction plan, defined contribution plan or other deferred compensation plans of the Company, but does not include any payments under the Governing Plan, any stock option or other type of equity plan, or any other bonuses, incentive pay or special awards.

D. Disability. Disability means a physical or mental condition resulting from bodily injury, disease or mental disorder, which constitutes a disability under the terms of the Company's Short-Term Disability Policy.

E. Good Reason. Good Reason shall mean (i) any material adverse diminution in Participant's title, duties, or responsibilities; (ii) any reduction in Participant's base salary or employee benefits (including reducing Participant's level of participation or bonus award opportunity in the Company's or a Subsidiary's incentive compensation plans) or (iii) a relocation of Participant's principal place of employment by more than 50 miles without the prior consent of Participant.

F. Material. Five percent (5%) of the aggregate annual incentive pool.

G. Measurement Period. The Measurement Period is 1/1/[ ] to 12/31/[ ].

H. Qualified Termination. Qualified Termination shall mean, within 24 full calendar months after a Change in Control, as defined in the Section 16 Officer Incentive Compensation Plan, a participant's separation from service by the Company (or an Affiliate of the Company) not due to an Act of Misconduct (and not as a result of the Participant's death or Disability), or by the Participant for Good Reason.

I. Retirement. Retirement shall mean Participant's retirement from active employment at or after age 65 or retirement from the Company or Subsidiary at or after age 55, so long as the Participant has, as of the date of such retirement, at least 10 years of service with the Company or any Subsidiary. Officers and/or Section 16 Officers must be a Participant in the Plan during the Plan Year for not less than ninety (90) days prior to his or her Retirement to be eligible for an incentive under the [ ] Plan.

II. Participants

Eligible Participants in the [ ] Plan are listed in Appendix C and certain employees or positions may be specifically included or excluded by the Compensation Committee.

If you are promoted to an eligible position after November 30, [ ], you will not be eligible to participate in the [ ] Plan.

If an Eligible Participant in the [ ] Plan also participates in the ArcBest Corporation Amended and Restated 2012 Change in Control Plan, the terms of the ArcBest Corporation Amended and Restated 2012 Change in Control Plan shall govern.

III. Corporate Performance Metrics

Operating Income Component: The Individual Award Opportunities provided by the Operating Income Component are based on (a) achieving certain levels of Operating Income in [ ], and (b) Your Target Payout Factor Earned. The formula below illustrates how your incentive is computed:

Your Incentive Payment= [Performance Factor Earned x Your Target Payout Factor x Your Base Salary x the Operating Income Component Weighting]

A. Performance Factor Earned. Performance Factor Earned is shown in Appendix A and depends on the Operating Income achieved.

B. Target Payout Factor. Your Target Payout Factor is a percentage of your Base Salary. The Target Payout Factors are listed in Appendix C.

ROCE Component: The Individual Award Opportunities provided by the ROCE Component are based on (a) achieving certain levels of performance for ArcBest's Consolidated Return on Capital Employed ("ROCE") and (b) your Target Payout Factor. The formula below illustrates how your incentive is computed:

Your Incentive Payment = [Performance Factor Earned x Your Target Payout Factor x Your Base Salary x the ROCE Component Weighting]

A. Performance Factor Earned. Performance Factor Earned is shown in Appendix B and depends on the ROCE achieved by ArcBest for the year.

B. Target Payout Factor. Your Target Payout Factor is a percentage of your Base Salary. The Target Payout Factors are listed in Appendix C.

If the performance result falls between two rows on Appendix A or Appendix B, interpolation is used to determine the factor used in the computation of the incentive.

An ***example*** of the computation of an individual award opportunity for a Vice President is as follows:

Base Salary during the Measurement Period: $200,000
Target Payout Factor: 40%
[ ] ArcBest Operating Income: $248,000,000
[ ] ArcBest ROCE: 14.7%

	Operating Income	ROCE	Total
Base Salary	$200,000	$200,000	
Your Target Payout Factor	40%	40%	
Performance Factor Earned	50%	121%	
Weighting	60%	40%	
Your Incentive Payment	$24,000	$38,720	$62,720

The Compensation Committee has established maximum incentive amounts based on a maximum Performance Factor Earned of 250% of your Target Payout Factor for the Operating Income Component and 250% of your Target Payout Factor for the ROCE Component subject to the applicable weighting for each component as provided in Appendix A and Appendix B.

IV. Effect of a Change in Control

Upon the occurrence of a Qualified Termination following a Change in Control, Participant shall be entitled to immediate payment of the amount computed under the Plan based on the actual percentage of Performance Factor Earned in Appendix A and Appendix B, calculated as if the Measurement Period ended on the date of the Change in Control. In no case will the payment be made later than seventy-five (75) days from the date of the Participant's Qualified Termination.

V. Payment of Award

Payment will be made as soon as practicable following the end of the Measurement Period, and in any event, no later than seventy-five (75) days after the end of the Measurement Period.

VI. Annual Incentive Compensation Plan

Defined terms in this [ ] ArcBest Section 16 Officer Annual Incentive Compensation Plan Schedule shall have the same meaning as in the Executive Officer Incentive Compensation Plan except where the context otherwise requires.

Schedule A

[ ] Plan – Operating Income Component
ArcBest Section 16 Officer Annual Incentive Compensation Plan

Pursuant to the Executive Officer Incentive Compensation Plan (the "Governing Plan"), the Compensation Committee of the ArcBest Corporation Board of Directors ("Compensation Committee") has adopted this Operating Income Component as a component of the [ ] Plan, including the following Individual Award Opportunities and Performance Measures for ArcBest Corporation and its subsidiaries.

I. Performance Measure

[ ] Operating Income is defined as operating income as shown by the consolidated financial statements and consistent with the historical determination of operating income in ArcBest's consolidated financial statements.

II. Required Adjustments

Adjustments to Operating Income shall be made by the Company in accordance with the Policy Regarding Required Adjustments under the ArcBest Section 16 Officer Annual Incentive Compensation Plan and the ArcBest Long-Term (3-Year) Incentive Compensation Plan.

III. Discretionary Adjustments

Prior to a Change in Control, the Compensation Committee may make any adjustment (to increase or reduce) to any Participant's Final Award if the Compensation Committee determines, in its sole discretion, that events have occurred or facts have become known which would make such adjustment appropriate and equitable. Following a Change in Control, the Compensation Committee may make a positive adjustment only to any Participant's Final Award if the Compensation Committee determines, in its sole discretion, that events have occurred or facts have become known which would make such adjustment appropriate and equitable. In addition, the Section 16 Officers of the Company are permitted to make adjustments

to performance metrics and awards under the [ ] Plan, provided that, such adjustment does not result in a Material increase or decrease of the aggregate annual incentive pool.

Schedule B

[ ] Plan – ROCE Plan Component
ArcBest Section 16 Officer Annual Incentive Compensation Plan

Pursuant to the Executive Officer Incentive Compensation Plan (the "Governing Plan"), the Compensation Committee of the ArcBest Corporation Board of Directors ("Compensation Committee") has adopted this ROCE Component as a component of the [ ] Plan, including the following Individual Award Opportunities and Performance Measures for ArcBest Corporation and its subsidiaries.

I. Performance Measure

ROCE for ArcBest is calculated as the following ratio:

$$\frac{\begin{array}{c}\text{Net Income + After-tax Effect of Interest Expense} \\ \text{+ After-tax Effect of Imputed Interest Expense + After-tax Effect of Amortization of intangibles} \\ \text{– After-tax Effect of Income from} \\ \text{Cash and Short-term Investments Attributable to the reduction in Average Debt}\end{array}}{\text{Average Equity + Average Debt + Average Imputed Debt}}$$

"Net Income" for the ROCE calculation is consolidated net income determined in accordance with Generally Accepted Accounting Principles.

"Interest Expense" for the ROCE calculation is (i) interest on all long and short-term indebtedness, including capital leases, and other interest bearing obligations, and (ii) deferred financing cost amortization and other financing costs including letters of credit fees, reduced by the amount of interest expense on debt not included in Average Debt as defined below.

"Imputed Interest Expense" consists of the interest attributable to Average Imputed Debt assuming an interest rate of 7.5%.

"Average Debt" is the average of the beginning of the year and the end of the year current and long-term debt, with beginning of the year and end of the year current and long-term debt reduced by the respective amount of the beginning of the year and end of the year total of unrestricted cash, cash equivalents and short-term investments, and limited to a reduction of debt to zero.

"Average Equity" is the average of the beginning of the Measurement Period and the end of the Measurement Period stockholder's equity.

"Average Imputed Debt" consists of the average of the beginning of the year and the end of the year present value of all payments determined using an interest rate of 7.5% on operating leases of revenue equipment with an initial term of more than two years.

"Amortization of intangibles" consists of amortization of intangibles and depreciation of software related to acquired businesses including any writedown or impairment charge related to those assets.

"Income from Cash and Short-term Investments Attributable to the reduction in Average Debt" consists of income earned on the amount by which Average Debt is reduced at the average interest rate earned in cash and short-term investments for the measurement period.

II. Required Adjustments

Adjustments to ROCE shall be made by the Company in accordance with the Policy Regarding Required Adjustments under the ArcBest Section 16 Officer Annual Incentive Compensation Plan and the ArcBest Long-Term (3-Year) Incentive Compensation Plan.

II. Discretionary Adjustments

Prior to a Change in Control, the Compensation Committee may make any adjustment (to increase or reduce) to any Participant's Final Award if the Compensation Committee determines, in its sole discretion, that events have occurred or facts have become known which would make such adjustment appropriate and equitable. Following a Change in Control, the Compensation Committee may make a positive adjustment only to any Participant's Final Award if the Compensation Committee determines, in its sole discretion, that events have occurred or facts have become known which would make such adjustment appropriate and equitable. In addition, the Section 16 Officers of the Company are permitted to make adjustments to performance metrics and awards under the [ ] Plan, provided that, such adjustment does not result in a Material increase or decrease of the aggregate annual incentive pool.

Appendix A

Operating Income Component

	[ ] Operating Income	**Performance Factor Earned**
	As approved annually by the Compensation Committee	0%
Threshold		50%
Target		100%
Maximum		250%
		250%

Operating Income Component Weighting: 60%

Appendix B

[ ] ROCE Component

	Return on Capital Employed ("ROCE")	Performance Factor Earned
	Less than 9%	0%
Threshold	9%	50%
Target	14%	100%
Maximum	19%	250%
	Greater than 19%	250%

ROCE Component Weighting: 40%

Appendix C

Target Payout Factors

Participants/Job Title	Target Payout Factor
ArcBest Chairman, President & CEO	[ ]%
ABF Freight President	[ ]%
ArcBest Chief Financial Officer AB Tech President and ArcBest SVP – CINO ArcBest President, Asset-Light Logistics, Chief Commercial Officer	[ ]%
ArcBest Chief Legal Officer & Corporate Sec. ArcBest Chief Strategy Officer ArcBest Chief Human Resources Officer	[ ]%
ArcBest Vice President – Yield Strategy & Management	[ ]%
ArcBest Vice President – Controller	[ ]%

EXHIBIT 10.2

ArcBest
Long-Term (3-Year) Incentive Compensation Plan

Pursuant to the ArcBest Corporation ("ArcBest" or "Company") Executive Officer Incentive Compensation Plan, the Compensation Committee of the ArcBest Corporation Board of Directors (the "Compensation Committee") has adopted the "Long-Term Incentive Compensation Plan" (the "Plan") and has determined that the Plan will include the following components for the three-year period beginning 1/1/[ ] and ending 12/31/[ ]:

ROCE Component	60% weighting
Total Shareholder Return ("TSR") Component	40% weighting

The ROCE Component weighting and TSR Component weighting are determined by the Compensation Committee for each Measurement Period.

I. Defined Terms

Act of Misconduct. Act of Misconduct shall mean the Participant (i) has committed an act of (a) gross misconduct or fraud in the performance of Participant's duties to the Company or any Subsidiary, (b) embezzlement, fraud, or dishonesty, (c) material theft or misappropriation of Company or Subsidiary property, (d) nonpayment of any obligation owed to the Company or any Subsidiary, (e) breach of fiduciary duty, (f) violation of Company ethics policy or code of conduct, or (g) deliberate disregard of Company or Subsidiary rules; (ii) is convicted of or enters a guilty plea or plea of nolo contendere with regard to any felony or act of moral turpitude; (iii) makes an unauthorized disclosure of any Company or Subsidiary trade secret or confidential information; (iv) solicits any employee or service provider to leave the employ or cease providing services to the Company or any Subsidiary; (v) breaches any intellectual property or assignment of inventions covenant; (vi) engages in any conduct constituting unfair competition or breaches any non-competition agreement; (vii) induces any Company or Subsidiary customer to breach a contract with the Company or any Subsidiary or to cease doing business with the Company or any Subsidiary; or (viii) induces any principal for whom the Company or any Subsidiary acts as agent to terminate such agency relationship.

Disability. Disability means a physical or mental condition resulting from bodily injury, disease or mental disorder, which constitutes a disability under the terms of the Company's Short-Term Disability Policy.

Good Reason. Good Reason shall mean (i) any material adverse diminution in Participant's title, duties, or responsibilities; (ii) any reduction in Participant's base salary or employee benefits (including reducing Participant's level of participation or bonus award opportunity in the Company's or a Subsidiary's incentive compensation plans) or (iii) a relocation of Participant's principal place of employment by more than 50 miles without the prior consent of Participant.

Material. Five percent (5%) of the aggregate Plan pool.

Measurement Period. The Measurement Period is 1/1/[ ] to 12/31/[ ].

Qualified Termination. Qualified Termination shall mean, within 24 full calendar months after a Change in Control, as defined in the Executive Officer Incentive Compensation Plan, a participant's Separation from Service by the Company (or an Affiliate of the Company) not due to an Act of Misconduct (and not as a result of the Participant's death or Disability), or by the Participant for Good Reason.

Retirement. Retirement shall mean Participant's retirement from active employment at or after age 65 or retirement from the Company or Subsidiary at or after age 55, so long as the Participant has, as of the date of such retirement, at least 10 years of service with the Company or any Subsidiary.

II. Participants

Participants in the Plan (who are not active participants in ArcBest or a Subsidiary's Supplemental Benefit Plan or Deferred Salary Agreement program or who selected Option 1 for their 12/31/2009 SBP Freeze election) are listed in Appendix C and certain employees may be specifically included or excluded by the Compensation Committee. For purposes of Appendix C, the term "ArcBest' refers to both ArcBest Corporation and ArcBest II, Inc.

An employee may not become a Participant after the end of the 12th month of the Measurement Period.

If an Eligible Participant in the Plan also participates in the ArcBest Corporation Amended and Restated 2012 Change in Control Plan, the terms of the ArcBest Corporation Amended and Restated 2012 Change in Control Plan shall govern.

III. Corporate Performance Metrics

ROCE Component: The Individual Award Opportunities provided by the ROCE Component are based on (a) achieving certain levels of performance for ArcBest's consolidated Return on Capital Employed ("ROCE") and (b) your Target Payout Value. The formula below illustrates how your incentive is computed:

Your Incentive Payment = [Performance Factor Earned x Your Target Payout Value x the ROCE Component Weighting].

If you become eligible to participate in the Plan during the first 12 months of the Measurement Period, your Incentive Payment will be prorated based on the number of whole months completed while you are in an eligible Job listed in the Plan, the applicable Performance Factor Earned and Your Target Payout Value. If you die, are Disabled or Retire as provided for under Section VII of the ROCE Component, your Incentive Payment will be prorated based on the number of whole months completed from the beginning of the Measurement Period until the applicable date of death, Disability or retirement date.

A. Performance Factor Earned. Performance Factor Earned is shown in Appendix A and depends on the ROCE achieved by ArcBest for the Measurement Period.

B. Target Payout Value. Your Target Payout Value is the fixed dollar value you receive upon target performance as determined by the Compensation Committee. The value varies by role within the Company. The Target Payout Values are listed in Appendix C.

TSR Component: The Individual Award Opportunities provided by the TSR Component are based on (a) the percentile rank of the Company's Compounded Annual Growth Rate ("CAGR") of Total Shareholder Return relative to the Peer Companies over the Measurement Period and (b) your Target Payout Factor. At the end of the Measurement Period, the percentile rank of the Company's CAGR Total Shareholder Return will be calculated. Any Peer Company that is no longer publicly traded shall be excluded from this calculation. The formula below illustrates how this portion of your incentive is computed:

Your Incentive Payment = [Performance Factor Earned x Your Target Payout Value x TSR Component Weighting].

If you become eligible to participate in the Plan during the first 12 months of the Measurement Period, your Incentive Payment will be prorated based on the number of whole months completed while you are in an eligible Job listed in the Plan, the applicable Performance Factor Earned and Your Fixed Dollar Value. If you die, are Disabled or Retire as provided for under Section VII of the TSR Component, your Incentive Payment will be prorated based on the number of whole months completed from the beginning of the Measurement Period until your date of death, Disability or retirement date.

A. Performance Factor Earned. The Performance Factor Earned is shown in Appendix B and depends on the Company's Compounded Annual Growth Rate of Total Shareholder Return over the Measurement Period as compared to the Peer Companies.

B. Target Payout Value. Your Target Payout Value is a fixed dollar value you receive upon target performance as determined by the Compensation Committee. The value varies by role within the Company. The Target Payout Values are listed in Appendix C.

If the performance result falls between two rows on Appendix A or Appendix B, interpolation is used to determine the factor used in the computation of the incentive.

An ***example*** of the computation of an individual award opportunity for a Vice President is as follows:

Target Payout Value: $100,000
ArcBest Consolidated 3-Year Average ROCE = 16.0%
Company's TSR Ranking for Measurement Period: 60th percentile

	ROCE	TSR	Total
Performance Factor Earned	160%	160%	
Your Target Payout Value	100,000	$100,000	
Weighting	60%	40%	
Your Incentive Payment	$96,000	$64,000	$160,000

The Compensation Committee has established maximum incentive amounts based on a maximum Performance Factor Earned of 250% for the TSR Component and 250% for the ROCE Component subject to the applicable weighting for each component as provided in Appendix A and Appendix B.

The terms of the Long-Term Incentive Compensation Plan – ROCE Component and the Long-Term Incentive Compensation Plan – TSR Component are incorporated into the Plan.

IV. Payment of Award

Payment will be made as soon as practicable following the end of the Measurement Period, and in any event, no later than seventy-five (75) days after the end of the Measurement Period.

V. Executive Officer Incentive Compensation Plan

Defined terms in this Plan shall have the same meaning as in the Executive Officer Incentive Compensation Plan, except where the context otherwise requires.

No term or provision in this Plan may conflict with any term or provision of the Executive Officer Incentive Compensation Plan. It is specifically intended that the Plan, ROCE Component and TSR Component be an "Award Agreement" and the incentives paid hereunder be an "Award" under the terms of the Executive Officer Incentive Compensation Plan.

VI. Discretionary Adjustments

Prior to a Change in Control, the Compensation Committee may make any adjustment (to increase or decrease) to any Participant's Final Award if the Compensation Committee determines, in its sole discretion, that events have occurred or facts have become known which would make such adjustment appropriate and equitable. Following a Change in Control, the Compensation Committee may make a positive adjustment only to any Participant's Final Award if the Compensation Committee determines, in its sole discretion, that events have occurred or facts have become known which would make such adjustment appropriate and equitable. In addition, the Executive Officers of the Company are permitted to make adjustments to performance metrics and awards under the [ ] Plan, provided that, such adjustment does not result in a Material increase or decrease of the Plan pool.

VII. Effect of Termination of Employment; Change in Control

(a) General. Except as provided in subparts (b) or (c), upon a termination of Participant's employment with the Company or any Subsidiary for any reason prior to the completion of the Measurement Period, the Participant shall not be entitled to any Incentive Payment under the Plan.

(b) Death; Disability; Retirement. Upon termination of Participant's employment with the Company or any Subsidiary by reason of Participant's death, Disability or Retirement (as defined in the Plan), Participant's Incentive Payment shall be prorated based on the period of participation in the Plan, provided that Participant's Incentive Payment shall be computed and paid in the normal course of business after the end of the Measurement Period. Provided, however, an employee must have completed at least 12 months of the Measurement Period to be entitled to an Incentive Payment under this Section VII(b).

(c) Change in Control. Upon the occurrence of a Qualified Termination following a Change in Control, Participant shall be entitled to immediate payment of the greater of the following:

(A) The amount computed under the Plan based on 100% of the Participant's "Target Payout Value" in Appendix C and prorated using the date of the Change in Control as the end of the Measurement Period, or

(B) The amount computed under the Plan based on the actual percentage of Performance Factor Earned in Appendix A and Appendix B, calculated as if the Measurement Period ended on the date of the Change in Control. And specifically, for the TSR metric, using the Company share price as of the date of the Change in Control to calculate TSR rather than the 60-day average price for the ending of the Measurement Period.

LTIP - ROCE Component

The Compensation Committee of the ArcBest Corporation Board of Directors has adopted this ROCE Component of the Plan ("ROCE Component"), including the following Individual Award Opportunities, Performance Measures and Participants for ArcBest Corporation and its subsidiaries for the three-year period beginning 1/1/[ ] and ending 12/31/[ ].

I. Performance Measure

ROCE for ArcBest is calculated as the following ratio for the Measurement Period:

$$\frac{\text{Net Income + After-tax Effect of Interest Expense + After-tax Effect of Imputed Interest Expense + After-tax Effect of Amortization of intangibles – After-tax Effect of Income from Cash and Short-term Investments Attributable to the reduction in Avg. Debt}}{\text{Average Equity + Average Debt + Average Imputed Debt}}$$

Divided by 3

"Net Income" for the ROCE calculation is consolidated net income for the Measurement Period determined in accordance with Generally Accepted Accounting Principles

"Interest Expense" for the ROCE calculation is (i) interest on all long and short-term indebtedness and other interest bearing obligations and (ii) deferred financing cost amortization and other financing costs, including letters of credit fees for the Measurement Period, reduced by the amount of interest expense on debt not included in Average Debt as defined below.

“Imputed Interest Expense” consists of the interest attributable to Average Imputed Debt assuming an interest rate of 7.5% for the Measurement Period.

“Average Equity” is the average of the beginning of the Measurement Period and the end of the Measurement Period stockholder’s equity.

“Average Debt” is the average of the beginning of the Measurement Period and the end of the Measurement Period current and long-term debt, with beginning of the Measurement Period and end of the Measurement Period current and long-term debt reduced by the respective amount of the beginning of the Measurement Period and end of the Measurement Period total of unrestricted cash, cash equivalents and short-term investments, and limited to a reduction of debt to zero.

“Average Imputed Debt” consists of the average of the beginning of the Measurement Period and the end of the Measurement Period present value of all payments determined using an interest rate of 7.5% on operating leases of revenue equipment with an initial term of more than two years.

“Amortization of intangibles” consists of amortization of intangibles and depreciation of software related to acquired businesses including any writedown or impairment charge related to those assets.

“Income from Cash and Short-term Investments Attributable to the reduction in Average Debt” consists of income earned on the amount by which Average Debt is reduced at the average interest rate earned in cash and short-term investments for the measurement period.

II.Required Adjustments

Adjustments to ROCE shall be made by the Company in accordance with the Policy Regarding Required Adjustments under the ArcBest Section 16 Officer Annual Incentive Compensation Plan and the ArcBest Long-Term (3-Year) Incentive Compensation Plan.

LTIP - TSR Component

The Compensation Committee of the ArcBest Corporation Board of Directors has adopted this Total Shareholder Return Component of the Total Plan (“TSR Component”), including the following Individual Award Opportunities, Performance Measures, and Participants for ArcBest Corporation and its subsidiaries for the three-year period beginning 1/1/[ ] and ending 12/31/[ ].

I. Performance Measure

Total Shareholder Return. (“TSR”). Total Shareholder Return with respect to the Company and each Peer Company equals the annualized rate of return reflecting price appreciation between the beginning 60-day average share price (ending December 31 of the year immediately prior to the beginning of the Measurement Period) and the ending 60-day average share price (ending December 31 of the final year of the Measurement Period), adjusted for

dividends paid and the compounding effect of dividends paid on reinvested dividends (the calculation assumes that all dividends paid are reinvested). Any Peer Company that is no longer publicly traded shall be excluded from this calculation.

Compounded Annual Growth Rate ("CAGR"). Compounded Annual Growth Rate converts the total return into a value that indicates what the return was on an annual basis for the 3-year period.

Peer Companies. The Peer Companies are the following publicly traded companies:

Company Name	Ticker
Covenant Logistics Group, Inc.	CVLG
Forward Air Corporation	FWRD
Hub Group, Inc.	HUBG
JB Hunt Transport Services, Inc.	JBHT
Knight-Swift Transportation Holdings, Inc.	KNX
Landstar System, Inc.	LSTR
Old Dominion Freight Line, Inc.	ODFL
RXO, Inc.	RXO
Saia, Inc.	SAIA
Schneider National, Inc.	SNDR
TFI International, Inc.	TFII
Werner Enterprises, Inc.	WERN
XPO, Inc.	XPO

II. Adjustments

Adjustments to TSR shall be made by the Company in accordance with the Policy Regarding Required Adjustments under the ArcBest Section 16 Officer Annual Incentive Compensation Plan and the ArcBest Long-Term (3-Year) Incentive Compensation Plan.

Appendix A

[ ]-[ ] LTIP – ROCE Component

	Three-Year Average Return on Capital Employed ("ROCE")	Performance Factor Earned
	Less than 9%	0%
Threshold	9%	50%
Target	14%	100%
Maximum	19%	250%
	Greater than 19%	250%

ROCE Component Weighting: 60%

Appendix B

[ ]-[ ] LTIP – TSR Component

	Percentile ranking of the Company's Compounded Annual Growth Rate TSR relative to Peer Companies over the Measurement Period	Performance Factor Earned
	Below 25th Percentile	0%
Threshold	25th Percentile	25%
Target	50th Percentile	100%
Maximum	75th Percentile	250%
	Above 75th Percentile	250%

TSR Component Weighting: 40%

ARF

NATIONAL MASTER FREIGHT AGREEMENT Appendix C

LTIP Target Payout Value

Participants/Job Title	Target Payout Value
Chairman, President, and Chief Executive Officer	$ [ ]
President, ABF Freight	$ [ ]
Chief Financial Officer	$ [ ]
Chief Commercial Officer and Pres, Asset-Light Logistics	$ [ ]
Sr VP Chf Innov Off, ArcBest & Pres, ArcBest Tech	$ [ ]
Chief Legal Officer and Corp Secretary	$ [ ]
Chief Strategy Officer	$ [ ]
Chief Human Resources Officer	$ [ ]
Vice President, Yield Strategy and Mgmt	$ [ ]
COO Asset-Light Logistics	$ [ ]
Vice President, Financial Services and Risk Mgmt	$ [ ]
Vice President, Real Estate	$ [ ]
Vice President, Engineering	$ [ ]
Vice President, Service Center Operations	$ [ ]
Vice President, Process Compliance	$ [ ]
Vice President, Talent and Growth Initiatives	$ [ ]
Chief Sales Officer	$ [ ]
Vice President, Chief Technology Officer	$ [ ]
Vice President, Controller	$ [ ]
EVP, Asset-Light Services	$ [ ]
Vice President, Internal Audit	$ [ ]
Vice President, Pricing, Treasurer & Controller	$ [ ]
Vice President, Enterprise Sales	$ [ ]
Vice President, Field Sales	$ [ ]
Vice President, Customer Solutions	$ [ ]
Vice President, Treasurer	$ [ ]
Vice President, Employee Relations	$ [ ]
Vice President, Managed Solutions & Carrier Partnerships	$ [ ]
Vice President, Safety, Security & HR	$ [ ]
Vice President, Technology Research & Development	$ [ ]
Vice President, Innovation Management & Strategy	$ [ ]
Vice President, People Services	$ [ ]
Vice President, Data Science	$ [ ]
Vice President & Chief Information Officer	$ [ ]
Vice President, Tax	$ [ ]
Vice President, Investor Relations	$ [ ]
Vice President, Yield	$ [ ]

Graphic

Vice President, Customer Experience	$ [ ]
Vice President, International	$ [ ]
Vice President, Business Development	$ [ ]
Vice President, Expedite Fleet and Operations	$ [ ]
Vice President, Pricing	$ [ ]
Vice President, Controller Asset-Light Logistics	$ [ ]
Vice President, Fleet Services	$ [ ]
Vice President, Strategic Financial Planning & Analysis	$ [ ]
Vice President, Strategy	$ [ ]

For the Period of April 1, 2018 **EXHIBIT 10.3**

through June 30, 2023

Graphic

TABLE OF CONTENTS

RESTRICTED STOCK UNIT AWARD AGREEMENT
- i - (Employees)

ThisRestrictedStockUnitAwardAgreement and any special terms and conditions for Participant's country set forth in the appendix attached hereto (the "Appendix")(together, this"Agreement")isdatedasofthis[ ] day of [], [] (the "Grant Date"), and is between ArcBest Corporation (the "Company") and the "Participant" named above.

WHEREAS, the Company, by action of the Board and approval of its shareholders established the ArcBest Corporation Ownership Incentive Plan (the "Plan");

WHEREAS, Participant is employed by the Company or a Subsidiary and the Company desires to encourage Participant to own Common Stock for the purposes stated in Section 1 of the Plan;

WHEREAS, Participant and the Company have entered into this Agreement to govern the terms of the Restricted Stock Unit Award (as defined below) granted to Participant by the Company.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. Definitions

Defined terms in the Plan shall have the same meaning in this Agreement, except where the context otherwise requires.

2. Grant of Restricted StockUnits

- ii - On the Grant Date, the Company hereby grants to Participant an Award of Restricted Stock Units (the "Award") in accordance with Section 9 of the Plan and subject to the conditions set forth in this Agreement and the Plan (as amended from time to time). Except as set forth in the Appendix, each Restricted Stock Unit subject to the Award represents the right to receive one Share (as adjusted from time to time pursuant to Paragraph 13 hereof and/or Section 13 of the Plan) upon the terms and subject to the conditions (including the vesting conditions) set forth in this Agreement and the Plan. By accepting the Award, Participant irrevocably agrees on behalf ofParticipantandParticipant'ssuccessorsandpermittedassignstoallofthetermsandconditionsoftheAwardassetforthinorpursuanttothisAgreement andthePlan(assuchPlanmaybeamendedfrom time totime).

In addition, Participant consents to receive documents from the Company and any plan administrator by means of electronic delivery, provided that such delivery complies with applicable law, including, without limitation, documents pursuant or relating to any equity award granted to you under the Plan or any other current or future equity or other benefit plan of the Company (the "Company's Equity Plans"). This consent shall be effective for the entire time that you are a participant in a Company Equity Plan.

3. Vesting;Payment

(a) The Award shall not be vested as of the Grant Date and shall be forfeitable unless and until otherwise vested pursuant to the terms of this Agreement. The Award shall become vested on a pro rata basis over a three-year period beginning as of the Grant Date, with one-third of the Award vesting on each of the first, second, and third anniversaries of the Grant Date (each a "Normal Vesting Date"), provided that Participant remains continuously employed by the Company through each such Normal Vesting Date. In addition, the Award shall become vested with respect to 100% of the Restricted Stock Units on the date Participant experiences a termination of employment with the Company or any Subsidiary on or after age 65 (referred to herein as "Normal Retirement") other than for Cause(asdefinedbelow).

Restricted Stock Units that have vested and are no longer subject to a substantial risk of forfeiture are referred to herein as "Vested Units." Restricted Stock Units that are not vested and generally remain subject to forfeiture are referred to herein as "UnvestedUnits."

(b) ThevestingperiodoftheAwardsetforthinParagraph3(a)maybeadjustedbythe CompensationCommittee("Committee")toreflectthedecreasedlevelofemploymentduringany period in which Participant is on an approved leave of absence or is employed on a less than full timebasis.Notwithstandinganythingtothecontraryinthis Paragraph3,theAwardshallbesubject to earlier acceleration of vesting and/or forfeiture and transfer as provided in this Agreement and the Plan. In no event may any adjustment under this paragraph delay the Settlement Date for any Vested Units beyond the applicable Normal Vesting Date or termination of employment ifearlier.

(c) SubjecttoParagraph3(d)below,oneachNormalVestingDate,or,ifearlier,upon NormalRetirement,ParticipantshallbeentitledtoreceiveoneShare (subject to adjustment under Paragraph 13 hereof and/or Section 13 of the Plan) for each Vested Unit in accordance with the terms and provisions of this Agreement and the Plan. The Company will transfer such Shares to Participant or Participant's designee subject to (i) Participant's satisfaction of any required tax withholding obligations as set forth in Paragraph 6 and (ii) the restrictions,ifany,imposedbytheCompanypursuanttoParagraph14(f)orotherwisepursuantto the terms and conditions of the Plan and thisAgreement.

(d) Each date upon which Shares are to be issued under Paragraph 3(c) is referred to as a "Settlement Date." The issuance of the Shares hereunder may be effected by the issuance of a stock certificate, recording shares on the stock records of the Company or by crediting shares in anaccountestablishedontheParticipant'sbehalfwithabrokeragefirmorothercustodian,ineach case as determined by the Company. Fractional shares will not be issued pursuant to theAward.

Notwithstanding the above, prior to a Change in Control (i) for administrative or other reasons, the Company may from time to time temporarily suspend the issuance of Shares, (ii) the Company shall not be obligated to deliver any Shares during any period when the Company determines that the delivery of Shares hereunder would violate any federal, state or other applicable laws, and (iii) the date on which Shares are issued hereunder may include a delay in order to provide the Company such time as it determines appropriate to address tax withholding and other administrative matters. Any delay pursuant to 3(d)(ii) shall only be until such time that the Company determines that the delivery of shares would no longer violate any federal, state or other applicable law. Notwithstanding the delay for administrative or other reasons provided for in clauses (i) and (iii) above, in no event will such issuance of shares be delayed beyond the later of the end of the calendar year in which the Settlement Date occurs or the 15th day of the third month after the end of such year, or such other time as permitted under Section 409A of the Code and the regulations thereunder without the imposition of any additional taxes under Section 409A of the Code.

Notwithstanding any other provision of the Plan or this Agreement, the Plan and this Agreement shall be construed or deemed to be amended as necessary to comply with the requirements of Section 409A of the Code to avoid the imposition of any additional or accelerated taxes or other penalties under Section 409A of the Code. The Committee, in its sole discretion, shall determine the requirements of Section 409A of the Code applicable to the Plan, and this Agreement and shall interpret the terms of the Plan and this Agreement consistently therewith. Under no circumstances, however, shall the Company have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this Agreement, including any taxes, penalties or interest imposed under Section 409A of the Code.

4. Status ofParticipant

Participant shall have no rights as a stockholder (including, without limitation, any voting rights with respect to the Shares subject to the Award and, except to the extent the Award is adjusted pursuant to Paragraph 13 hereof and/or Section 13 of the Plan, the right to receive any payments with respect to dividends or other distributions paid with respect to the Shares subject to this Award) with respect to either the Restricted Stock Units granted hereunder or the Shares underlying the Restricted Stock Units, unless and until such Shares are issued in respect of Vested Units, and then only to the extent of such issued Shares.

5. Effect of Termination of Employment; Change inControl

(a) General. Except as provided in Paragraphs 5(c) or (d), upon a termination of Participant'semploymentwiththeCompanyoranySubsidiaryforanyreason,theUnvestedUnits shall be forfeited by Participant and cancelled and surrendered to the Company without payment of any consideration toParticipant.

(b) Cause. Upon a termination of Participant's employment with the Company orany SubsidiaryforCause(asdefinedbelow),allVestedUnitsandUnvestedUnitsshallbeforfeitedby Participant and cancelled and surrendered to the Company without payment of any consideration toParticipant.

(c) Death; Disability. Upon a termination of Participant's employment with the CompanyoranySubsidiarybyreasonofParticipant'sdeathorDisabilityallUnvestedUnitsshall vestasofthedateofsuchterminationofserviceandbeissuedassoonasadministrativelypossible. For the purposes of this Agreement, the term "Disability" shall mean a condition under which Participant either (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or canbeexpectedtolastforacontinuousperiodofnotlessthantwelvemonths,or(ii)is,byreason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving incomereplacementbenefitsforaperiodofnotlessthanthreemonthsunderanaccidentandhealth plan covering employees of theCompany.

(d) Change in Control. Upon a termination of Participant's employment with the Company or any Subsidiary by the Company or any Subsidiary without Cause (as definedbelow) or by Participant for Good Reason (as defined below), in either case, within the 24-month period immediately following a Change in Control, all Unvested Units shall vest as of the date of such termination of employment and be issued as soon as administratively possible.

For purposes of this Agreement, the term "Cause" shall mean (i) Participant's gross misconduct or fraud in the performanceofParticipant'sdutiestotheCompanyoranySubsidiary; (ii)Participant'sconviction or guilty plea or plea of nolo contendere with respect to any felony or act of moral turpitude; (iii) Participant's engaging in any material act of theft

or material misappropriation of Company property or (iv) Participant's breach of the Company's Code of Conduct as such code may be revisedfromtimetotime.

ForpurposesofthisAgreement,theterm"GoodReason"shallmean (i) any material and adverse diminution in Participant's title, duties, or responsibilities; (ii) a reduction in Participant's base salary or employee benefits (including reducing Participant's level of participation or target bonus award opportunity in the Company's incentive compensation plans) or (iii) a relocation of Participant's principal place of employment of more than 50 miles without the prior consent of Participant.

(e) SpecifiedEmployees.NotwithstandinganythinginthisAgreementtothecontrary, withrespecttoanyamountsthattheCompanydeterminestobedeferredcompensationwithinthe meaningofSection409AoftheCode,iftheCompanydeterminesthatasoftheSettlementDate Participant is a "specified employee" (as such term is defined under Section 409A of the Code), any such Shares to be issued to Participant on a Settlement Date that occurs by reason of Participant'sterminationofemploymentwiththeCompanyotherbyreasonofParticipant'sdeath or Disability will not be issued to Participant until the date that is six months following the Settlement Date (or such earlier time permitted under Section 409A of the Code without the imposition of any accelerated or additional taxes under Section 409A of theCode).

6. Withholding and Disposition of Shares

(a) Generally. Participant is liable and responsible for all taxes owed in connection with the Award, regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company does not make any

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representation or undertaking regarding the treatment of any tax withholding in connection with thegrantorvestingoftheAwardorthesubsequentsaleofSharesissuablepursuanttotheAward. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate Participant's taxliability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Award that the Company determines may result in any domestic or foreign minimum statutory tax withholding obligation (i.e. federal, state, OASDI and HI and/or local) (the "Tax Withholding Obligation"), Participant is required to arrange for the satisfaction of the amount of such Tax Withholding Obligation in a manner acceptable to the Company. Participant and the Company agreethattaxwithholdingrequiredasaresultofperiodicvestingwillbehandledattheCompany's option by payroll deduction or such other means as the Company may establish orpermit.

(i) By Withholding Shares. Unless Participant elects to satisfy the Tax WithholdingObligationbyanalternativemeansinaccordancewithparagraph6(b) (ii),thatoccurs attheSettlementDate,Participant'sacceptanceofthisAwardconstitutesParticipant'sinstruction and authorization to the Company to withhold on Participant's behalf the number of Shares from those Shares issuable to Participant as a result of the

occurrence of a Settlement Date as the Company determines to be sufficient to satisfy the Tax WithholdingObligation.

(ii) By Other Payment. At any time not less than five (5) business days before any Tax Withholding Obligation arising as a result of the Settlement Date, Participant may notify the Company of Participant's election to pay Participant's Tax Withholding Obligation by wire transfer,cashier'scheckorothermeanspermittedbytheCompany.Insuchcase,Participantshall satisfy his or her tax withholding obligation by paying to the Company on such date as it shall specify an amount that the Company determines is sufficient to satisfy the expected Tax WithholdingObligationby(i)wiretransfertosuchaccountastheCompanymaydirect, (ii)deliveryofacashier'scheckpayabletotheCompany,Attn:ExecutiveBenefits,attheaddress set forth in Paragraph 14(a), or such other address as the Company may from time to time direct, or (iii) such other means as the Company may establish or permit. Participant agrees and acknowledges that prior to the date the Tax Withholding Obligation arises, the Company will be required to estimate the amount of the Tax Withholding Obligation and accordingly may require the amount paid to the Company under this Paragraph 6(b)(ii) to be more than the minimum amount that may actually be due and that, if Participant has not delivered payment of a sufficient amounttotheCompanytosatisfytheTaxWithholdingObligation(regardlessofwhetherasa resultoftheCompanyunderestimatingtherequiredpaymentorParticipantfailingtotimelymake therequiredpayment),theadditionalTaxWithholdingObligationamountsshallbesatisfiedinthe manner specified in Paragraph6(b)(i).

7. Excess ParachutePayments

Notwithstanding anything in this Agreement to the contrary, if any of the payments in respect of this Award, together with any other payments to which Participant has the right to receive from the Company or any purchaser, successor, or assign, would constitute an "excess parachute payment" (as defined in Section 280G of the Code), a best-of-net calculation will be

performed to determine whether change in control benefits due to the Participant should be reduced (so no excise tax will be imposed under Section 4999 of the Code) or should be paid in full (with any excise tax to be paid in full by the Participant, with any such reduction first applied to payments pursuant to any Deferred Salary Agreement to which Participant is a party, then to payments pursuant to the 2012 Change in Control Plan, if applicable, and then to Awards of Restricted Stock Units under the Plan.

8. Plan Controls

The terms of this Agreement are governed by the terms of the Plan, as it exists on the Grant Date and as the Plan is amended from time to time. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan shall control, except as expressly stated otherwise in this Agreement. The term "Section" generally refers to provisions within the Plan; provided, however, the term "Paragraph" shall refer to a provision of this Agreement.

9. Limitation on Rights; No Right to Future Grants; ExtraordinaryItem

By entering into this Agreement and accepting the Award, Participant acknowledges that: (a) Participant's participation in the Plan is voluntary; (b) the value of the Award is an extraordinary item which is outside the scope of any employment contract with Participant; (c) the Award is not part of normal or expected compensation for any purpose, including without limitation for calculating any benefits, severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and Participant will not be entitled to compensation or damages as a consequence of Participant's forfeiture as provided for in the Plan or this Agreement of any unvested portion of the Award for any reason; and (d) in the event that Participant is not a direct employee of Company, the grant of the Award will not be interpreted to form an employment relationship with the Company or any Subsidiary and the grant of the Award will not be interpreted to form an employment contract with Participant's employer, the Company or any Subsidiary. The Company shall be under no obligation whatsoever to advise Participant of the existence, maturity or termination of any of Participant's rights hereunder and Participant shall be responsible for familiarizing himself or herself with all matters contained herein and in the Plan which may affect any of Participant's rights or privileges hereunder.

10. CommitteeAuthority

Any question concerning the interpretation of this Agreement or the Plan, any adjustments required to be made under the Plan, and any controversy that may arise under the Plan or this Agreement shall be determined by the Committee in its sole and absolute discretion. Such decision by the Committee shall be final and binding.

11. TransferRestrictions

(a) General Restrictions. Any sale, transfer, assignment, encumbrance, pledge, hypothecation,conveyanceintrust,gift,transferbybequest,deviseordescent,orothertransferor disposition of any kind, whether voluntary or by operation of law, directly or indirectly, of (i) Unvested Units, (ii) Vested Units prior to the Settlement Date, or (iii) Shares subject to such

Unvested Units or Vested Units shall be strictly prohibited and void; provided, however, Participant may assign or transfer the Award to the extent permitted under the Plan, provided that the Award shall be subject to all the terms and conditions of the Plan, this Agreement and any other terms required by the Committee as a condition to suchtransfer.

(b) Transfers by Covered Persons. If Participant is a "Covered Person" as defined in the ArcBest Corporation Stock Ownership Policy for Directors and Executives (the "Policy") as amended from time to time, Participant agrees that he or she shall not sell or otherwise dispose or transfer any shares from this Award or any other Award except to the extent permitted by the Policy.

12. Recoupment, Suspension or Termination ofAward

Pursuant to Section 15 of the Plan, if at any time prior to Participant's receipt of Shares pursuant to the Award an Authorized Officer reasonably believes that Participant may have committed an Act of Misconduct (as defined below), the Authorized Officer, the Committee or the Board may suspend Participant's rights to vest in any Restricted Stock Units, and/or to receive payment for or receive Shares in settlement of Vested Units pending a determination of whether an Act of Misconduct has been committed. Further, in such event, except as otherwise provided by the Committee, (i) neither Participant nor Participant's estate nor transferee will be entitled to vest in or have the restrictions on Unvested Units lapse, or otherwise receive payment or Shares in respect of Vested Units and (ii) Participant will forfeit all undelivered Vested and Unvested Units. In making such determination, the Committee or an Authorized Officer shall give Participant an opportunity to appear and present evidence on his or her behalf at a hearing before the Committee or an opportunity to submit written comments, documents, information and arguments to be considered by the Committee. Any dispute by Participant or other person as to the determination of the Committee must be resolved pursuant to Paragraph 14(j).

Further, except as otherwise provided by applicable law and in accordance with the ArcBest Recoupment of Incentive Compensation Policy adopted by the Board of Directors of the Company, Participant agrees that the Company may reduce or offset any payment due to Participant from the Company under this Agreement to recoup the repayment obligation set forth in this Section 12, and by accepting the grant of this Award, Participant consents to such reduction or offset. Such reduction or offset will be applicable to any Award granted, awarded, vested, made or earned during the three full fiscal years immediately prior to the fiscal year in which the Participant is found to have committed an Act of Misconduct.

For purposes of this Agreement, an “Act of Misconduct” means the Participant (i) has committed an act of (a) gross misconduct or fraud in the performance of Participant’s duties to the Company or any Subsidiary, (b) embezzlement, fraud, or dishonesty, (c) material theft or misappropriation of Company or Subsidiary property, (d) nonpayment of any obligation owed to the Company or any Subsidiary, (e) breach of fiduciary duty, (f) violation of Company ethics policy or code of conduct, or (g) deliberate disregard of Company or Subsidiary rules; (ii) is convicted of or enters a guilty plea or plea of nolo contendere with regard to any felony or act of moral turpitude; (iii) makes an unauthorized disclosure of any Company or Subsidiary trade secret or confidential information; (iv) solicits any employee or service provider to leave the employ or cease providing services to the Company or any Subsidiary; (v) breaches any

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intellectual property or assignment of inventions covenant; (vi) engages in any conduct constituting unfair competition or breaches any noncompetition agreement; (vii) induces any Company or Subsidiary customer to breach a contract with the Company or any Subsidiary or to cease doing business with the Company or any Subsidiary; or (viii) induces any principal for whom the Company or any Subsidiary acts as agent to terminate such agency relationship.

13. Adjustment of and Changes in theStock

In the event that the number of Shares increases or decreases through a reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off, dividend (other than regular, quarterly cash dividends), or otherwise, the Committee shall equitably adjust the number of Shares subject to this Award to reflect such increase or decrease.

14. GeneralProvisions

ABF NATIONAL MASTER
FREIGHT AGREEMENT

For (a) Notices. Whenever any notice is required or permitted hereunder, such notice must be in writing and delivered in person or by mail (to the Period of
April 1, 2018 through June 30, 2023

covering:

Operations address set forth below if notice is being delivered to the Company) or electronically. Any notice delivered in between and over all of person or by mail shall be deemed to be delivered on the states, territories and possessions of date on which it is personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States and operations into and out of all contiguous territory.

ABF FREIGHT SYSTEM, INC. hereinafter referred mail, certified or registered, postage prepaid, addressed to as the "Em- ployer" or "Company" or "ABF" and person who is to receive it at the TEAMSTERS NATION- AL FREIGHT INDUSTRY NEGOTIATING COMMITTEE repre-senting Local Unions affiliated address that such person has theretofore specified by written notice delivered in accordance herewith. Any notice given by the Company to Participant directed to Participant at Participant's address on file with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, Company shall be effective to bind Participant and Local Union No. any other person who shall have acquired rights under this Agreement. The Company or Participant may change, by written notice to the other, the address previously specified for receiving notices. Notices delivered to the Company in person or by mail shall be addressed as follows:

Company: ArcBest Corporation
Attn: Executive Benefits
P.O. Box 10048
Fort Smith, AR 72917-0048
Fax: (479) 785-6470

(b) No Waiver which Local Union. No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is an affiliate sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree same or a waiver of any other righthereunder.

(c) Undertaking. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either Participant or the Award pursuant to the express provisions of thisAgreement.

(d) EntireContract.ThisAgreementandthePlanconstitutetheentirecontractbetween the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to theprovisionsofthePlanandwillinallrespectsbeconstruedinconformitywiththeexpressterms and provisions of thePlan.

(e) SuccessorsandAssigns.The provisions of this Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and Participant and Participant's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Agreement and agreed in writing to join herein and be bound by the terms and conditions of this Agreement. hereof.

ARTICLE 1. PARTIES TO THE AGREEMENT

Section 1. Employers Covered

(f) Securities Law Compliance. The Employer is ABF FREIGHT SYSTEM, Inc. Company may impose such restrictions, conditions or limitations as it determines appropriate as to the Employer timing and Unions represent that they are duly authorized to enter into this Agreement and Supplemental Agreements.

Section 2. Unions Covered

The Union consists manner of any Local Union which resales by Participant or other subsequent transfers by Participant of any Shares issued as a result of or underthisAward,includingwithoutlimitation(i)restrictionsunderaninsidertradingpolicy, (ii) restrictions that may become be necessary in the absence of an effective registration statement under the Securities Act of 1933, as amended, covering the Award and/or the Shares underlying the Award and (iii) restrictions as to the use of a specified brokerage firm or other agent for such resalesorothertransfers.AnysaleoftheSharesmustalsocomplywithotherapplicablelawsand regulations governing the sale of suchshares.

(g) Information Confidential. As partial consideration for the granting of the Award, Participant agrees that he or she will keep confidential all information and knowledge that ParticipanthasrelatingtothemannerandamountofhisorherparticipationinthePlan;provided, however, that such information may be disclosed as required by law and may be given in confidence to Participant's spouse, tax and financial advisors, or to a financial institution to the extentthatsuchinformationisnecessarytosecurealoan.NothinginthisAgreementwillprevent Participantfrom:(A)makingagoodfaithreportofpossibleviolationsofapplicablelawtoany governmental agency or entity or (B) making disclosures that are protected under the whistleblower provisions of applicable law. For the avoidance of doubt, nothing herein shall prevent Participant from making a disclosure that: (1) is made in confidence to a

federal, state or localgovernmentofficial,eitherdirectlyorindirectly,ortoanattorney;andsolelyforthepurpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, an individual who files a lawsuit for retaliation by an employer of reporting a suspected violation of lawmaymakedisclosureswithoutviolatingthisParagraph14(g)totheattorneyoftheindividualand use such information in the courtproceeding.

(h) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to any awards granted under the Plan by electronic means or to request Participant'sconsenttoparticipateinthePlanbyelectronicmeans.Participantherebyconsentsto receivesuchdocumentsbyelectronicdeliveryand,ifrequested,toagreetoparticipateinthePlan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, and such consent shall remain in effect throughout Participant's term of employment or service with the Company and thereafter until withdrawn in writing byParticipant.

(i) Governing Law. Except as may otherwise be provided in the Plan, the provisions ofthisAgreementshallbegovernedbythelawsoftheStateofDelaware,withoutgivingeffectto this Agreement principles of conflicts oflaw.

(j) Arbitration of Disputes. Pursuant to Section22of the Plan, Participant hereby

agrees asfollows:

(i) If Participant or Participant's transferee wishes to challenge any action of the Committee or the Plan Administrator, the person may do so only by submitting to binding arbitration with respect to such decision. The review by the arbitrator will be limited to determining whether Participant or Participant's transferee has proven that the Committee's decision was arbitrary or capricious. This arbitration will be the sole and exclusive review permitted of the Committee's decision. Participant explicitly waives any right to judicialreview.

(ii) Notice of demand for arbitration will be made in writing to the Committee within thirty (30) days after written notice to Participant of the applicable decision by the Committee.ThearbitratorwillbeselectedbymutualagreementoftheCommitteeandParticipant. IftheCommitteeandParticipantareunabletoagreeonanarbitrator,thearbitratorwillbeselected by the American Arbitration Association. The arbitrator, no matter how selected, must beneutral within the meaning of the Commercial Rules of Dispute Resolution of the American Arbitration Association.Thearbitratorwilladministerandconductthearbitrationpursuanttothe Commercial Rules of Dispute Resolution of the American Arbitration Association. Each side will bear itsown fees and expenses, including its own attorney's fees, and each side will bear one half of the arbitrator's fees and expenses; provided, however, that the arbitrator will have the discretion to award the prevailing party its fees and expenses. The arbitrator will have no authority to award exemplary, punitive, special, indirect, consequential, or other extra contractual damages. The decision of the arbitrator on the issue(s) presented for arbitration will be

final and conclusive and any Supplemental Agreement as hereinafter set forth. Such Local Unions are hereinafter designated as “Local Union.” In addition court of competent jurisdiction may enforceit.

(k) Section 409A of the Code. This Award is intended to comply, to the extent applicable,withthedistributionandotherrequirementsofSection409AoftheCodeand,assuch, Local Unions, shall be interpreted in a manner consistent therewith. Notwithstanding anything herein or in the Teamsters National Freight Industry Negotiating Committee representing Local Unions affiliated Plan to the contrary, the Company may, in its sole discretion, amend this Award (which amendmentshallbeeffectiveuponitsadoptionoratsuchothertimedesignatedbytheCompany) asmaybenecessarytoavoidtheimpositionoftheadditionaltaxunderSection409AoftheCode or otherwise comply with Section 409A of the International Brotherhood of Teamsters, herein- after referred to as the “National Union Committee,” is also a party to this Agreement Code and the agreements supplemental hereto.

Article 1, Section 3

Section 3. Transfer of Company Title or Interest

The Employer’s obligations under this Agreement including Sup- plements regulations thereunder; provided, however, that any such amendment shall be binding upon its successors, administrators, exec- utors and assigns. The Employer agrees that implemented in such a manner as to preserve, to the obligations of this Agreement shall be included in the agreement of sale, transfer or assignment of the business. In the event an entire active or inactive operation, or a portion thereof, or rights only, are sold, leased, transferred or taken over by sale, transfer, lease, assignment, re- ceivership or bankruptcy proceedings, such operation or use of rights shall continue to be subject to greatest extent possible, the terms and conditions of this Agreement for Award as in existence immediately prior to any such amendment.

(l) BoardPoliciesandGuidelines.ParticipantacknowledgesthatthisAwardissubject to certain policies and guidelines as may be from time to time enacted by the life thereof. Transactions covered by this provi- sion include stock sales or exchanges, mergers, consolidations, spin-offs or any other method by which a business is transferred.

It is understood by this Section that the signator Employer shall not sell, lease or transfer such run or runs or rights to a third party to evade this Agreement. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations Board of this Agreement, as set forth above, the Employer (including part- ners thereof) shall be liable to the Local Union(s) and to the em- ployees covered for all damages sustained as a result of such fail- ure to require the assumption Directors of the terms Company including the ArcBest Recoupment of this Agreement

until its expiration date, but shall not be liable after Incentive Compensation Policy adopted by the purchaser, the transferee or lessee has agreed to assume the obligations Board of this Agreement. The obligations set forth above shall not apply in the event Directors of the sale, lease or transfer of a portion of the rights com- prising less than all of the signator Employer's rights Company effective October 18, 2007, as amended from time to a non-sig- nator company unless the purpose time.

(m) Non-U.S. Appendix. This Award is to evade this Agreement. Corporate reorganizations by a signatory Employer, occurring during the term of this Agreement, shall not relieve the signatory Employer or the re-organized Employer of the obligations of this Agreement during its term.

The Employer shall give notice of the existence of this Agreement subject to any purchaser, transferee, lessee, assignee, or other entity in- volved in the sale, merger, consolidation, acquisition, transfer, spin-off, lease or other transaction by which the operation covered by this Agreement or any part thereof, including rights only, may be transferred. Such notice shall be in writing, with a copy to the Local

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Article 1, Section 3

Union, at the time the seller, transferor or lessor makes the purchase and sale negotiation known to the public or executes a contract or transaction as herein described, whichever first occurs. The Local Union shall also be advised of the exact nature of the transaction, not including financial details.

The term rights shall include routes and runs.

ARTICLE 2. SCOPE OF AGREEMENT

Section 1. Master Agreement

The execution of this ABF National Master Freight Agreement on the part of the Employer shall apply to all operations of the Em- ployer which are covered by this Agreement and shall have appli- cation to the work performed within the classifications defined and set forth in the Agreements supplemental hereto.

Section 2. Supplements to Master Agreement

(a) There are several segments of the trucking industry covered by this Agreement and for this reason Supplemental Agreements are provided for each of the specific types of work performed by the various classifications of employees controlled by this Master Agreement.

All such Supplemental Agreements are subject to and controlled by the terms of this Master Agreement and are sometimes referred to herein as "Supplemental Agreements."

All such Supplemental Agreements are to be clearly limited to the specific classifications of work as enumerated or described in each individual Supplement.

In all cases involving the transfer of work and/or the merger of operations subject to the provisions of Article 8, Section 6 or Arti- cle 5, Section 2, where more than one Supplemental Agreement is involved and one or more of them contains provisions contrary to those set forth in Article 8, Section 6 or Article 5, Sections 2, the applicable special terms and conditions of set forth for your country in the ABF National Master

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Article 2, Section 2

Freight Agreement shall supersede those of Appendix. If you relocate to a country included in the contrary Supple- mental Agreements, including Appendix, the resolution of any seniority relat- ed grievances special terms and conditions for that may arise following approval of the involved transfer of work and/or merger of operations.

(b) The parties shall establish four (4) Regional Area Iron and Steel and/or Truckload Supplements country will apply to the National Master Freight Agreement.

The Employer and the Local Union, parties to this Agreement, may enter into an agreement whereby road drivers working under an Over-The-Road Supplemental Agreement have the opportunity to perform work covered by and subject to the above Regional Area Supplements, under conditions agreed upon. Such Supplement shall be submitted to the appropriate Regional Joint Area Committee.

(c) The jurisdiction covered by the ABF National Master Freight Agreement and its various Supplements thereto includes, without lim- itation, stuffing, stripping, loading and discharging of cargo or contain- ers. This does not include loading or discharging of cargo or containers to or from vessels except in those instances where such work is pres- ently being performed. Existing practices, rules and understandings, between the Employer and the Union, with respect to this work shall continue except you to the extent modified by mutual agreement.

Section 3. Non-covered Units

This Agreement shall not be applicable to those operations of the Employer where the employees are covered by a collective bar- gaining agreement with a Union not signatory to this Agreement, or to those employees who have not designated a signatory Union as their collective bargaining agent.

Company

Card Check

(a) When a majority of the eligible employees performing work covered by an Agreement designated by the National Negotiating Committee to be Supplemental to the ABF National Master Freight Agreement execute a card authorizing a signatory Local Union to represent them as their collective bargaining agent at the terminal

location, then, such employees shall automatically be covered by this Agreement and the applicable Supplemental Agreements. If the Employer refuses to recognize the Union as above set forth and the matter is submitted to the National Labor Relations Board or any mutually agreed upon process for determination and such determi- nation results in certification or recognition of the Union, all bene- fits of this Agreement and applicable Supplements shall be retroac- tive to the date of demand for recognition. In such cases the parties may by mutual agreement negotiate wages and conditions, subject to Regional Joint Area Committee approval.

The parties agree determines that a constructive bargaining relationship is es- sential to efficient operations and sound employee relations. The parties recognize that organizational campaigns occur in bargaining relationships and that both parties are free to accurately state their respective positions concerning the organization of certain groups of employees. However, the parties also recognize that campaigns must be waged on the facts only. Accordingly, the parties will not engage in any personal attacks against Union or Company repre- sentatives or attacks against the Union or Company as an institution during the course of any applying such campaign.

Additions to Operations: Over-The-Road and Local Cartage Supplemental Agreements

(b) Notwithstanding the foregoing paragraph, the provisions of the ABF National Master Freight Agreement and the applicable Over- the-Road and Local Cartage Supplemental Agreements shall be applied without evidence of union representation of the employees involved, to all subsequent additions to, and extensions of, current operations which adjoin and are controlled and utilized as a part of such current operation, and newly established terminals and con- solidations of terminals which are controlled and utilized as a part of such current operation.

If the Employer refuses to recognize the Union as above set forth and the matter is submitted to the National Labor Relations Board or any mutually agreed-upon process for determination, and such determination results in certification or recognition of the Union,

all benefits of this Agreement and applicable Supplements shall be retroactive to the date of demand for recognition.

The provisions of Article 32—Subcontracting, shall apply to this paragraph. Extensions or additions to current operations, etc., which adjoin and are controlled and utilized as part of such current operation shall be subject to the jurisdiction of the appropriate Change of Operations Committee for the purpose of determining whether the provisions of Article 8, Section 6—Change of Opera- tions, apply and, if so, to what extent.

Section 4. Single Bargaining Unit

The employees, Unions, and Employer covered under this Master Agreement and the various Supplements thereto shall constitute one (1) bargaining unit and contract. It is understood that the print- ing of this Master Agreement and the aforesaid Supplements in separate Agreements is for convenience only and is not intended to create separate bargaining units.

This ABF National Master Freight Agreement applies to city and road operations, and other classifications of employment where applicable, participating in national collective bargaining. The common prob- lems and interest, with respect to basic terms and conditions of em- ployment, have resulted in the creation of the ABF National Master Freight Agreement and the respective Supplemental Agreements. Ac- cordingly, the Unions and Employer acknowledge that this Agree- ment creates a single national collective bargaining unit.

Section 5. Riders

Upon the effective date is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement, all existing or previous- ly adopted Riders which provide less than Agreement.

IN WITNESS WHEREOF, the wages, hours, and working conditions specifically established by parties hereto have executed this Agreement and Supplemental Agreements shall become null and void. Thereafter, the specific provisions of this Agreement and applicable Supple- mental Agreements shall apply without being subject to variance by Riders. This Section shall not be applied or interpreted to eliminate operational, dispatch, or working rules not specifically set forth in this Agreement and Supplemental Agreements.

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the Teamsters National Freight Industry Negotiating Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees in the classifica- tions of work covered by this ABF National Master Freight Agree- ment, and those Supplements thereto

approved by the Joint Nation- al Negotiating Committees for the purpose of collective bargaining as provided by the National Labor Relations Act.

Subject to Article 2, Section 3—Non-covered Units, this provision shall apply to all present and subsequently acquired over-the-road and local cartage operations and terminals of the Employer.

This provision shall not apply to wholly-owned and wholly inde- pendently operated subsidiaries of the Employer, which are not under contract with local IBT unions. “Wholly independently oper- ated” means, among other things, that there shall be no interchange of freight, equipment or personnel, or common use, in whole or in part, of equipment, terminals, property, personnel or rights.

Union Shop

(b) All present employees who are members of the Local Union on the effective date of this subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union as a condition of employment. Union membership for purposes of this Agreement, is required only to the extent that em- ployees must pay either (i) the Union’s initiation fees and periodic dues or (ii) service fees which in the case of a regular service fee payor shall be equal to the Union’s initiation fees and periodic dues, and in the case of an objecting service fee payor shall be the propor- tion of the initiation fees and dues corresponding to the portion of the Union’s total expenditures that support representational activi- ties. All present employees who are not members of the Local Union and all employees who are hired hereafter shall become and

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remain members of the Local Union as a condition of employment on and after the thirty-first (31st) calendar day following the begin- ning of their employment or on and after the thirty-first (31st) cal- endar day following the effective date of this subsection or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after ABF has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had ten (10) days written notice from the Union (with a copy to the Employer) of the delinquency and opportunity to make all dues or initiation fee pay- ments. This provision shall be made and become effective as of such time as it may be made and become effective under the provi- sions of the National Labor Relations Act, but not retroactively.

For purposes of this Article, “present employees” and “employees who are hired hereafter” shall include “casual employees” as defined in Article 3, Section 2 of this Agreement. Such “casual employees” will be required to join the Union on or before the thirty-first (31st) calendar day following their first (1st) day of employment.

Hiring

When the Employer needs additional employees covered by this Agreement, it shall give the Local Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Local Union. Upon a written request from the referring Local Union, the Employer shall inform the Local Union of whether an applicant is being hired or not hired, or whether no decision has been made. Violations of this subsection shall be subject to the Grievance Committee. It is recognized that the Em- ployer legally is not permitted to share with the Local Union informa- tion regarding the reasons for a refusal to hire an applicant.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violations of this subsection shall be subject to the Grievance Committee.

Article 3, Section 1

State Law

(d) No provision of this Article shall apply in any state to the extent that it may be prohibited by state law. If under applicable state law additional requirements must be met before any such provisions may become effective, such additional requirements shall be first met.

Agency Shop

(e) If any agency shop clause is permissible in any state where the provisions of this Article relating to the Union Shop cannot apply, the following Agency Clause shall prevail:

(1) Membership in the Local Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Local Union, as they see fit. Neither party shall exert any pressure on, or discriminate against, an employee as regards such matters.

(2) Membership in the Local Union is separate, apart and distinct from the assumption by one of his/her equal obligation to the extent that he/she receives equal benefits. The Local Union is required un- der this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Local Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Local Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Local Union is the choice of a majority of the employees in the bargaining unit. Accord- ingly, it is fair that each employee in the bargaining unit pays his/her own way and assume his/her fair share of the obligations along with the grant of equal benefits contained in this Agreement.

(3) In accordance with the policy set forth under subparagraphs (1) and (2) of this Section, all employees shall, as a condition of con- tinued employment, pay to the Local Union, the employee's exclu- sive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Local Union, which shall be limited to an amount of money equal to the Local Union's regular and usual initiation

Article 3, Section 1

fees, and its regular and usual dues. For present employees, such payments shall commence thirty-one (31) days following the effec- tive date or on the date of execution of this Agreement, whichever is the later, and for new employees, the payment shall start thir- ty-one (31) days following the date of employment.

Savings Clause

(f) If any provision of this Article is invalid under the law of any state wherein this Agreement is executed, such provision shall be modified to comply with the requirements of state law or shall be renegotiated for the purpose of adequate replacement. If such nego- tiations shall not result in mutually satisfactory agreement, either party shall be permitted all legal or economic recourse.

Employer Recommendation

(g) In those instances where subsection (b) hereof may not be val- idly applied, the Employer agrees to recommend to all employees that they become members of the Local Union and maintain such membership during the life of this Agreement, to refer new employ- ees to the Local Union representative, and to recommend to delin- quent members that they pay their dues since they are receiving the benefits of this Agreement.

Business agents shall be permitted to attend new employee orienta- tions in right-to-work states. The sole purpose of the business agent's attendance is to encourage employees to join the Union.

Future Law

(h) To the extent such amendment may become permissible under applicable federal and state law during the life of this Agreement as a result of legislative, administrative or judicial determination, all of the provisions of this Article shall be automatically amended to embody the greater Union security provisions contained in the 1947-1949 Central States Area Over-The-Road Motor Freight Agreement, or to apply or become effective in situations not now permitted by law.

No Violation of Law

(i) Nothing contained in this Section shall be construed so as to re- quire the Employer to violate any applicable law.

Section 2. Probationary and Casual Employees

(a) Probationary Employees

(1) A probationary employee shall work under the provisions of this Agreement, but shall be employed on a trial basis as provided for in each Supplement.

(2) During the probationary period, the employee may be terminat- ed without further recourse; provided, however, that the Employer may not terminate the employee for the purpose of evading this Agreement or discriminating against Union members. A probation- ary employee who is terminated by the Employer during the proba- tionary period and is then worked again at any time during the next full twelve (12) months at any of that Employer's locations within the jurisdiction of the Local Union covering the terminal where he/ she first worked, except in those jurisdictions where the Local Union maintains a hiring hall or referral system, shall be added to the regular seniority list with a seniority date as of the date that person is subsequently worked. The rules contained in subsection first above written.

(3) Probationary employees shall be paid at the new hire rate of pay during the probationary period; however, if the employee is terminated by the Employer during such period, he/she shall be compensated at the full contract rate of pay for all hours worked retroactive to the first (1st) day worked in such period. ARCBEST CORPORATION

(1) A casual employee is an individual who is not on the regular seniority list and who is not serving a probationary period. A casual By:

_____

Judy R. McReynolds
Chairman, President & CEO

PARTICIPANT:

[First Name/MI/Last Name]

-
11
-

11

Article 3, Section 2

may be either a replacement casual or a supplemental casual as hereinafter provided. Casuals shall not have seniority status. Casu- als shall not be discriminated against for future employment.

(2) a. Replacement casuals may be utilized by the Employer to replace regular employees when such regular employees are off due to illness, vacation or other absence, except when an absence of a regular employee continues beyond three (3) consecutive months, a replacement casual shall not thereafter be used to fill such ab- sence, unless the Employer and the Local Union mutually agree to the continued use of a replacement casual. If a CDL-qualified ca- sual filling a position has been regularly employed for a period of six (6) months or more, he will not be required to go through a probationary period if hired into a full-time position.

b. Where the Company is using casuals as vacation replacements for regular employees, and the Area Supplemental Agreement does not provide a method to add regular employees based on the use of casu- als to replace vacation absence, the vacation schedules shall be broken into yearly quarters beginning January 1st, and subsequent vacation quarters shall begin on April 1st, July 1st, and October 1st thereafter.

Starting with the quarter beginning April, 1991, and continuing each quarter thereafter, the Employer shall add one (1) additional em- ployee to the regular seniority list for each sixty-five (65) vacation replacement days worked by a casual during each vacation quarter.

The application of this formula shall not result in pyramiding.

New employees shall be placed on the respective seniority lists on the first (1st) day of the following quarter unless there are employ- ees in layoff status, in which case such new employees shall be placed on the respective seniority list at the time the laid-off em- ployees are recalled from layoff status.

Employees shall first be added to the regular seniority list from the preferential list, if applicable. Thereafter, employees to be added to the regular seniority list shall be determined by the respective Supplement and shall be subject to the probationary provisions of that Supplement. APPENDIX TO RESTRICTED STOCK UNIT AWARD AGREEMENT

Article 3, Section 2

In Capitalized terms that are not defined in this Appendix shall have the application of this formula, employees specifically designated under an appropriate reporting procedure same meanings given to replace absence other than vacations shall not be included as vacation replacements. It is the in- tent of the parties, them in the application of this formula, to add regular employees to the seniority list to replace employees on vacation where there is regular work opportunity for such additional employees.

The implementation of this provision may raise issues particular to a respective Supplemental Agreement. Failure to resolve the issues, such Supplemental Negotiating Committee may agree to waive this provision, or submit the disputed issues to the National Grievance Committee.

(3) Supplemental casuals may be used to supplement the regular work force as provided for in each respective Supplement. Once the number of new employees to be added as required in the Supple- ment is determined, the Employer must initiate the processing of the new probationary employees immediately, Agreement and complete such processing as provided for in the Supplements.

(4) Unless waived in writing by any Joint Supplemental Negotiating Committee, all Supplements shall provide for a preferential casual hiring list and shall provide the qualifications for placement on such list. Casuals on the preferential hiring list shall be offered available extra work and future regular employment in seniority order by clas- sification as among themselves. A preferential casual employee's seniority date shall be the date he/she becomes a regular employee; and such employee shall not be subject to any probationary period.

Casual employees on the preferential hiring list shall have full ac- cess to the grievance procedure.

The provisions of Article 3, Section 3, shall apply to casual employ- ees on the preferential hiring list who are paid on the regular payroll.

Local Unions employing an exclusive hiring hall under the terms of the Supplemental Agreement may petition the respective Joint Area Supplemental Negotiating Committee for approval to waive this subparagraph (4).

Article 3, Section 2

(5) Casual road employees, where permitted by Supplemental Agreement, may only be used within the jurisdiction of their re- spective Regional Area and shall gain preferential status and/or regular seniority status as provided in the respective Supplement, except on approved two-man operations when the extra boards are exhausted.

(6) Any casual employee who declines regular employment shall be terminated without recourse and will not be used by the Employ- er for any further work.

(7) a. Casual Employment

The Employer agrees to give first opportunity for work as a casual employee to those CDL-qualified employees on layoff at a com- monly-owned NMFA carrier. This obligation shall apply only at terminals located within the jurisdiction of the employee's Local Union. The Local Union will furnish Employer with the names, addresses, and telephone numbers of those laid off employees inter- ested in casual work opportunity and the job each employee is qual- ified to perform. Where applicable, casual employment may not be offered to laid off employees under this provision ahead of prefer- ential casuals, nor shall this provision supersede an established or- der of call in a supplemental agreement.

(7) b. Regular Employment

The Employer agrees to offer regular employment to those em- ployees on letter of layoff from a commonly-owned NMFA carri- er at other terminals located within the jurisdiction of the employ- ee's Local Union who have made application for regular employment at the terminal offering regular employment. Em- ployment shall be offered in accordance with the following order, unless the Supplemental Agreement or an agreed to practice pro- vides a different order of call, in which case such other order of call shall prevail:

1. Preferential casuals, where applicable.

2. Employees of the Employer, on a seniority basis.

3. Employees of a commonly-owned NMFA carrier based on the date such employees made application.

Employees who for two (2) or more years regularly performed CDL-required driving work for a commonly-owned NMFA carrier shall be compensated at 90% of the full contract rate of pay for a period of one (1) year and go to the full contractual rate thereafter. Other Employees hired into regular employment shall be paid in accordance with the new hire rate set forth in Article 36, herein and shall establish seniority in accordance with the applicable Supple- mental Agreement. Employees who accrue seniority under this provision who are on layoff from another Employer shall retain seniority rights at the terminal they are laid off from until such time as they are recalled to that terminal. Employees who accrue senior- ity under this provision who are on layoff from another terminal of the same Employer shall retain their seniority at the terminal they are laid off from until such time as recalled to that terminal. At that time, the employee must either accept recall and forfeit seniority at the new terminal or refuse recall and forfeit seniority at the terminal he/she is being recalled to.

In order to be eligible for either casual or regular employment opportunity under this provision, the laid off employee must meet the minimum hiring standards established by the Employer and be otherwise qualified to perform the work available and must be able to report for work in compliance with the Employer's estab- lished call-time procedures. The Employer's hiring standards and examinations shall be applied uniformly to all applicants for em- ployment. The Employer shall provide the hiring standards and examinations upon written request of the Local Union. Employ- ees who are offered work opportunity under this provision must be able to furnish proof of their qualification to perform the work available.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Viola- tion of this subsection

shall be subject to the grievance proce- dure.

Article 3, Section 2

(8) Fringe benefits will be paid on casuals in accordance with the terms of the Supplemental Agreement. Minimum daily guarantees will be governed by the respective Supplemental Agreement.

(9) A monthly list of all casual and/or probationary employees used during that month shall be submitted to the Local Unions by the tenth (10th) day of the following month. Such list shall show:

a. the employee's name, address, and social security number;

b. the date worked;

c. the classification of work performed each date, and the hours worked; and,

d. the name, if applicable, of the employee replaced.

This list shall be compiled on a daily basis and shall be available for inspection by a Union representative and/or job shop steward.

(10) Unless otherwise agreed to in any Supplemental Agreement, the following will apply:

Supplemental casuals may be used to supplement the regular work force (dock only) and shall be subject to a four (4) hour guarantee when called to work. Four (4) hour casuals shall be started on an established starting time; or when called to work at a time other than an established starting time, must end his/her shift at the con- clusion of that established starting time shift. Four (4) hour casuals shall be eligible for pension and/or health welfare contributions in accordance with the applicable supplemental agreement.

For the purpose of adding regular employees in accordance with the supplemental agreement casuals who work six (6) hours or more or back to back on a shift shall be considered as having worked a supplemental day towards seniority. Once regular em- ployees are required to be added in accordance with the applicable supplement the employer must initiate the processing of the new

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probationary employees immediately and complete such process- ing as provided for in the applicable supplement.

(c) Employment Agency Fees

If employees are hired through an employment agency, the Em- ployer is to pay the employment agency fee. However, if the Local Union was given equal opportunity to furnish employees under Ar- ticle 3, Section

(1) (c), and if the employee is retained through the probationary period, the fee need not be paid until the thirty-first (31st) day of employment.

Section 3. Checkoff

The Employer agrees to deduct from the pay of all employees cov- ered by this Agreement the dues, initiation fees and/or uniform as- sessments of the Local Union having jurisdiction over such employ- ees and agrees to remit to said Local Union all such deductions. Where laws require written authorization by the employee, the same is to be furnished in the form required. The Local Union shall certify to the Employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorization, together with an itemized statement of dues, initiation fees (full or installment), or uniform assessments owed and to be deducted for such month from the pay of such member. The Em- ployer shall deduct such amount within two (2) weeks following receipt of the statement of certification of the member and remit to the Local Union in one (1) lump sum within three (3) weeks follow- ing receipt of the statement of certification. The Employer shall add to the list submitted by the Local Union the names and Social Secu- rity numbers of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed. Checkoff shall be on a monthly or quarterly basis at the option of the Union. The Local Union and Employer may agree to an alternative option to deduct Union dues bi-monthly.

When the Employer actually makes a deduction for dues, initiation fees and assessments, in accordance with the statement of certifica- tion received from an appropriate Local Union, the Employer shall remit same no later than three (3) weeks following receipt of the

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statement of certification and in the event the Employer fails to do so, the Employer shall be assessed ten percent (10%) liquidated damages. All monies required to be checked off shall become the property of the entities for which it was intended at the time that such checkoff is required to be made. All monies required to be checked off and paid over to other entities under this Agreement shall become the property of those entities for which it was intend- ed at the time that such payment or checkoff is required to be made.

Where an employee who is on checkoff is not on the payroll during the week in which the deduction is to be made, or has no earnings or insufficient earnings during that week, or is on leave of absence, the employee must make arrangements with the Local Union and/ or the Employer to pay such dues in advance.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all week worked. The phrase “weeks worked” excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee’s social security number and the amount deducted from that employee’s paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer’s actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

In the event that the Employer has been determined to be in viola- tion of this Article by the decision of an appropriate grievance com-

mittee, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours' written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof. Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Upon written request of an employee, the Employer shall make payroll deductions for the purchasing of U. S. Savings Bonds.

The Employer hereby agrees to participate in the Teamsters Nation- al 401(k) Savings Plan (the "Plan") on behalf of all employees rep- resented for purposes of collective bargaining under this agree- ment, and shall authorize the Plan to allow for participating employee, upon his request, to take loans on his contributions to the Plan. The Employer is not required to participate in the Teamsters National 401(k) if Teamsters employees were eligible to participate in the Employers sponsored 401(k) as of January 1, 1998.

The Employer will make or cause to be made payroll deductions from participating employee's wages, in accordance with each em- ployee's salary deferral election subject to compliance with ERISA and the relevant tax code provisions. The Employer will forward withheld sum to Prudential or its successor at such time, in such form and manner as required pursuant to the Plan and Declaration of Trust (the "Trust").

The Employer will execute a Participation Agreement with TN- FINC and the Trustees of the Plan evidencing Employer participa- tion in the Plan effective prior to any employee deferral being re- ceived by the Plan.

Section 4. Work Assignment

The Employers agree This Appendix includes additional terms and conditions that govern the Award granted to respect you under the jurisdictional rules Plan if you reside and/or work in Canada. If you are a resident of the Union Quebec, additional terms and shall not direct conditions may apply. If you are a citizen or require its employees or persons resident of a country other than the employees in the bargaining units here involved, to perform work which is recognized as the work of the employees in said units. This is not to interfere with bona fide contracts with bona fide unions.

Dock Pick-up:

This provision supercedes any other related article contained in the Agreement.

The employer agrees that the function of the supervisor is the supervi- sion of employees and not the work of the employees they supervise.

However, where no local cartage employees are on the property, a supervisor can load an unscheduled customer pick-up on an occasion- al and incidental basis. It is understood that this provision is intended to only apply to unanticipated situations taking less than thirty (30) minutes. The company shall not intentionally schedule such pick-ups for times when the local cartage employees are not available.

Section 5.

The term “Local Union” as used herein refers to the IBT Local Union which represents the employees of the Employer for the pur- pose of collective bargaining at the particular place or places of business to which this Agreement and the Supplements thereto are applicable, unless by agreement of the Local Union involved, or a Change of Operations Committee, or a jurisdictional award under Article 30 herein, jurisdiction over such employees, or any number of them, has been transferred to some other Local Union, one in which case the term Local Union as used herein shall refer you are currently working and/or residing, transfer to such other Local Unions. Nothing herein contained shall be construed to alter the single employer, multi-union unit or single contract status of this Agreement.

Section 6. Electronic Funds Transfer

(Direct Deposit)

Where not prohibited by State Law, all employees hired another country after the date Grant Date or are considered a resident of ratification are required to use electronic deposit of their paychecks. If another country for local law purposes, the employee is enrolled on Direct Deposit and the employee’s pay is not deposited to their bank account on payday due to employer error, the employee’s pay will be deposited to the employee’s account by means of Electronic Funds Transfer or the employee will be paid by station draft that same day.

If an employee hired after the date of ratification is unable to obtain a bank account, he/she will be paid electronically using a pay card/ debit card. If for reasons beyond the Employer’s control, such as weather delays, express mail failure, etc. an employee’s “paycheck” or debit card does not arrive at the employee’s facility by payday, a replacement check will be issued at the General Office and mailed to the employee’s facility by the end of that business day.

The Employer Company shall, furnish an itemized statement of earnings and deductions with all paychecks.

Section 7. Utility Employee

The parties recognize the need for the Employers to compete effec- tively in a changing environment. To this end, there shall be estab- lished a new position on the local cartage seniority list called a Utility Employee. 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.

Subject to the approval of the National Utility Employee Review Committee, the Employer may establish Utility Employee posi- tions at any facility at its discretion, as-needed, and CDL-qualified road or local cartage employees may bid for Utility Employee po- sitions in accordance with established terminal bidding procedures. All CDL-qualified drivers with the required endorsements shall have the opportunity to transfer to the local cartage operation, if necessary, and bid for open Utility Employee positions with full seniority

rights. There shall be no retreat rights for employees who transfer to the local cartage operation to bid an open Utility Em- ployee position. For example, if a road driver bids into the Utility Employee position, he relinquishes his road seniority for bidding purposes and cannot return to the road driver classification, unless through a change of operations, or bid back rights consistent with the applicable Supplement. The Employer shall be permitted to as- sign a qualified local cartage employee to a Utility Employee posi- tion on a temporary basis when necessary to pursue business oppor- tunities that become available, as long as the temporary assignment is made in seniority order and if senior employees do not accept the

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temporary positions, less senior employees are forced from the bot- tom of the seniority list. Temporary vacancies in the Utility Em- ployee position, for things such as sickness, vacations, leaves of absences, will be filled consistent with practices under the applica- ble Supplemental Agreement.

The Utility Employee shall work across all classifications as assigned and as necessary to meet business needs, and there shall be no restric- tions on the type of freight or work handled. A Utility Employee's duties during a tour of duty may, at his/her home terminal, include performing Utility-related dock work, P&D (local cartage) work, hostling/yard work (drop & hooks), and any driving work.

A Utility Employee shall perform all local cartage functions at his home terminal. Notwithstanding anything in this Agreement or any Supplemental Agreement to the contrary, Utility Employees also may be required to work across Local Union jurisdictional lines. It is not the intent to use Utility Employees to perform local peddle runs or P&D work outside their Local Union's jurisdiction. At away ter- minals, a Utility Employee may perform Utility-related dock work, hostling and drop and hooks on his/her own equipment. A Utility Employee shall fuel his/her own equipment at away terminals, if there are no fuelers available. All Utility Employees shall be returned to his home domicile at the end of his shift, absent bona fide extenu- ating circumstances, in which case they shall be paid on all hours.

The Employer shall pay each Utility Employee an hourly premium of $1.00 per hour over the highest rate the Employer pays to local cart- age drivers under the Supplemental Agreement covering the Utility Employee's home domicile. Employees in progression who bid into Utility Employee positions or individuals the Employer hires into Utility Employee positions shall complete the progression for local cartage drivers outlined in the applicable Supplemental Agreement. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

A Utility Employee's work week shall consist of any four (4) ten (10) hour or five (5) eight (8) hour consecutive days starting Sun- day, Monday, or Tuesday, subject to a forty (40) hour guarantee

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during that period. With four (4) ten (10) hour days, the Utility Employee shall have three (3) consecutive days off and with five (5) eight (8) hour days the Utility Employee shall have two (2) consecutive days off.

The Employer may establish multiple start times bid by Utility Employees and may slide such start times on a daily basis by either thirty (30) minutes before or thirty (30) min- utes after the bid start times.

The parties recognize that most, if not all locations will have Utility Employees regardless of facility size, geographic and/or service area. Subject to the approval of the National Utility Employee Re- view Committee or the Committee Chairman or their designees, the Employer may establish and modify Utility Employee positions and bids without the approval of a change of operations or other Union approval. All bids shall be offered in seniority order, and, if senior employees do not bid open positions, less senior employees shall be forced from the bottom of the seniority list.

In the event the Employer's proposed use of a Utility Employee position causes a transfer, change or modification of any driver's present terminal, breaking point or domicile, the proposed change shall be submitted to a National Utility Employee Review Commit- tee comprised of three representatives designated by the Vice Pres- ident of Employee Relations for ABF and three representatives designated by the Chairman of TNFINC. The Vice President of Employee Relations for ABF or his designee and the Chairman of TNFINC or his designee shall be the Company and the TNFINC Chairmen of the National Utility Review Committee. The National Utility Employee Review Committee shall establish rules of proce- dure to govern the manner in which proposed Utility Employee operational changes are to be heard.

The National Utility Employee Review Committee shall have the authority to determine the seniority application of employees af- fected by the operational change and such determination shall be final and binding. No proposed operational change will be ap- proved which violates this Agreement. In the event the National Utility Employee Review Committee is unable to resolve a matter, the case shall be submitted to the National Review Committee on

an expedited basis. Neither the Union nor the Employer shall un- reasonably delay the scheduling or completion of any requested meeting, or the submission of any dispute to the National Review Committee. In no event shall a Utility Employee operational change hearing be held more than fifteen (15) business days after the Employer meets with the affected Local Unions to discuss the written operational change proposal.

Any grievance concerning the application or interpretation of Arti- cle 3, Section 7 shall be first referred to the National Utility Em- ployee Review Committee for resolution. If the National Utility Employee Review Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the Nation- al Grievance Committee. The National Utility Employee Review Committee shall have jurisdiction over alleged violations of senior- ity rights in the bidding of the Utility Employee positions, issues regarding the utilization of the Utility Employee position consistent with this Section, and issues regarding the seniority rights of em- ployees bidding into the Utility Employee position.

Subject to the approval of the National Utility Employee Review Committee, the Employer may establish the number of Utility Em- ployee positions at any location.

The parties agree that nothing in this Article 3, Section 7 shall alter the Employer's ability to engage in layoffs in accordance with the layoff provisions of the applicable Supplemental Agreement. In the event a Utility Employee is laid off, the Employer may re-bid that position in accordance with seniority provisions of the applicable Supplemental Agreement.

ARTICLE 4. STEWARDS

The Employer shall give one (1) job steward, during his regular working hours or if outside his regular working hours his/her des- ignated alternate, an opportunity to participate in the Employer's orientation of new employees, or the right to meet with new em- ployees during their workday to inform them of the benefits of Union representation without loss of time or pay.

Article 4

The Employer shall have the sole right to schedule the time and place for such participation so as not to interfere with the Employ- er's operation.

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list. The authority of job stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

(a) The investigation and presentation of grievances with his/her Employer or the designated company representative in accordance with the provisions of the collective bargaining agreement;

(b) The collection of dues when authorized by appropriate Local Union action;

(c) The transmission of such messages and information, which shall originate with and are authorized by the Local Union or its officers, provided such message and information;

(1) have been reduced to writing; or,

(2) if not reduced to writing, are of a routine nature and do not in- volve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Unless waived in writing, there shall be a steward or available bar- gaining unit member of the employee's choice present whenever the Employer meets with the employee about grievances or disci- pline or to conduct investigatory interviews. If a steward is unavail- able, the employee may designate a bargaining unit member who is available at the terminal at the time of the meeting to represent him/ her. Meetings or interviews shall not begin until the steward or des- ignated bargaining unit member is present. An employee who does not want a Union steward or available bargaining unit member present at any meeting or interview where the employee has a right to Union representation must waive Union representation in writ-

ing. If the Union requests a copy of the waiver, the Employer shall promptly furnish it.

Job stewards and alternates have no authority to take strike action, or any other action interrupting the Employer's business, except as authorized by official action of the Local Union. The Employer rec- ognizes these limitations upon the authority of job stewards and their alternates, and shall not hold the Local Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to

impose proper discipline, including dis- charge, in the event the job steward or his/her designated alternate has taken unauthorized strike action, slowdown or work stoppage in violation of this Agreement.

The job steward, or his/her designated alternate, shall be permitted reasonable time to investigate, present and process grievances on the company property without loss of time or pay during his/her regular working hours without interruption of the Employer's oper- ation by calling group meetings; and where mutually agreed to by the Local Union and the Employer, off the property or other than during his/her regular schedule without loss of time or pay. Such time spent in handling grievances during the job steward's or his/ her designated alternate's regular working hours shall be consid- ered working hours in computing daily and/or weekly overtime if within the regular schedule of the "job steward."

The job steward, or his/her designated alternate, shall be permitted reasonable time off without pay to attend Union meetings called by the Local Union. The Employer shall be given twenty-four (24) hours' prior notice by the Local Union.

ARTICLE 5.

Section 1. Seniority Rights

(a) The application of seniority which has been accrued herein shall be established in the Supplemental Agreements.

(b) Seniority shall be broken only by discharge, voluntary quit, re- tirement, or more than a five (5)—year layoff.

(c) This Section shall apply to all Supplemental Agreements.

Section 2. Mergers of Companies-General

(a) In the event the Employer is a party to a merger of lines, senior- ity of the employees who are affected thereby shall be determined by mutual agreement between the Employer and the Local Unions involved.

In the application of this Section, it is immaterial whether the trans- action is called a merger, purchase, acquisition, sale, etc. Further, it is also immaterial whether the transaction involves merely the purchase of stock of one (1) corporation by another, with two (2) separate corporations continuing in existence.

(b) If such merger of companies results in the combination of ter- minals or over-the-road operations, a change of operations shall be submitted to the Co-Chairmen of the National Grievance Commit- tee for assignment to an appropriate Change of Operations Com- mittee established pursuant to Article 8, Section 6. The Change of Operations Committee shall retain jurisdiction for one (1) year after the effective date of the Committee decision and shall have the au- thority to amend its decision in the event of a substantial change in the amount of work to be performed at the terminals or over-the- road operations which were combined.

Combining of Terminals or Operations as a Result of Merger of Companies

(c) In the application of this Section, when terminals or operations of two (2) or more companies are combined, as referred to above, the following general rules shall be applied by the Employer and the Local Unions, which general rules are subject to modification pursuant to the provisions of Section 4 of this Article:

Article 5, Section 2

Active Seniority List

(1) The active employee seniority rosters (excluding those em- ployees on letter of layoff) shall be "dovetailed" by appropriate classification (i.e., road or city) in the order of each employee's full continuous classification (road or city) seniority date that the em- ployee is currently exercising. (The term "continuous classification seniority" as used herein is defined as that seniority which the em- ployee is currently exercising and has not been broken in the man- ner provided in Section 1 of this Article or by voluntary changes in domicile not directed, approved or ordered by a Change of Opera- tions Committee.) The active "dovetailed" seniority roster shall be utilized first and until exhausted to provide employment at such combined terminal or operational location.

Layoff Seniority list

(2) In addition, the inactive seniority rosters (employees who are on letter of layoff) shall be similarly "dovetailed" by appropriate classification. If additional employees are required after the active list is exhausted, they shall be recalled from such inactive seniori- ty roster and after recall such employees shall be "dovetailed" into the active seniority roster with their continuous classification (road or city) seniority dates they are currently exercising which shall then be exercised for all purposes. Seniority rosters previously combining job classifications shall be continued unless otherwise agreed.

Temporary Authority

(d) Where only temporary authority is granted in connection with any of the transactions described above, then separate seniority lists shall continue only when terminals or operations are not merged, unless otherwise agreed. The Employer which is to survive will assume the obligations of both collective bargaining agreements during the period of the temporary authority.

In the event of temporary merger of operations which are contin- gent upon approval by regulatory agencies or on other stated con- ditions, the seniority of the involved employees shall continue to accrue with their original Employer during the period of tempo-

rary merger, so that if there is no final consummation of the merg- er, the seniority of such employees shall be continued with their respective employers. However, if, on the failure of final consum- mation and dissolution of the merger, one of the parties to the pro- posed merger discontinues the operations which were subject to such merger, the employees of such Employer shall be granted seniority rights for all purposes with the other Employer only for the period of time they were employed in such temporary merged operations.

Purchase of Rights

(e) If a merger, purchase, acquisition, sale, etc., constitutes merely the acquisition of permits or rights, without the purchase or acqui- sition of equipment or terminals, and/or without the consolidation of terminals or operations, or in the event of the purchase of rights during bankruptcy proceedings, the following shall apply:

Where the purchasing company has a terminal operation at the do- micile of the employees of the seller, the employees of the selling company shall be placed on a master seniority list, and the purchas- ing company or companies shall hire, after recall of the purchasing company's employees from layoff, such employees as needed for regular employment within the first twelve (12) calendar months after purchase or acquisition of permits and/or rights, and they shall be dovetailed with full seniority. If an employee refuses a bona fide offer of regular work opportunity with any of the purchasing com- panies, his/her name shall be removed from the list. No employee hired under this provision shall be required to serve a probationary period. After the expiration of the aforementioned twelve (12) cal- endar month period, the purchaser shall have no further obligation to the employees of the seller.

However, if the purchasing or acquiring company does not have and/or continue a terminal or operation at the domicile of the em- ployees of the seller, resulting in their layoff, such Employer shall place the laid-off employees on a master seniority list and such Em- ployer shall, if and when additional regular employees are required, within a twelve (12)—calendar month period after purchase or ac- quisition, and providing its employees on layoff have been recalled,

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Article 5, Section 2

offer employment to such laid-off employees at the terminal loca- tions or operations extent to which the work has been transferred. Any such laid-off employees accepting transfer shall be dovetailed in accordance with their terminal seniority for work purposes, includ- ing layoff, and holding company seniority for all fringes. If an em- ployee refuses a bona fide offer of regular work opportunity with any of the purchasing companies, his/her name shall be removed from the list. No employee hired under this provision shall be re- quired to serve a probationary period. After the expiration date of the aforementioned twelve (12)—calendar month period, the pur- chaser shall have no further obligation to the employees of the sell- er. The transferring employee shall be responsible for lodging and moving expenses.

Exclusive Cartage Operations

(f) If in connection with the transactions described in these rules the successor Employer determines to discontinue the use of a local cartage company, the employees of that local cartage company who have worked exclusively on the pickup and delivery service which is retained by the successor Employer shall be given the opportuni- ty to continue to perform such service as an employee of such suc- cessor Employer, and shall have their seniority "dovetailed" as de- scribed in the above rules.

Committee Authority

(g) Area and/or State Committees created pursuant to Local Sup- plements which have previously established rules of seniority, not contrary to the provisions of such Supplements, and approved by the Joint Area Committee, may continue to apply such rules if such rules are reduced to writing.

Section 3. Intent of Parties

(a) The parties acknowledge that the above rules are intended sole- ly as general standards and further that many factual situations will be presented which necessitate different application, modification or

amendment. Accordingly, the parties acknowledge that ques- tions of the application of seniority rights may arise which require different treatment and it is anticipated and understood that the Em-

ployers and Unions jointly involved and/or the respective griev- ance committees may mutually agree to such disposition of ques- tions of seniority which in their judgment is appropriate under the circumstances.

(b) In all instances, the disposition of questions involving the ap- plication of seniority rights made by the parties pursuant to this Section may be presented to the appropriate grievance committees provided herein whose decisions shall be final and binding.

Section 4. Equipment Purchases

(a) The Employer shall not require as a condition of continued em- ployment, that an employee purchase truck, tractor and/or tractor and trailer or other vehicular equipment, or that any employees pur- chase or assume any proprietary interest or other obligation in the business, except as referred to in Article 6, Section 2. The require- ments of this provision shall be maintained during the renegotiation of this Agreement unless either party has terminated the Agreement in the manner provided.

Highest Rates Prevail

(b) If the minimum wage, hours and working conditions in the Company absorbed differ from those minimums set forth in this Agreement and Supplements thereto, the higher of the two shall remain in effect for the employees so absorbed.

Cutting Seniority Board

(c) The Union reserves the right to cut the road seniority board when the average weekly earnings fall to eight hundred twenty-five dollars ($825.00) or less. This is not to be construed as imposing a limitation on earnings. After the Union notifies the Employer to cut the board and in the event that Employer refuses, the Union shall immediately submit the matter to the grievance procedure. In deter- mining whether average weekly earnings will fall to eight hundred twenty-five dollars ($825.00) or less, only the earnings of the lower twenty-five percent (25%) of the drivers on the seniority board, counting from the bottom up, shall be considered. The average shall be calculated for the thirty (30) day period preceding the

Union's original request. After such calculation is made, the aver- age earnings of the drivers for the top seventy-five percent (75%) of the seniority board must also average more than eight hundred twenty-five dollars ($825.00) per week, or layoff shall be made in accordance with seniority. The above provisions shall also apply to extra board for sleeper drivers exclusively.

Posting Seniority List

(d) The Employer shall give the Local Union a seniority list at least every six (6) months. The Employer shall also post a seniority list at least once every six (6) months and shall maintain a current se- niority roster at the terminal. Protest of any employee's seniority date or position on such list must be made in writing to the Employ- er within thirty (30) days after such seniority date or position first appears, and if no protests are timely made, the dates and positions posted shall be deemed correct. Any such protest which is timely made may be submitted to the grievance procedure.

Section 5. Work Opportunity

Over-the-road and CDL-qualified local cartage employees who have been on letter of layoff, for more than thirty (30) days shall be given an opportunity to relocate to permanent employment (prior to the employment of new hires) occurring at domiciles of the Em- ployer provided they notify the Employer and Local Union in writ- ing of their interest in a relocation opportunity. The offer of reloca- tion will be made in the order of applicable seniority of the laid-off employees domiciled within the Regional area. The Employer shall be required to make additional offers of relocation to an employee who has previously rejected a relocation opportunity provided the employee again notifies the Employer in writing of his/her contin- ued interest in additional relocation opportunities. However, the Employer will only be required to make one relocation offer in any six (6) calendar month period. Any employee accepting such offer shall be paid at the employee's applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. A relocating employee shall pay his/her own moving expens- es and shall, upon reporting to such new domicile, be deemed to

have relinquished his/her right to return with seniority to the domi- cile from which he/she relocated. The provisions of this Section shall not supersede an established order of call/hiring in the Supple- mental Agreement.

Section 6. Overtime

On a weekly basis, the Employer shall be permitted to work the active seniority board 25% of the straight time hours in overtime. In the event the Employer exceeds the 25% overtime allowance, the number of overtime hours in excess of the allowance will be ap- plied in the next following week for determining the number of employees to recall from lay-off.

For example, if the Employer has 120 employees on the seniority board with 100 actively working and 20 laid-off, the Employer shall be permitted 4000 hours straight time hours plus 1000 hours overtime (25% of 4000) for a total of 5000 hours to be worked that week by the active seniority board. If during that week, the Em- ployer actually worked the 100 active employees a total of 5600 hours, there would be 600 hours in excess of the 25% overtime al- lowance. The 600 hours would be divided by 50 (40 straight time hours plus 25% of 40 or 10) which equals 12 employees to be re- called from lay-off in the week following the violation of the 25% overtime allowance.

ARTICLE 6.

Section 1. Maintenance of Standards

The Employer agrees, subject to the following provisions, that all conditions of employment in his/her individual operation relating to wages, hours of work, overtime differentials and general work- ing conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this

Agreement, and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement.

Article 6, Section 1

Local Standards

(a) The Local Unions and the Employer shall, within one hundred eighty (180) days following ratification of this Agreement, identify and reduce to writing, and submit to the appropriate Regional Joint Area Committee, those local standards and conditions practiced under this Article. Such standards and conditions when submitted in accordance with this Section shall be currently dated. Those lo- cal standards and conditions previously practiced hereunder which are not so submitted shall be deemed to have expired.

The appropriate Regional Joint Area Committee shall, not later than ninety (90) days following ratification, adopt a procedure to consider the disposition of the local standards and conditions sub- mitted including the right to appoint a subcommittee to make rec- ommendations. The Regional Joint Area Committee shall provide to the parties the opportunity to present their views. The Regional Joint Area Committee shall have the sole discretion to determine the disposition of the submitted local standards and conditions which determination shall be final and binding.

Individual Employer Standards

(b) Individual Employers may during the life of this Agreement file with the appropriate Regional Joint Area Committee and re- quest review of those individual standards and conditions claimed or practiced under this Article which exceed the provisions of this Agreement and Supplemental Agreements.

The Regional Joint Area Committee shall develop a procedure to review the filing including the right to appoint a subcommittee to make recommendations. The Committee shall make every effort to adjust the matter. If the Committee reaches agreement concerning the disposition of the individual standards or conditions, the deci- sion of the Committee shall be final and binding, in the event of deadlock, the submitted standards and/or conditions shall be dis- continued until such time as a decision is rendered through the Area Review and/or National Committee. In the event of dead- lock, the submitted standards and/or conditions shall continue as practiced.

Article 6, Section 1

General

(c) It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the special terms and conditions contained herein apply to you.

Terms and Conditions

Form of **this Agreement. Such bona fide errors may Settlement**. This provision replaces Paragraph 3(c) of the Agreement:

(c) Subject to Paragraph 3(d) below, on each Normal Vesting Date, or, if earlier, upon Normal Retirement, Participant shall be corrected at any time.

In entitled to receive the event a Local Union cash equivalent of one Share (subject to adjustment under Paragraph 13 hereof and/or employee notifies Section 13 of the manager at the applicable Employer facility Plan) for each Vested Unit in writing by certified mail that employees' wages are being overpaid and the Employer does not correct the overpayment within thirty (30) calendar days following receipt of such notice, the Employer shall not be permitted to re- coup such overpayment. The Employer shall, however, be permit- ted to correct the wage error by paying employees the appropriate contractual wage prospectively from the date of notice by the Local Union and/or employee, provided the correction is made prior to the expiration of this Agreement.

No other Employer shall be bound by the voluntary acts of another Employer when he/she may exceed the terms of this Agreement.

Any disagreement between the Local Union and the Employer with respect to this matter shall be subject to the grievance procedure.

This provision does not give the Employer the right to impose or continue wages, hours and working conditions less than those con- tained in this Agreement.

Section 2. Extra Contract Agreements

(a) The Employer agrees not to enter into any agreement or con- tract with its employees, individually or collectively, which in any way conflicts accordance with the terms and provisions of this Agreement. Any such agreement Agreement and the Plan. The cash equivalent of each Vested Unit shall be null and void.

(b) Every profit-sharing plan, condition, or incentive plan of any type, whether or not it alters or amends the economic conditions contained in this Agreement, must be negotiated and agreed to by TNFINC prior to implementation. Nothing in this Section shall be construed to apply to existing safety programs or other prizes or

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Article 6, Section 2

bonus items the receipt of which do not alter the economic terms of this Agreement.

Section 3. Workweek Reduction

If either equal the Fair Labor Standards Act or the Hours Market Value of Service Reg- ulations are subsequently amended so as to result in substantial penalties to either the employees or the Employer, a written notice shall be sent by either party requesting negotiations to amend those provisions which are affected.

Thereafter, the parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory solution. In the event the parties cannot agree on a solution within sixty (60) days, or mutually agreed extensions thereof, after receipt of the stated written notice, either party shall be allowed economic recourse.

Section 4. New Equipment

Where new types of equipment and/or operations for which rates of pay are not established by this Agreement are put into use after April 1, 2003, within operations covered by this Agreement, rates governing such operations shall be subject to negotiations between the parties.

In the event agreement cannot be reached within sixty (60) days after date such equipment is put into use, the matter may be submit- ted to the National Grievance Committee for final disposition. Rates agreed upon or awarded shall be effective Share as of the date equipment is put into use.

The above provisions shall also apply in the event the law (state or federal) is changed to permit longer combination vehicles or aggre- gate weight increases of 8,000 pounds or more in the weight limits that are currently provided in the Surface Transportation Assistance Act of 1982.

Employees expected to use computers will be trained to use them and will be paid for all training time. Employees expected to use computers will be given sufficient time to learn to use them.

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY

Section 1.

(a) The provisions provided herein shall replace and supersede pri- or language and Provisions in the individual supplements with re- gards to local, state and area grievance machinery.

Each IBT Region shall provide for a Joint Area Committee, com- prised of the Supplements in that Geographic Region, that shall meet on a quarterly basis at a location agreed to by the Employer and Re- gional Freight Coordinator. In addition the Joint Area Committee may be required to meet at a Supplemental location for a special hearing of out of service cases, no later than thirty (30) days after the request is received by the administrator of the grievance process.

The Committee shall be made up of Local Union representatives from the Supplement involved and ABF Employee Relations Per- sonnel or their designees. It is agreed that for a Committee to hear a case there shall be an equal number of Employer Committee members and Union Committee members sitting, not to exceed three (3) each and not less than two (2). Local Union representa- tives who are appearing as presenters or witnesses for the Local Union involved in a proceeding before a Committee, will be ineli- gible to act as a member of that Committee. such Restricted Stock Unit vests. The Company Panel for cases will issue the cash payment to be heard at any level shall consist of not less than two (2) ABF Employee Relations Personnel Participant or their designees.

In the event a grievance matter is deadlocked at the Joint Area Committee level, it shall be referred to the appropriate ABF Re- gional Committee for handling or as provided for in the Joint Area Committee rules of procedure for discharges and suspension. If not resolved at that level it shall be referred to the ABF Review Com- mittee or to the ABF National Grievance Committee.

All grievances arising under the provisions of the Master Agree- ment (Articles 1-39) shall be filed directly with the appropriate Re- gional Joint Area Committee. The Regional Joint Area Committee

Article 7, Section 1

shall have the authority to render a final and binding decision or direct the grievance to the appropriate lower level committee for hearing if the grievance is not properly claimed under the provi- sions of the Master Agreement. The Regional Joint Area Commit- tee must hear and decide such cases within ninety (90) days of the filing of the grievance. Grievances arising under Article 9 Protec- tion of Rights, Article 29, Sections 1 or 2(a) and (b)—Substitute Service and Article 32, Subcontracting shall be expeditiously pro- cessed and may be heard at either regularly scheduled or specially called hearings. A grievance may be filed by any Region whose members are adversely affected by an alleged violation of Article 32, Section 4(b) occurring within its jurisdiction.

Each Supplemental Agreement shall provide for a Regional Joint Area Review Committee. The Committee shall review and consider any case deadlocked by the Regional Joint Area Committee. The Regional Joint Area Review Committee shall consist of the Freight Coordinator from the applicable Region or a Participant's designee of the TN- FINC Chairman and a designee of the Vice President of Employee Relations for ABF Freight. The Committee shall have the authority to resolve any such deadlocked case either by review of the evidence presented to the Regional Joint Area Committee or by rehearing the case. The decisions of the Committee shall be final and binding. In the event the Committee is unable to resolve the deadlock, the case shall be referred to the National Grievance Committee.

It is mutually agreed that the procedures for processing complaints concerning matters of highway and equipment safety shall be in- corporated in the applicable Supplemental Agreement, in accor- dance with the guidelines established by the ABF National Master Freight Safety, Health and Equipment Committee provided for in Article 16.

Special Regional Joint Area Committees shall also be created in com- pliance with the provisions of Article 35, Sections 3 and 4. The proce- dure set forth in the grievance machinery and in the national grievance procedure may be invoked only by the authorized Union representa- tive or the Employer representative. Authorized representatives of the Union and/or Employer may file grievances alleging violation of this

Article 7, Section 1

Agreement, under local grievance procedure, or as provided herein, unless provided to the contrary or otherwise mutually agreed in the Supplemental Agreement and/or respective committee rules of proce- dure. Time limitations regarding the filing of grievances, if not set forth in the respective Supplemental Agreements, must appear in the Rules of Procedure of the various grievance committees and shall ap- ply equally to the Employer and employees.

The Rules of Procedure of the various committees established un- der the Agreement shall be subject to the review and approval of the ABF National Grievance Committee.

In order that each committee may operate quickly and efficiently, the parties agree that a person or service provider shall be selected and designated to serve as Secretary. Each Panel shall have its own Secretary. The Secretary shall perform only the duties assigned to him/her by the Panel. The Secretary shall docket cases, prepare the agenda and mail/email a copy prior to the scheduled meeting of the Panel to each

member of the Panel, the Employer and Local Unions whose case appears on the agenda. The Secretary shall attend the meeting to prepare and keep the minutes and mail/email copies of the minutes to the members of the Panel and shall also mail/email copies of the decision of the Panel to all ABF representatives and Local Unions who are parties to this Agreement.

If a Local Union dockets a case at a joint area committee, the Com- pany and the Union shall both be required to pay a fifty ($50.00) dollar docketing or hearing fee. The expenses for operating a joint area committee shall be borne equally by all the covered Local Unions on a pro rata basis and Company operations which are cov- ered by this Agreement. The parties reserve the right to modify the above fees or impose an assessment, by mutual consent.

The procedure set forth in the joint area and regional joint area grievance machinery and in the national grievance procedure may be invoked only by the authorized Union representative or the Em- ployer representative. Authorized representatives of the Union and/ or Employer may file grievances alleging violation of this Agree- ment, under this grievance procedure, or as provided herein, unless

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Article 7, Section 1

provided to the contrary or otherwise mutually agreed in the Sup- plemental Agreement and/or respective committee rules of proce- dure. Time limitations regarding the filing of grievances, if not set forth in the respective Supplemental Agreements, must appear in the Rules of Procedure of the various grievance committees and shall apply equally to the Employer and employees.

The Rules of Procedure of the various committees established un- der the Agreement shall be subject to the review and approval of the National Grievance Committee.

Section 2. Grievant's Bill of Rights

All employees who file grievances under this Agreement and its Supplemental Agreements are entitled to have their cases decided fairly and promptly. In order to satisfy these objectives and promote confidence in the integrity of the grievance procedures, all employ- ees who file grievances are entitled to the following Rights:

1. Grievant's and stewards shall be informed by their Local Union of the time and place of the hearing.

2. Grievant's and stewards are permitted to attend, at their own expense, the hearing in cases in which they are involved.

3. The Employer must provide any information relevant to a griev- ance containing specific factual allegations within fifteen (15) days of receipt of a written request by the Local Union, steward or griev- ant. The Local Union or grievant must provide information rele- vant to such a grievance within fifteen (15) days of receipt of a written request by the Employer. Information requested must relate to the specific issues and general time periods involved in the griev- ance. In the event a party fails to provide available information that was specifically requested on a timely basis and the applicable grievance committee agrees that the information is relevant to the case, the claim of the party requesting the information shall be up- held.

4. All cases involving a discharge or suspension shall be recorded, except for executive sessions. Transcriptions of these proceedings

shall be prepared in response to written requests by the Local Union at the reasonable cost of transcription. No recording devices shall be used in any grievance committee proceeding except as spe- cifically authorized under the Rules of Procedure or by mutual con- sent of the co-chairpersons.

5. All Employer and Union panel members for each case shall be identified prior to the hearing. No Employer or Union representa- tive who is directly involved in a case may serve as a panel member except at a local level committee where there is only one Local Union subject to the jurisdiction of the committee.

6. A grievant or steward may request permission to present evi- dence or argument in support of the case in addition to the evidence or argument presented by the Local Union.

7. All grievance committees shall, upon request, issue a copy of the grievance decision or transcript pages containing the hearing pro- ceedings and the decision to the grievant and/or a Local Union.

8. The Local Union and the Employer may postpone a case once each, and any further postponements must be approved by the co-chairpersons of the grievance committee. In those areas where there are presently local grievance committees, each party shall be entitled to one additional postponement at the local grievance com- mittee level only.

9. Unless mutually agreed by the Local Union and the Company, Local Unions shall file all approved grievances with the appropriate grievance committee or association for decision no later than thirty (30) days after the date the Local Union receives the grievance.

10. A copy of the grievance committee Rules of Procedure, includ- ing the Grievant's Bill of Rights, must be provided, upon request, to the grievant prior to the commencement of the grievance hearing.

Section 3.

All Grievance Committees shall revise their Rules of Procedure to include the "Grievant's Bill of Rights" set forth in Section 2 above

and shall submit their revised Rules of Procedure to the National Grievance Committee for approval no more than ninety (90) days after the effective date of this Agreement. The National Grievance Committee may revise, delete or add to the Rules of Procedure for a Supplemental Grievance Committee in any manner necessary to ensure conformity with the purposes and objectives of the Griev- ant's Bill of Rights. The decisions of the National Grievance Com- mittee in this regard shall be final and binding.

Section 4.

Discharge cases shall be docketed and scheduled to be heard at the next regularly scheduled Joint Area Committee meeting. In addi- tion the Joint Area Committee may be required to meet at a Supple- mental

location for a special hearing of out of service cases, no later than thirty (30) days after the request is received by the admin- istrator of the grievance process.

Section 5. Timely Payment of Grievances

All monetary grievances that have been resolved either by decision or through a signed, dated written settlement agreement shall be paid within fourteen (14) calendar days of formal notification of the decision or the date of the settlement agreement. If the Employer fails to pay a monetary grievance in accordance with this Section, the Employer shall pay as liquidated damages to each affected grievant eight (8) hours straight time pay for each day the Employ- er delays payment, commencing the date the grievant(s) notified the Employer of such non-payment.

Section 6.

In view of the new Federal Regulations (383.51) pertaining to a driver's overall record, when presenting a case involving discharge and/or suspension for an accident(s), the Employer may request on the record at the Regional Joint Area Committee that the driver's accident record for the past three (3) years be considered. The re- spective Chairmen of the Regional Joint Area Committee may con- sider the employee's accident record within the past three (3) years when assessing disciplinary action if the Employer can present ev- idence showing that:

Article 7, Section 6

The driver who is subject to discharge or suspension was convicted (i) Participant's satisfaction of any of the following within the past three (3) years:

A. being at fault in an accident involving a fatality or serious bodi- ly injury;

B. being at fault in an accident resulting in property damage in ex- cess of $50,000.00;

C. leaving the scene of any accident of which the driver is aware; or

D. using the Employer's commercial motor vehicle to commit a felony.

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1.

All grievances or questions of interpretations arising under this ABF National Master Freight Agreement or Supplemental Agree- ments thereto shall be processed as set forth below.

(a) All factual grievances or questions of interpretation arising un- der the provisions of the Supplemental Agreement (or factual griev- ances arising under the ABF National Master Freight Agreement), shall be processed in accordance with the grievance procedure of the applicable Supplemental Agreement.

If upon the completion of the grievance procedure of the Supple- mental Agreement the matter is deadlocked, the case shall be im- mediately forwarded to both the Employer and Union secretaries of the National Grievance Committee, together with all pertinent files, evidence, records and committee transcripts.

Any request for interpretation of the ABF National Master Freight Agreement shall be submitted directly to the Regional Joint Area Committee for the making of a record on the matter, after which it shall be

immediately referred to the National Grievance Commit-

tee. Such request shall be filed with both the Union and Employer secretaries of the National Grievance Committee with a complete statement of the matter.

(b) Any matter which has been referred pursuant to Section 1(a) above, or any question concerning the interpretation of the provi- sions contained in the ABF National Master Freight Agreement, shall be submitted to a permanent National Grievance Committee which shall be composed of an equal number of employer and union representatives. The National Grievance Committee shall meet on a regular basis, for the disposition of grievances referred to it, or may meet at more frequent intervals, upon call of the chair- man of either the Employer or Union representatives on the Nation- al Grievance Committee. The National Grievance Committee shall adopt rules of procedure which may include the reference of disput- ed matters to subcommittees for investigation and report, with the final decision or approval, however, to be made by the National Grievance Committee. If the National Grievance Committee re- solves the dispute by a majority vote of those present and voting, such decisions shall be final and binding upon all parties.

Cases deadlocked by the National Grievance Committee shall be referred as provided in Section 2(b) below. Procedures relating to such referrals shall be included in the Rules of Procedure of the National Grievance Committee.

The Employer may request the co-chairmen of the National Griev- ance Committee to appoint and convene a joint Employer and Union Committee which shall have the authority to approve uni- form dispatch procedures and rules which shall apply to the indi- vidual company's over-the-road operations.

Section 2.

(a) The National Grievance Committee by majority vote may con- sider and review all questions of interpretation which may arise under the provisions contained in the ABF National Master Freight Agreement which are submitted by either the Chairman of TN- FINC or the Vice President of Employee Relations for ABF. The National Grievance Committee by majority vote shall have the au-

thority to reverse and set aside all resolutions of grievances by any lower level grievance committee or review committee involving or affecting the interpretation(s) of Articles 1-39 of the ABF National Master Freight Agreement, in which case the decision of the Na- tional Grievance Committee shall be final and binding. A failure by the National Grievance Committee to reach a majority decision on a question concerning interpretation or on a review of a decision by a lower level grievance committee or review committee shall not be considered a deadlock and will not be referred to the National Re- view Committee. In case of a failure to reach a majority decision in reviewing the decision of a lower level grievance

committee or re- view committee, the decision of the lower level grievance commit- tee or review committee shall stand as final and binding.

(b) All grievances deadlocked at the National Grievance Commit- tee shall be processed as set forth below.

1. All such deadlocked grievances shall be automatically referred to the National Review Committee, which shall consist of the Chairman of TNFINC, or his/her designee and the Vice President of Employee Relations for ABF, or his/her designee. The National Review Committee shall have the authority to resolve any such deadlocked case by review of the record presented to the National Grievance Committee or by rehearing the case, or by referring the case to a subcommittee of either the Joint National Negotiating Committee or the appropriate Supplemental Negotiating Commit- tee to negotiate a recommended resolution of the case. The sub- committee of the Negotiating Committee to which the case was referred must report its recommendation or deadlock to the Nation- al Review Committee for resolution. Unless the National Review Committee in writing mutually agrees otherwise, said Committee shall have a period of 15 days (excluding Saturdays, Sundays and holidays) from the date of the National Grievance Committee dead- lock to resolve the case. The decision of the National Review Com- mittee shall be final and binding.

2. In the event the National Review Committee is unable to resolve the deadlock, the President of the Employer involved and the Chairman of TNFINC shall have 30 additional days (excluding Sat-

urdays, Sundays and holidays), from the final day of consideration by the National Review Committee to attempt to resolve the case. The ABF and TNFINC representatives on the National Review Committee shall be responsible for notifying the Vice President of Employee Relations for ABF and the Chairman of TNFINC of the final day of consideration by the Committee of the deadlocked grievance. In considering factual disputes that are deadlocked or deadlocked questions of interpretation arising out of Supplemental Agreements, the decision of either the National Grievance Com- mittee or the National Review Committee shall be based on the provisions of the applicable Supplemental Agreement.

3. No lawyers will be permitted to present cases at any step of the grievance procedure.

4. The decision of any grievance committee or panel shall be spe- cifically limited to the matters submitted to it and the grievance committee or panel shall have no authority in any manner to amend, alter or change any provision of the Agreement.

5. If the Employer or Union challenges in court a decision issued by any dispute resolution panel provided for under this Agreement, the cost of the challenge, including the court costs and attorney's fees, shall be paid by the losing party.

Section 3. Work Stoppages

(a) The parties agree that all grievances and questions of interpre- tation arising from the provisions of this Agreement shall be sub- mitted to the grievance procedure for determination. Accordingly, except as authorized by law, as provided below or as specifically provided in other Articles of the ABF National Master Freight Agreement, no work stoppage, slowdown, walkout or lockout shall be deemed to be permitted or authorized by this Agreement.

A "representation dispute" in circumstances under which the Em- ployer is not required to recognize the Union under this Agreement is not subject to the grievance procedure herein and the provisions of this Article do not apply to such dispute.

Article 8, Section 3

(b) In the event the Employer is delinquent in its health & welfare or pension payments in the manner required by the applicable Sup- plemental Agreement, the Local Union shall have the right to take whatever action it deems necessary until such delinquent payments are made. The Local Union shall give the Employer a seventy-two (72) hour, (excluding Saturdays, Sundays, and holidays), prior writ- ten notice of the Local Union's authorization of strike action which notice shall specify the failure to make health & welfare or pension payments providing the basis for such strike authorization. In no event shall the Union have the right to strike over a dispute concern- ing the eligibility and/or payment of health & welfare or pension contributions by the Employer on behalf of specific individuals and such disputes shall be subject to the grievance procedure.

(c) In the event the Employer fails to comply with a decision ren- dered by a grievance committee or a grievance settlement, provided a settlement has been reduced to writing, dated and signed by both the Local Union and the Employer the Local Union shall give the Employer a seventy-two (72) hour (excluding Saturday, Sunday and holidays) prior written notice of the Local Union's authoriza- tion of strike action, which notice shall specify the basis for the compliance failure. If the Employer believes that it is in compli- ance or that there is a clarification needed in order to comply, the matter of compliance and/or clarification shall be submitted to the grievance committee that decided the case. The question of compli- ance or clarification shall be determined by the grievance commit- tee within forty-eight (48) hours after receipt of the Employer re- quest. The forty-eight (48) hour period for the grievance committee to determine the question of compliance or clarification shall run concurrently with the seventy-two (72) hour notice prior to a strike. The grievance committee may meet telephonically to consider and decide questions of compliance or clarification.

Section 4.

(a) It is mutually agreed that the Local Union will, within two (2) weeks of the date of the signing of this Agreement, serve upon the Employer a written notice listing the Union's authorized represen- tatives who will deal with the Employer, make commitments for the Local Union generally and, in particular, those individuals hav-

Article 8, Section 4

ing the sole authority to act for the Local Union in calling or insti- tuting strikes or any stoppages of work which are not in violation of this Agreement. The Local Union may from time to time amend its listing of authorized representatives by certified mail (or confirmed e-mail). The Local Union shall not authorize any work stoppages, slowdown, walkout, or cessation of work in violation of this Agree- ment. It is further agreed that in all cases of an unauthorized strike, slowdown, walkout, or any unauthorized cessation of work which is in violation of this Agreement the Union shall not be liable for damages resulting from such unauthorized acts of its members.

In the event of a work stoppage, slowdown, walkout or cessation of work, not permitted by the provisions of Article 8, Section 3(a), (b), or (c) alleged to be in violation of this Agreement, the Employer shall immediately send a wire or fax to the Freight Coordinator in the appropriate Regional Area and to the Chairman of TNFINC to determine if such strike, etc., is authorized.

No strike, slowdown, walkout or cessation of work alleged to be in violation of this Agreement shall be deemed to be authorized un- less notification thereof by telegram has been received by the Em- ployer and the Local Union from such Regional Area. If no re- sponse is received by the Employer within twenty-four (24) hours after request, excluding Saturdays, Sundays, and holidays, such strike, etc., shall be deemed to be unauthorized for the purpose of this Agreement.

In the event of such unauthorized work stoppage or picket line, etc., in violation of this Agreement, the Local Union shall immediately make every effort to persuade the employees to commence the full performance of their duties and shall immediately inform the em- ployees that the work stoppage and/or picket line is unauthorized and in violation of this Agreement. The question of whether em- ployees who refuse to work during such unauthorized work stop- pages, in violation of this Agreement, or who fail to cross unautho- rized picket lines at their Employer's premises, shall be considered as participating in an unauthorized work stoppage in violation of this Agreement may be submitted to the grievance procedure, but not the amount of suspension herein referred to.

Article 8, Section 4

It is specifically understood and agreed that the Employer during the first twenty-four (24)—hour period of such unauthorized work stoppage in violation of this Agreement, shall have the sole and complete right of reasonable discipline, including suspension from employment, up to and including thirty (30) days, but short of dis- charge, and such employees shall not be entitled to or have any recourse to the grievance procedure. In addition, it is agreed be- tween the parties that if any employee repeats any such unautho- rized strike, etc., in violation of this Agreement, during the term of this Agreement, the Employer shall have the right to further disci- pline or discharge such employee without recourse for such repe- tition. After the first twenty-four (24)—hour period of an unautho- rized stoppage in violation of this Agreement, and if such stoppage continues, the Employer shall have the sole and complete right to immediately further discipline or discharge any employee partici- pating in any unauthorized strike, slowdown, walkout, or any oth- er cessation of work in violation of this Agreement, and such em- ployees shall not be entitled to or have any recourse to the grievance procedure. The suspension or discharge herein referred to shall be uniformly applied to all employees participating in such unauthorized activity. The Employer shall have the sole right to schedule the employee's period of suspension.

The International Brotherhood of Teamsters, the Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions shall make immediate efforts to terminate any strike or stop- page of work as aforesaid which is not authorized by such organiza- tions, without assuming liability therefore. For and in consideration of the agreement of the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions affiliated with the International Brother- hood of Teamsters to make the aforesaid efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, including the provisions limiting strikes or work stoppages, as aforesaid, the Employer who is party hereto agrees that it will not hold the International Brotherhood of Teamsters, the Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions liable or sue them in any court or before any administrative tribunal for undertaking such efforts to terminate

Article 8, Section 4

unauthorized strikes or stoppages of work as aforesaid or for under- taking such efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, or for tak- ing no further steps to require them to do so. It is further agreed that the Employer will not hold the International Brotherhood of Team- sters, Teamsters National Freight Industry Negotiating Committee, Joint Councils or Local Unions liable or sue them in any court or before any administrative tribunal for such unauthorized work stop- pages alleging condonation, ratification or assumption of liability for undertaking such efforts to terminate strikes or stoppages of work, or requiring Local Unions and their members to comply with the law or the provisions of this Agreement.

The provisions of this Article shall continue to apply during that period of time between the expiration of this Agreement and the conclusion of the negotiations or the effective date of the successor Agreement, whichever occurs later, except as provided in Article 39. It is understood and agreed that failure by the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, and/or Joint Councils to authorize a strike by a Local Union shall not relieve such Local Union of liability for a strike authorized by it and which is in violation of this Agreement.

(b) The question of whether the International Union, Teamsters National Freight Industry Negotiating Committee, Joint Council or Local Union have met its obligation set forth in the immediately preceding paragraphs, or the question of whether the International Union, Teamsters National Freight Industry Negotiating Commit- tee, and Joint Council or the Local Union, separately or jointly, participated in an unauthorized work stoppage, slowdown, walkout or cessation of work in violation of this Agreement by calling, en- couraging, assisting or aiding such work stoppage, etc., in violation of this Agreement, or the question of whether an authorized strike provided by Article 8, Section 3(a), (b) or (c) is in violation of this Agreement, or whether the Employer engaged in a lockout in vio- lation of this Agreement, shall be submitted to the grievance proce- dure at the national level, prior to the institution of any damage suit action. When requested, the co-chairmen of the National Grievance Committee shall immediately appoint a subcommittee to develop a

Article 8, Section 4

record by collecting evidence and hearing testimony, if any, on the questions of whether the International Union, Teamsters National Freight Industry Negotiating Committee, Joint Council or Local Union have met its tax withholding obligations as aforesaid, or of Union Participa- tion or Employer lockout in violation of this Agreement. The record shall be immediately forwarded to the National Grievance Commit- tee for decision. If a decision is not rendered within thirty (30) days after the co-chairmen have convened the National Grievance Com- mittee, the matter shall be considered deadlocked.

A majority decision of the National Grievance Committee on the questions presented as aforesaid shall be final and binding on all parties. If such majority decision is rendered in favor of one (1) or more of the Union entities, or the Employer, in the case of lockout, no damage suit proceedings on the issues set forth in this Article shall be instituted against such Union entity or such Employer. If, however, the National Grievance Committee is deadlocked on the issues referred to in this subsection 4(b), the issues must be referred to

the National Review Committee for resolution prior to either party instituting damage suit proceedings. If the National Review Committee decides that a strike was unlawful, it shall not have the authority to assess damages. Except as provided in this subsection 4(b), agreement to utilize this procedure shall not thereafter in any way limit or constitute a waiver of the right of the Employer or Union to commence damage suit action. However, the use of evi- dence in this procedure shall not waive the right of the Employer or Union to use such evidence in any litigation relating to the strike or lockout, etc., in violation of this Agreement. There shall not be any strike, slowdown, walkout, cessation of work or lockout as a result of a deadlock of the National Grievance Committee on the ques- tions referred to under this subsection 4(b) and any such activity shall be considered a violation of this Agreement.

(c) In the event that the Employer, party to this Agreement, com- mences legal proceedings against the Union after the Union's compliance with the provisions of Article 8, Section 3(a), (b) or (c), the applicable Committee Secretary will cooperate in the pre- sentation to the court of the applicable majority grievance commit- tee decision.

Article 8, Section 4

(d) Nothing herein shall prevent the Employer or Union from se- curing remedies granted by law except as specifically set forth in subsection 4(b).

Section 5.

(a) In the event of strikes, work stoppages, or other activities autho- rized by Article 8, Section 3(a), (b) or (c) of this Agreement, no inter- pretation of this Agreement or any Supplement thereto relating to the Employer's obligation to make health & welfare and /or pension contributions by any tribunal shall be binding upon the Union or af- fect the legality or lawfulness of the strikes unless the Union stipu- lates to be bound by such interpretation, it being the intention of the parties to resolve all questions of interpretation by mutual agreement.

(b) It is the intention of the parties to resolve all grievances and requests for interpretation arising under this Agreement through the grievance procedure. However, it is understood and agreed that nothing herein shall prevent the Employer or Union from securing remedies in those circumstances where the application of this Agreement is contrary to law.

Section 6. Change of Operations

Change of Operations Committee

(a) Present terminals, breaking points or domiciles shall not be transferred, changed or modified without the approval of an appro- priate Change of Operations Committee. Such Committee shall be appointed in each of the Regional Areas, equally composed of Em- ployer and Union representatives. The Change of Operations Com- mittee shall have the authority to determine the seniority of the em- ployees affected and such determination shall be final and binding.

In the event a proposed change of operations includes the establish- ment of either a new or satellite terminal as a "combination" facility with a common city driver and dock seniority roster, when such change of operations results in the relocation or movement of city drivers and dock employees from an existing terminal recognizing separate (split) seniority rosters for city drivers and dock employees, the Change of Operations Committee shall have the authority to de-

Article 8, Section 6

termine the conditions under which such a combination facility may be established, including but not limited to, the number of city driv- ers and dock employees who qualify, be allowed to follow the work to the new or satellite combination terminal, the implementation of training programs to qualify dock employees as city drivers and the seniority right of affected employees to either return to the “mother” terminal and/or claim additional driving positions at the satellite ter- minal within reasonable time periods following the establishment of such combination terminal, as determined by the Committee. Exist- ing terminals that recognize separate city driver and dock seniority rosters (split terminals) shall not be converted to “combination” ter- minals unless and until such time as a majority of those affected employees agree to such conversion, in which case the Change of Operations Committee shall have the authority to determine the con- ditions under which such conversion shall be implemented.

Such Committee, however, shall observe the Employer’s right to designate domiciles and the operational requirements of the busi- ness. Where the Union raises the question as to whether or not certain proposed runs of excessive length can be made, the Em- ployer must be prepared to submit objective evidence including DOT certification or logs and tapes that such runs have been tested and were made within the DOT hours of service regulations. Indi- vidual employees shall not be redomiciled more than once during the term of this Agreement as the result of an approved change of operations unless a merger, purchase, sale, acquisition or consoli- dation of employers is involved, or unless there is proven economic need as determined by the Change of Operations Committee based on factual evidence presented.

Where there is no objection from the involved Local Unions to a proposed change of operations (as evidenced in a letter or e-mail from the involved Local Unions) and the matter is approved by both the Union’s Regional Coordinator and Union’s National Freight Director, the Company may implement the change prior to a formal hearing. The Change of Operations Committee would maintain jurisdiction for a period of twelve (12) months following the implementation to address any disputes concerning the imple- mentation.

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Pension and health & welfare contributions paid on behalf of a re- domiciled employee shall be paid to the Funds to which the contri- butions were made prior to the employee’s change of domicile, and the decisions of the Change of Operations Committee shall so spec- ify. This Section does not apply to employees who voluntarily transfer to new domiciles, unless such transfer is a result of a Change of Operations Committee decision. Any dispute concerning the appropriate fund for the Employer contribution on behalf of a redomiciled employee, pursuant to a Change of Operations Com- mittee decision, shall be referred to the National Grievance Com- mittee. The decision of the National Grievance Committee shall to the extent permitted by law, be final and binding on all affected parties, including the Trust Funds.

The Change of Operations Committee shall also have jurisdiction for a period of twelve (12) months following the opening of a new terminal to consider the redomicile of employees who are laid off as a direct result of such opening of a terminal. The Committee shall also have jurisdiction over the closing of a terminal in regard to seniority, as well as to determine the conditions under which freight may or may not be

interlined into the area of a vacated op- erations when necessary to retain major customers, including man- dating the use of union carriers where available. In no event will the Employer be granted the authority to vacate a facility and interline the freight on a non-union subsidiary of the parent company.

The above shall not apply within a twenty-five (25)-mile radius.

The Change of Operations Committee shall have the authority to require a definition of primary and shared lanes, where applicable.

The Change of Operations Committee shall not grant the Employer authority to relocate U.S. operations, work, or terminals to Mexico.

Change of Operations Committee Procedure

b) The National Grievance Committee shall adopt Rules of Proce- dure concerning the application and administration of this Article.

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The Employer shall notify all affected Local Unions of the pro- posed change of operations at least thirty (30) calendar days prior to the hearing at the Regional Joint Area Committee, and the Em- ployer and the Local Unions involved shall have a mutual respon- sibility to inform the employees subject to redomicile prior to such hearing in accordance with the practice and procedures agreed to in the respective Area Committee. Any exception or waiver of the aforesaid thirty (30) day period shall be mutually agreed to between the Employer and the Local Unions involved and approved by the Regional Area Change of Operations Committee.

Moving Expenses

(c) The Employer shall pay reasonable expenses to demount and remount an employee's mobile home, if used as his/her residence and in such instance shall pay normal expenses to move such mo- bile home, including the use of other modes of transportation where required by law. However, it is mutually understood that the cost of such move shall not exceed nine thousand dollars ($9,000.00) per move. Commencing April 1, 2004 and every April 1st thereafter under this agreement, this amount will be increased by the prior year's average annual increase in the CPI-W, U.S. city average, Housing, Household Operations expenditure category titled "Mov- ing, storage, freight expense". A decrease in the percent change in the Index will not result in a decrease of the mobile home moving allowance once established. In the event the index is no longer pub- lished by BLS, the parties will agree to meet and find a substitute Index as an escalator.

Where an employee is required to transfer to another domicile in order to follow employment as a result of a change of operations, the Employer shall move the employee and assume the responsibil- ity for proven loss or damage to household goods due to such move, including insurance against loss or damage. Should any em- ployee possess household items of unusual or extraordinary value which will be included in the move, such items shall be declared and an appraised value determined prior to the move. The Employ- er shall provide packing materials for the employee's household goods when requested or at the employee's request pay all costs and expenses of moving such household goods, including packing.

An employee shall have a maximum of one (1) year to move in accordance with the provisions of an approved change of opera- tions unless, prior to the expiration of such year, he/she requests, in writing, an extension for a reasonable period of time due to an un- usual or special problem. The Employer shall provide lodging for the employee at the point of redomicile, not to exceed ninety (90) calendar days, and in addition, shall reimburse the employee six- ty-one cents (61¢) per mile to transport two (2) personal automo- biles to the new location.

The Employer shall not be responsible for moving expenses if the employee changes his/her residence as a result of voluntary trans- fer.

None of the Employer obligations set forth in this Subsection (c)— Moving Expenses shall apply to transfers of domiciles within a fifty (50)—mile radius.

Change of Operations Seniority

(d) The Change of Operations Committee established herein hall have the sole authority to determine questions of the application of seniority in those situations presented to it and in connection there- with the following general rules shall apply, subject, however, to modification as provided by Section 6(g) below:

Closing, Partial Closing of Terminals-Transfer of Work

(1) a. When branches, terminals, divisions or operations (herein- after “terminal(s)”) are closed or partially closed and the work of such terminal(s) is transferred, in whole or in part, to another termi- nal(s), the active employees (excluding those employees on letter of layoff) at the closed or partially closed terminal(s) shall have the right to bid into a master seniority roster (road or city) comprised of bidders from the active seniority rosters of closed or partially closed terminal(s) in the order of their continuous classification (road or city) seniority. Continuous classification seniority shall be defined as that seniority which the employee is currently exercising and has not been broken in the manner provided by Article 5, Sec- tion 1, or by voluntary changes in domicile not directed, approved

or ordered by a Change of Operations Committee. Employees shall bid from the combined master seniority roster into openings at the terminal(s) into which work is being transferred. Employees so transferring shall be “dovetailed” into the appropriate active senior- ity roster at the new terminal(s) in the order of their continuous classification seniority. Such transfers shall be permitted prior to the recall of laid-off employees at such gaining terminal(s). If and when additional employees are required in excess of those who formed the combined active roster at the point of redomicile, em- ployees on letter of layoff at that location shall be recalled. If re- called, such employees shall be “dovetailed” with their continuous classification seniority.

In addition, the inactive seniority rosters (employees who are on letter of layoff) at the terminal(s) from which employees are being redomiciled shall be “dovetailed” into a master “laid off” seniority roster and such employees shall have the same opportunities to transfer to terminal(s) within the area of the Supplemental Agree- ment which are afforded to employees covered by the provisions of subparagraph 2(b) below. These inactive employees at the losing terminal(s) shall also be offered first work opportunity, in seniority order, at terminals into which work was transferred within the re- gional area where such

employees were employed. Such inactive employees shall gain active seniority in accordance with the provi- sions of the applicable supplemental agreement. The use of such employees shall be subject to the order of call of the supplement. The employee's seniority date for bidding and layoff purposes shall be the date which they gain active status. The employee shall retain company seniority for fringe benefits only as of that date.

The senior driver voluntarily laid off at a losing domicile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) within any thirty (30) calendar day period on a primary run of such domicile, not affected by a Change of Operations.

b. The following seniority bidding procedures are to be applied in all change of operations cases that involve master pool bidding:

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1. The Change of Operations Committee shall have the authority to establish a date for purposes of determining active and inactive (on letter of layoff or the equivalent thereof) employees at both gaining and losing locations.

2. Affected employees at losing locations shall be allowed to bid onto an active master pool seniority list on a dovetailed seniority basis.

3. At the time of the original bid, an employee on the active master pool seniority list shall be afforded the opportunity to bid any avail- able position for which he/she is qualified at a gaining location in accordance with his/her seniority on the master pool seniority list. In the event the active employees at any given location elect not to bid the number of positions being lost at that particular location, inactive employees at that location, in accordance with their senior- ity, shall then be afforded the opportunity to bid as an active em- ployee until the number of positions being lost at that particular location are filled. An employee who elects to "hold" as set forth in paragraph 4 below shall not be considered as filling a losing posi- tion. A successful bidder shall be dovetailed on the seniority list at the location he/she bids into. The number of successful bidders from any losing location shall not exceed, at the time of the original bid, the number of positions lost at that location as approved by the Change of Operations Committee.

4. An employee on the active master pool seniority list who does not have seniority to bid the location he/she desires in the initial bid may hold for such desired location and remain at his/her present domicile in such status as his/her bidding seniority will allow. Should an opening occur during the window period as set forth in the Change of Operations decision at the location to which he/she desired to transfer, he/she shall be afforded transfer opportunity in line with his/her bidding seniority. A successful bidder under this provision shall be dovetailed on the applicable seniority list at the location into which he/she bids and his/her moving expenses shall be paid in accordance with other transferring employees. The trans- fer provisions of this Section shall apply only during the window period as set forth in the Change of Operations decision.

5. An employee who elects to hold as set forth in Paragraph 4 above may hold for only one (1) location 6 and must designate that location at (ii) the time of the original bid and may hold only for a po- sition within the classification the employee has seniority to bid. If an employee refuses to accept an opportunity to claim a position he/she is holding for, the employee shall have no further claim to a position that may become available during the window period.

6. An employee who elects to hold, shall also be entitled to exer- cise seniority to claim a voluntary move under the provisions of Article 5, Section 5 herein, and in the event the employee accepts such a voluntary move, he/she shall retain his/her hold position at his/her home domicile during the remainder of the window period but shall forfeit any other seniority rights at his/her home domicile. Should a position become available at the location such employee is holding for and which the employee has seniority to successfully claim, moving expenses set forth in Article 8, Section 6(c) shall be computed from the employee's original home domicile.

7. There shall be a maximum one hundred twenty (120) calendar day window period from the date of implementation in all Changes of Operations only when the number of positions offered at gaining terminals do not equal the number of positions lost at the losing terminals.

(a) Any openings which may occur at a gaining terminal during the window period shall be offered to those employees on the Master Pool Seniority list who have not been offered transfer opportunity under the provisions of Article 8, Section 6 before they are offered to employees who may have elected to "hold" as set forth in para- graph 4 above.

(b) The window period established by the Change of Operations decision shall close if either of the following conditions is met: (a) the number of days and/or months of the window period as set forth in the Change of Operations decision has expired; or (b) all em- ployees on the Master Pool Seniority list have been offered work opportunities pursuant to Article 8, Section 6.

(c) However, with respect to those who bid to "hold", it is understood that such bids must remain open and any job opportunities that are clearly identifiable as a direct result of the Change of Operations must be offered, by seniority, to those qualified employees who bid to hold for that specific location for the length of the window period(s) (road/ cartage) set forth in the Change of Operations decision even if the window period is closed as set forth in paragraph (b) above.

(d) The Company shall determine whether an additional job opportu- nity is the direct result of the Change of Operations at the specific gaining domicile for which the employee is "holding". The Company shall so notify the employee's current Local Union and the gaining Local Union. The Company shall have the burden of proof in establish- ing whether or not an additional job opportunity is clearly the direct result of the Change of Operations at the specific gaining domicile for which the employee is "holding". Any grievance filed regarding the Company's decision to permit or deny a "hold" transfer shall be filed with the appropriate Regional Joint Area Committee to be heard by the Multi-Region Change of Operations Committee that held jurisdiction.

8. Employees who are qualified bidders on Long-Term Disability (LTD) at the time of bid shall be allowed to bid. If successful LTD bidders are unable to claim their bid on the date of implementation, a hold-down bid will be allowed. This hold-down bid will be of- fered to those remaining active employees at the LTD's

current lo- cation, by classification, who have not been offered transfer oppor- tunity under the Change of Operations. The successful hold-down bidder shall be dovetailed. When the LTD employee returns to work and claims his/her bid, the hold-down employee may either remain at the hold-down location with a bidding seniority date con- sistent with the date of transfer under the Change of Operations or return to his/her original location with his/her original bidding se- niority date. The hold-down employee may not return to a location where the classification from which he/she bid has been eliminated. The Company shall not be responsible for the moving expense of the employee filling the hold-down bid, unless and until such time as it is determined that the employee on LTD will never be able to claim his bid and the hold-down bidder becomes a regular perma- nent employee at the hold-down location.

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Closing of Terminals-Elimination of Work

(2) a. When a terminal(s) is closed and the work of such termi- nal(s) is eliminated, an employee who was formerly employed at another terminal shall have the right to return to such former termi- nal and exercise his/her continuous classification (road or city) se- niority, provided he/she has not been away from such former termi- nal for more than a five (5)-year period.

Layoff

b. When a terminal(s) is closed and the work of such terminal(s) is eliminated, employees who are laid-off thereby shall be given first (1st) opportunity for available regular employment in the classifica- tion in which they are employed at the time of such layoff (prior to the employment of new hires but subject to the order of call/hiring of the Supplemental Agreement) occurring at any other terminal(s) of the Employer within the area of the Supplemental Agreement where such employee was employed provided they notify the Em- ployer in writing of their interest in a transfer opportunity. The offer of transfer will be made in the order of continuous classification se- niority of the laid off employees within the area of the Supplemental Agreement. The Employer shall be required to make additional of- fers of transfer to an employee who has previously rejected a trans- fer opportunity provided the employee again notifies the Employer in writing of his/her continued interest in additional transfer oppor- tunities. However, the Employer will only be required to make one transfer offer in any six (6) calendar month period. The obligation to offer such employment shall continue for a period of five (5) years from the date of closing. Any employee accepting such offer shall be employed at his/her applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. A transfer- ring employee shall pay his/her own moving expenses.

Opening of Terminals

(3) When a new terminal(s) is opened (except as a replacement for existing operations or a new division in a locality where there are existing operations), the Employer shall offer to those em- ployees, restrictions, if any, affected thereby the opportunity to transfer to reg-

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ular positions in the new terminal(s) in the order of such employ- ee's continuous classification (road or city) seniority date as defined herein. Upon arrival at such new location, such employ- ees shall be "dovetailed" with their continuous classification (road or city) seniority date together with other employees so transferring.

This provision is not intended to cover situations where there is replacement of an existing operation or where a new division is opened in a locality where there is an existing terminal. In these latter situations, those employees laid off at the existing facilities shall have first (1st) opportunity for employment at the new opera- tion in accordance with their continuous classification (road or city) seniority date, and upon arrival shall be similarly "dovetailed." If all regular full-time positions are not filled in this manner, then the provisions of the preceding paragraph shall apply.

(4) When a Company which has an established Local Cartage Op- eration, which has been cleared by system OTR drivers, seeks to establish a new OTR domicile there, the Company shall first file for a Change of Operations giving transfer opportunity, with regard to the initial complement, to OTR drivers from those system OTR domiciles that previously serviced such Local Cartage Operation with reasonable regularity. Such transfer opportunity shall remain in effect for any additions to the initial complement for a period of not less than 120 calendar days, after which further additions to such complement shall be hired at the locality where such new OTR domicile was established.

(5) Any employee redomiciled by an approved change of opera- tions to another domicile shall upon reporting to such new domicile be deemed to have relinquished his/her right to return, with senior- ity, to the domicile from which he/she was transferred, except un- der another approved change of operations. Employees who avail themselves of the transfer privileges because they are on layoff at their original terminal may exercise their seniority rights if work becomes available at their original terminal during the five (5) year layoff period allowed them at their original terminal.

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(6) When the Employer proposed Change of Operations offers a specific number of road positions at a gaining domicile, the Em- ployer shall be required to make every good faith effort and use all practical means to hire qualified applicants to fill such offered posi- tions that are left vacant because other employees affected by the Change have elected not to bid into that gaining domicile. The Em- ployer's duty to hire under this provision is to use every reasonable means to advertise for qualified applicants and to meet with the af- fected Local Union(s) to seek qualified applicants. Nothing in this provision shall be construed to create an obligation that the Em- ployer maintain or otherwise guarantee a specific number of em- ployees at a gaining domicile. Any grievance concerning any issue which may arise under this provision shall be filed directly with the Multi-Region Change of Operations Committee.

In the event it is determined by the Multi-Region Change of Op- erations Committee that the Employer has not made every good faith effort and used all practical means to hire qualified appli- cants for road positions as required under this provision, the Com- mittee may require the Employer to hire qualified applicant(s) as outlined above.

Definition of Terms

(e) The term "continuous classification seniority" as used in this Agreement is defined as that seniority which the employee is cur- rently exercising and has not been broken in the manner provided in Article 5,

Section 1, or by voluntary changes in domicile not di- rected, approved or ordered by a Change of Operations Committee.

Qualifications and Training

(f) Employees, who are presently non-CDL qualified and elect to bid to transfer to a gaining terminal that requires CDL qualified employees, shall be provided a sixty (60) day training period in order to become CDL qualified. The training period shall com- mence from the date the employee becomes a successful bidder and the Company shall furnish training personnel and equipment at the location where the employee is currently domiciled or oth- erwise as mutually agreed to. If the employee fails to qualify

during such sixty (60) day period, the employee shall forfeit his/ her right to fill the bid and shall remain on the seniority list of the current domicile.

Intent of Parties

(g) The parties acknowledge that the above rules are intended sole- ly as general standards and further that many factual situations will be presented which necessitate different application, modification or amendment. Accordingly, the parties acknowledge that ques- tions of the application of seniority rights may arise which require different treatment and it is anticipated and understood that the Em- ployers and Unions jointly involved and/or the respective griev- ance committees may mutually agree to such disposition of ques- tions of seniority which in their judgment is appropriate under the circumstances.

The Change of Operations Committees, as provided herein or in the Supplemental Agreements, shall have the authority to determine the application of seniority in those situations presented to them. In all cases, the seniority decisions of the Joint Committees, including the Change of Operations Committees and subcommittees estab- lished by the ABF National Master Freight Agreement and the re- spective Supplemental Agreements, shall be final and binding.

Section 7.

Any grievance committee or panel, as constituted under this Agree- ment, shall have the jurisdiction and power to decide grievances which arose under the preceding agreements and supplements thereto. In doing so, the committees or panels shall follow the grievance procedure set forth in the 2008-2013 Agreement, but ap- ply the contract under which the grievance arose.

Section 8. Sleeper Cab Operations

Unless specifically addressed in this section the provisions of the applicable supplemental agreement relating to sleeper cab opera- tions remain in full force and effect.

A. Work Rules

The Local Union and the Company shall meet and negotiate dis- patch and/or work rules. If no agreement is reached disputes shall be subject to the grievance machinery.

B. Team Classifications

1. “Bid Team Drivers” and “Bid Team Extra Board Drivers”

Team Drivers who are classified as bid destination drivers or bid team extra board drivers will be guaranteed a minimum of thirteen hundred (1300) miles round trip when dispatched. If the dispatch of a bid sleeper team is broken between A & B (1st dispatch the driv- ers will be paid no less than their original dispatch). If the broken dispatch results in more miles the drivers shall be paid their actual miles driven and work performed. There will be no free time at any point reached.

2. “Extra Board Team Drivers”

Teams who are classified as extra board drivers will receive a min- imum of thirteen hundred (1300) miles round trip when dispatched.

3. Turning In The Yard Home Terminal (Non-Scheduled Teams)

When mutually agreed between the sleeper team and the Employer, sleeper teams may be allowed to turn in the yard at their home do- micile provided the dispatch wheel is exhausted and/or there are no other teams rested and available for dispatch. When the Employer turns a sleeper team at their home domicile any delay in excess of one (1) hour shall be compensable.

The above referenced mileage guarantees are in addition to any other earnings after dispatch.

C. Dispatch Method

Sleeper cab operations shall be between the designated home termi- nal and a designated area and/or a destination terminal unless oth- erwise agreed. The A, B, C, dispatch principle shall apply.

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All regular sleeper runs shall be posted for bid once each six (6) months unless otherwise agreed. The number of regular runs or teams in designated areas shall be determined by taking fifty per- cent (50%) of the average number of runs operated by sleeper teams between two (2) or more designated points for a period of six (6) months. Disputes over bids will be referred to the Sleeper Res- olution Committee.

The sleeper trip must equal a minimum of thirteen hundred (1300) paid miles.

All sleeper trips are limited to one via on the return home dispatch, (B-A), (C-A), unless otherwise mutually agreed or as approved by the appropriate committee.

All sleeper teams must be sent to their home terminal on the third dispatch unless otherwise mutually agreed.

D. Laypoint and Layover

The layover provision of this section shall apply at only one away from home terminal, and all time spent at all other points touched on a round trip from the home terminal exclusive of meal time shall be paid for at

the full hourly rate for each driver.

The layover point shall be the destination of the A-B dispatch and shall be designated on the driver's original orders prior to the dis- patch from the point of origin and shall remain the same whether or not the drivers reached that point. If the team does not reach the original dispatch point there shall be no free time.

Upon arrival at a team's designated lay point, the Employer shall advise as soon as possible, but not later than thirty (30) minutes after the team signs-in, whether the team will be turned or put to bed.

In the event the team is put to bed, they shall be compensated at the straight-time hourly rate of pay from the time they signed in until the time they were so notified.

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However, in the event of unforeseen circumstances (e.g., road clo- sures; equipment breakdown; government declared emergency), the Employer may cancel a previously assigned dispatch prior to the expiration of the one hour free time and put the team to bed. In this circumstance, the team will be compensated at the straight time hourly rate of pay from the time they signed in until the time they were so notified. Failure by the Employer to make a load shall not be considered an unforeseen circumstance.

If the drivers are advised they are turning, the Company will have one-half (1/2) free hour at the laypoint and one (1) free hour at the home domicile in which to turn the drivers provided there are safe and sanitary shower facilities equipped with hot and cold water for showering. If the drivers are not dispatched within the above-mentioned one-half (1/2) or one (1) hour free time period after arrival they shall be paid for all time spent in excess at the applicable rate.

If the team is relieved of duty on arrival and signs for eight (8) hours off and then is recalled within four (4) hours, they shall be paid for all time spent.

Where sleeper teams are required to layover away from their home terminal, layover paid shall commence following the tenth (10th) hour after the end of the run. If the driver is held over the tenth (10th) hour the driver shall be guaranteed two (2) hours pay in any event for the layover time. If the driver is held over more than two (2) hours the driver shall receive layover pay for each hour up to eight (8) hours in the first eighteen (18) hours of layover period, commencing after the run ends. The same principle shall apply to each succeeding eighteen (18) hours, and layover pay shall com- mence after the tenth (10th) hour.

E. Abuse of Free Time

Whenever any employer arbitrarily abuses the free time allowed in this section, then this shall be considered a dispute and the same shall be subject to the grievance machinery.

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F. Mark-Off Procedure For Non-Scheduled Sleeper Cab Drivers

In the event the Company and the Local Union are unable to agree to a mark-off procedure, the following shall apply unless the sup- plement provides otherwise.

1. For the purposes of time off, one thousand (1000) tractor miles equals one (1) sleeper trip. (for each driver)

2. After the completion of four (4) consecutive trips, the drivers will be entitled to forty-eight (48) hours off, plus an additional eight (8) hours rest. The drivers may waive the forty-eight (48) hours off.

3. After the completion of six (6) consecutive trips the drivers will be entitled to seventy-two (72) hours off, plus an additional eight (8) hours rest. Drivers entitled to such time off privileges may at their option, exercise time off privilege at the completion of either the sixth (6th), eighth (8th), or tenth (10th) trips. An extra board team that exercises their maximum time off after the eighth (8th) or tenth (10th) trip is subject to no more than fifteen percent (15%) of the active board off at one time.

4. Where drivers fail to exercise time off privilege after the tenth (10th) trip, they shall forfeit such time off and the cycle will revert back to subsection 2.

5. Time off privileges may be exercised only at the completion of the fourth (4th), sixth (6th), eighth (8th) or tenth (10th) trips upon the drivers returning home. An extra board team that exercises their maximum time off after the eighth (8th) or tenth (10th) trip is sub- ject to no more than fifteen percent (15%) of the active board off at one time. A driver shall not be denied the time off in accordance with the fifteen percent (15%) rule more than once prior to receiv- ing such time off.

6. The only exception to the above is that the Employer shall pro- vide in the dispatch rules and/or procedures for thirty-six (36) con- secutive hours off duty at the home terminal at least once a week

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unless otherwise agreed to, provided the driver has been on the board and required to be available.

7. Where only one driver of an established team marks off for any reason, other than “9” below, he shall remain off until his partner returns to the home terminal, except as mutually agreed.

8. In those instances where an extra board driver makes a combi- nation of single operation and sleeper operation trips each driver will earn one tour for each one thousand (1000) tractor miles while on a sleeper trip.

9. Bid team drivers must take their earned time off at the same time as outlined above.

10. Sleeper drivers are entitled to ten (10) hours off duty at their home domicile upon the completion of each round trip exclusive of the two (2) hour call.

G. Bedding and Linen

Bedding and fresh linen, excluding pillows, for sleeper cabs shall be furnished and maintained by the Employer in a clean and sanitary condition. Complaints with respect to width, depth, and condition of mattresses shall be subject to the grievance procedure. Upon expira- tion of current linen provider contracts, the drivers will be compen- sated seven dollars ($7.00) each per trip to furnish and maintain their linens. A trip is defined as beginning and ending at home domicile.

H. Sleeper Cab Equipment

All sleeper cab equipment must be provided with air conditioning and heating appliances in accordance with Article 16, Section 6 of this Agreement. In the event of mechanical failure of such air con- ditioning and heating appliances, repairs shall be made at the first point of repair enroute where qualified, certified service and parts are available. Drivers shall be paid for all time waiting for repairs to be made to heating appliances. In the event an air conditioning appliance becomes inoperable, the time necessary to complete the repairs cannot cause an unreasonable delay in the movement of

freight and therefore will be limited to four (4) hours, for which drivers will be paid. In the event parts and/or qualified, certified service are not available, necessary repairs shall be completed prior to the equipment being dispatched from the next scheduled point of dispatch.

I. Sleeper Cab Occupants

Only two (2) drivers shall be permitted in the sleeper cab equip- ment at any one time except in the case of emergency, an act of God, or where new type equipment is put into operation. In no event shall a master driver be in the cab in addition to the two (2) regular drivers for more than 300 miles or ten (10) hours.

J. Method of Dispatch At Foreign Domiciles

Foreign domiciled sleeper teams shall be placed on a common ro- tating wheel at the time they arrive at a foreign domicile and shall be dispatched off that wheel on a first-in first-out basis; provided however, a team may be dispatched out of rotation when receiving a direct dispatch back to their home domicile. Such direct dispatch may include a drop and pick enroute. When more than one team from a common home domicile is on the foreign wheel, the first team in shall be the team dispatched out of rotation.

Sleeper teams who are put to bed at a foreign domicile shall be dispatched in accordance with the procedure herein; provided how- ever, it shall not be a violation or the basis of a runaround claim, when a foreign team, whose home domicile is common to that of another team who is in bed at the foreign domicile, has been pre-dispatched on a via through the foreign domicile enroute to their home domicile. A foreign team may not however, be dis- patched from a home domicile to a foreign domicile and then back to their home domicile (A-B-A) when another team from the same home domicile is in bed at the foreign domicile.

K. Foreign Power Courtesy Dispatch

It shall not be a violation or the basis for a runaround when a sleep- er team is dispatched on a via through a foreign domicile where other sleeper teams or single drivers are domiciled when continuing

in motion over their designated sleeper lane, or being dispatched to their home domicile.

L. National Sleeper Cab Grievance Committee

The parties shall establish a National Sleeper Committee composed of four (4) union representatives appointed by the Chairman of TN- FINC and four (4) Employer representatives appointed by the Em- ployer Chairman of the National Grievance Committee. The Na- tional Sleeper Committee shall establish rules of procedure to govern the manner in which proposed sleeper operations are to be heard, procedures for resolving sleeper issues and procedures for establishing prehearing guidelines. Any grievance concerning the application or interpretation of this section shall be referred to the National Sleeper Committee for resolution. If the National Sleeper Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the National Grievance Committee.

ARTICLE 9. PROTECTION OF RIGHTS

Section 1. Picket Lines: Sympathetic Action

It shall not be a violation of this Agreement, and it shall not be cause for discharge, disciplinary action or permanent replacement in the event an employee refuses to enter upon any property in- volved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of Unions party to this Agreement, and including primary picket lines at the Employer's places of business.

Section 2. Struck Goods

It shall not be a violation of this Agreement and it shall not be cause for discharge, disciplinary action or permanent replacement if any employee refuses to perform any service which his/her Employer undertakes to perform as an ally of an Employer or person whose employees are on strike and which service, but for such strikes, would be performed by the employees of the Employer or person on strike.

Article 9, Section 3

Section 3.

Subject to Article 32—Subcontracting, hereof, the Employer agrees that it will not cease or refrain from handling, using, transporting, or otherwise dealing in any of the products of any other Employer or cease doing business with any other person, or fail in any obligation imposed by the Motor Carriers Act or other applicable law, as a result of individual employees exercising their rights under this Agreement or under law, but the Employer shall, notwithstanding any other pro- vision in this Agreement, when necessary, continue doing such busi- ness, including pickup or delivery to or from the Employer's terminal and to or from the premises of a shipper or consignee.

Section 4.

The layover provision of the applicable Supplemental Agreement shall apply when the Employer knowingly dispatches a road driver to a terminal at which a primary picket line has been posted as a result of the exhaustion of the grievance procedure, or after proper notification of a picket line permitted by the collective bargaining agreement, or economic strikes occurring after the expiration of collective bargaining agreements, or to achieve a collective bar- gaining agreement. In such event and upon his/her request, a driver shall be provided first class public transportation to his/her home terminal, plus be paid a minimum of eight (8) hours or actual time spent while returning, whichever is greater. The Employer shall de- termine the mode of transportation to be utilized.

ARTICLE 10. LOSS OR DAMAGE

Section 1.

In the event loss, damage or theft of freight, equipment, materials, or supplies is incurred as a direct result of a proven willful gross negli- gent act by an employee in the performance of assigned work, when such act knowingly may result in such loss, damage or theft, the employee may be held responsible for such acts and may be re- quired to assume liability for any such loss, damage or theft, in whole or in part. The term “willful, gross negligent acts” is intended to describe independent actions of any employee who knowingly

violates established rules or policies that, when adhered to, clearly prevent loss, damage or theft described herein. Employees shall not be held responsible or required to assume liability for loss or dam- age or theft unless clear proof of willful, gross negligence is shown. In no event will an employee be held responsible for, or required to assume any liability for any loss, damage or theft when performing assigned work in a manner as specifically instructed by a supervisor. This Article shall not be utilized in any manner to hold an employee liable for any loss or damage of equipment under any conditions or for any damage to cargo as a result of a vehicular accident.

Section 2.

Prior to an employee being charged with the responsibility and lia- bility for any loss, damage or theft because of willful gross negli- gent acts on the part of the employee, a hearing shall be held with the Local Union, the employee and the Employer. Employees who are found to be liable and required to make restitution for such lia- bility, shall not then be subject to any further disciplinary action. Any disputes between the parties may be referred to the grievance procedure of the applicable Area Supplemental Agreement and the ABF National Master Freight Agreement.

ARTICLE 11. BONDS AND INSURANCE

Section 1.

Should the Employer require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer. The primary obligation to procure the bonds shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding re- quirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements, standard premiums only on said bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all other of its em- ployees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not

be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

Every driver must maintain a valid commercial driver's license and required endorsements and be covered by insurance. If the Employ- er cannot cover a driver under an existing fleet policy, the Employ- er will promptly apply to the state assigned risk-pool to provide any comparable coverage. During the pendency of the application and until insurance is obtained, the driver will not be terminated, but will be taken out of driving service. When any comparable insur- ance is obtained, the employee will be responsible for paying any excess over the standard charges.

Section 2. Corporate Owned Life Insurance

The Employer will not own and/or be the beneficiary of any life insurance policy on the life or lives of any members of the bargain- ing unit without obtaining the explicit authorization of the Team- sters National Master Freight Negotiating Committee and the indi- vidual affected employees.

ARTICLE 12. UNIFORMS

Before the Employer purchases uniforms, it must present a sample of the material for the uniforms to the Union for approval. If the sample material type is not used in the finished uniforms, the Union employees are under no obligation to wear the uniforms. The Union's approval shall not be unreasonably withheld. The Employer agrees that if any employee is required to wear any kind of uniform as a condition of his/her continued employment, such uniform shall be furnished and maintained by the Employer, free of charge, at the standard required by the Employer. Said uniforms shall be made in the United States by union vendors, if possible, and will have the Teamster emblem appropriately applied and, as uniforms are replaced after July 25, 2018, an American flag on the left shoulder.

The Employer shall replace all clothing, glasses, hearing aids and/ or dentures not covered by company insurance or worker's com- pensation which are destroyed or damaged in a wreck or fire with company equipment.

The Employer has the right to establish and maintain reasonable standards for wearing apparel and personal grooming.

The following provisions shall govern the wearing of shorts, unless the Employer and Local Union has a prior existing practice:

During the period May 1, through September 30, employees shall be allowed to wear appropriate Employer approved polo shirts and shorts, subject to the guidelines set forth herein. Appropriate shorts shall be defined as walking or Bermuda style shorts with at least two (2) pockets and belt loops and which cannot be shorter than two (2) inches above the knee, properly hemmed at the bottom and of a conservative basic solid color, (black, blue, brown or green). Socks and appropriate foot wear must be worn at all times.

Short shorts, cut offs, unhemmed, athletic, gym, biking, spandex and calf length shorts shall not be allowed.

ARTICLE 13. PASSENGERS

No driver shall allow anyone, other than employees of the Em- ployer who are on duty, to ride on his truck except by written au- thorization of the Employer, or except in cases of emergency aris- ing out of disabled commercial equipment or an Act of God. No more than two (2) people shall ride in the cab of a tractor unless required by government agencies or the necessity of checking of equipment. This shall not prohibit drivers from picking up other drivers, helpers or others in wrecked or broken down motor equip- ment and transporting them to the first (1st) available point of communication, repair, lodging or available medical attention. Nor shall this prohibit the transportation of other drivers from the driver's own company at a delivery point or terminal to a restau- rant for meals.

ARTICLE 14. COMPENSATION CLAIMS

Section 1. Compensation Claims

(a) The Employer agrees to cooperate toward the prompt disposi- tion of employee on-the-job injury claims. The Employer shall provide worker's compensation protection for all employees even though not required by state law, or the equivalent thereof, if the injury arose out of or in the course of employment. No employee will be disciplined or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, at a hospital or any location outside the employee's home terminal without his/her consent.

(b) At the time an injury report is turned in, the Employer shall provide the injured employee with an information sheet briefly out- lining the procedure for submitting a worker's compensation claim to include the name, address and phone number of the company's worker's compensation representative and other pertinent informa- tion relative to claim payment.

(c) An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. An employee who has returned to his/her regular du- ties after sustaining a compensable injury who is required by the worker's compensation doctor to receive additional medical treat- ment during his/her regularly scheduled working hours shall re- ceive his/her regular hourly rate of pay for such time. Where not prohibited by state law, employees who sustain occupational injury or illness shall be allowed to select a physician of their own choice and shall notify the Employer in writing of such physician.

(d) Road drivers sustaining an injury while being transported in company-provided transportation for Company purposes at a lay- over terminal shall be considered as having been injured on the job.

(e) In the event that an employee sustains an occupational illness or injury while on a run away from his/her home terminal, the Em-

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ployer shall provide transportation by bus, train, plane, or automo- bile to his/her home terminal if and when directed by a doctor.

(f) The Employer agrees to provide any employee injured locally transportation at the time of injury, from the job to the medical fa- cility and return to the job, or to his/her home if required.

(g) In the event of a fatality arising in the course of employment, while away from the home terminal, the Employer shall return the deceased to his/her home at the point of domicile.

(h) The Employer may publish reasonable safety rules and proce- dures and provide the Local Union with a copy. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action in accordance with the disciplinary proce- dures in the applicable Supplemental Agreement. However, the time limitation relative to prior offenses shall be waived to permit consideration of the employee's entire record of failure to observe reasonable safety rules and/or procedures resulting in lost time per- sonal injuries. This provision does not apply to vehicular acci- dents.

When issuing progressive discipline under the terms and conditions of Article 14 Section 1(h), it is understood that the time limitation relative to prior offenses of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries is waived and may be included in the disciplinary process.

However it is also understood that when the Employer issues pro- gressive discipline, the employer shall not utilize prior discipline that is in excess of three (3) years old when issuing additional pro- gressive discipline, unless the employee has shown a pattern of failure to observe reasonable safety rules and/or procedures result- ing in lost time injuries.

Section 2. Modified Work

(a) The Employer may establish a modified work program designed to provide temporary opportunity to those employees who are un- able to perform their normal work assignments due to a disabling

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on-the-job injury. Recognizing that a transitional return-to work program offering both physical and mental therapeutic benefits will accelerate the rehabilitative process of an injured employee, modi- fied work programs are intended to enhance worker's compensation benefits and are not to be utilized as a method to take advantage of an employee who has sustained an industrial injury, nor are they intended to be a permanent replacement for regular employment.

An active employee, who is injured on the job, qualifies for work- ers' compensation benefits and is subsequently laid off, will contin- ue to receive compensation payments and benefits for the period provided by his/her supplement.

(b) Implementation of a modified work program shall be at the Employer's option and shall be in strict compliance with applicable federal and state worker's compensation statutes. Acceptance of modified work shall be on a voluntary basis at the option of the in- jured employee. However, refusal to accept modified work by an employee, otherwise entitled to worker's compensation benefits, may result in a loss or reduction of such benefits as specifically provided by the provisions of applicable federal or state worker's compensation statutes. Employees who accept modified work shall continue to be eligible to receive "temporary partial" worker's compensation benefits as well as all other entitlements as provided by applicable federal or state worker's compensation statutes.

Employees who need additional medical and/or physical therapy may go for such treatments during scheduled hours for modified work whenever practical and reasonable.

Employees who have been prescribed medications by a doctor where such medications prevent them from driving to and from work or where the treating physician certifies that the injury itself prevents the employee from driving to and from work, shall not be scheduled for modified duty.

(c) At facilities where the Employer has a modified work program in place, temporary modified assignments shall be offered in se- niority order to those regular full time employees who are tempo-

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Article 14, Section 2

rarily disabled due to a compensable worker's compensation injury and who have received a detailed medical release from the attend- ing physician clearly setting forth the limitations under which the employee may perform such modified assignments. Once a modi- fied work assignment is made and another person is injured, the second person must wait until a modified work opening occurs, re- gardless of seniority. All modified work assignments must be made in strict compliance with the physical restrictions as outlined by the attending physician. All modified work program candidates must be released for eight (8) hours per day, five (5) days per week. The Employer, at its option, may make a modified work offer of less than eight (8) hours per day where such work is expected to accel- erate the rehabilitative process and the attending physician recom- mends that the employee works back to regular status or up to eight (8) hours per day by progressively increasing daily hours. A copy of any release for modified work must be given to the employee be- fore the modified work assignment begins.

It is understood and agreed that those employees who, consistent with professional medical evaluations and opinion, may not be ex- pected to receive an unrestricted medical release, or whose injury has been medically determined to be permanent and stationary, shall not be eligible to participate in a modified work program.

In the event of a dispute related to conflicting medical opinion, such dispute shall be resolved pursuant to established worker's compen- sation law and/ Paragraph 14(f) or the method of resolving such matters as outlined in the applicable Supplemental Agreement. In the absence of a pro- vision in the Supplemental Agreement, the following shall apply:

When there is a dispute between two (2) physicians concerning the release of an employee for modified work, such two (2) physicians shall immediately select a third (3rd) neutral physician within sev- en (7) days, who shall possess the same qualifications as the most qualified of the two selecting physicians, whose opinion shall be final and binding on the Employer, the Union and the employee. In the event the availability of a qualified physician is in question, the Local Union and the Company shall resolve such matter by select- ing the third (3rd) physician whose opinion shall be final and bind-

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Article 14, Section 2

ing. The expense of the third (3rd) physician shall be equally divid- ed between the Employer and the Union. Disputes concerning the selection of the neutral physician or back wages shall be subject to the grievance procedure.

For locations where the Employer intends to implement a modified work program or has a modified work program in place, the Local Union shall be provided with a copy of the current form(s) being used for employee evaluation for release and general job descriptions. This information shall be general in nature, not employee specific.

When a modified work assignment is made, the employee shall be provided with the hours and days he/she is scheduled to work as well as the nature of the work to be performed in writing. A copy of this notice shall also be submitted to the Local Union.

An employee who is placed in a modified work position may be subject to medical evaluation(s) by a physician selected by the Em- ployer to determine if the modified work being performed is accel- erating the rehabilitative process as anticipated by Section 2 above. In the event such medical evaluation(s) determine that the rehabili- tative process is not being accelerated, the employee shall have the right to seek a second opinion from a physician of his choosing. Any disputes regarding conflicting medical claims shall be resolved in accordance with the provisions outlined above. The employee may be removed from the modified work program based upon final medical findings under this procedure. Employees so removed shall not have their worker's compensation benefits affected because of such removal. In the event the employee's temporary disability worker's compensation benefit is subject to reduction by virtue of an applicable Federal or State statute, the Employer shall pay the difference between the amount of the reduced temporary worker's compensation benefit to which the employee would be entitled.

(d) Modified work shall be restricted to the type of work that is not expected to result in a re-injury and which can be performed within the medical limitations set forth by the attending physician. In the event the employee, in his/her judgment, is physically unable to perform the modified work assigned, he/she shall be either reas-

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signed modified work within his/her physical capabilities or re- turned to full "temporary total" worker's compensation benefits. In the event a third (3rd) party insurance carrier refuses to reinstate such employee to full temporary total disability benefits, the Em- ployer shall be required to pay the difference between the amount of the benefit paid by such third (3rd) party insurer and full total temporary disability benefits. Determination of physical capabili- ties shall be based on the attending physician's medical evaluation. Under no conditions will the injured employee be required to per- form work at that location subject otherwise pursuant to the terms and conditions of the ABF National Master Freight Plan and this Agreement.

Settlement Date. This provision replaces the first two sentences of Paragraph 3(d) of the Agreement:

> (d) Each date upon which a cash payment is to be issued under Paragraph 3(c) is referred to as a "Settlement Date."

Reference to Shares. All references to "Shares" in the Agreement or its Area Supplemental Agreements. Prior to acceptance of modified work, the affected employee

shall be furnished a written job description of the type of work to be performed.

(e) The modified workday and workweek shall be established by the Employer within the limitations set forth by the attending phy- sician. However, the workday shall not exceed eight (8) hours, in- clusive of coffee breaks where applicable and exclusive of a one- half (1/2) hour meal period and the workweek shall not exceed forty (40) hours, Monday through Friday, or Tuesday through Sat- urday, unless the nature of the modified work assignment requires a scheduled workweek interpreted to include Sunday. Whenever possible, the Employer will schedule modified work during daylight hours, Monday through Friday, or during the same general working hours and on the same workweek that the employee enjoyed before he/ she became injured. In the case cash equivalent of an employee whose workdays and/or hours routinely varied, the Employer will schedule the em- ployee based on the availability of the modified assignment being offered. Any alleged abuse of the assignment of workdays and work hours shall be subject to the grievance procedure.

(f) Modified work time shall be consideredsuch Shares except as time worked when necessary to satisfy vacation and sick leave eligibility requirements as set forth in the ABF National Master Freight Agreement and/or its applicable Area Supplemental Agreements. In addition to earned vacation pay as set forth in the applicable Area Supplemental Agreements, employees accepting modified work shall receive pro- rated vacation pay for modified work performed based on the

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weekly average modified work pay. The only time modified work is used in prorating vacation is when the employee did not qualify under the applicable Supplemental Agreement.

Holiday pay shall first be paid in accordance with the provisions of the applicable Supplemental Agreement as it relates to on-the-job injuries. Once such contractual provisions have been satisfied, hol- idays will be paid at the modified work rate which is the modified work wage plus the temporary partial disability benefit.

Sick leave and funeral leave taken while an employee is performing modified work will be paid at the modified work rate, which is the modified work wage plus the temporary partial disability benefit. Unused sick leave will be paid at the applicable contract rate where the employee performed modified work and qualified for the sick leave during the contract year.

(g) The Employer shall continue to remit contributions to the ap- propriate health & welfare and pension trusts during the entire time period employees are performing modified work. The payment of health & welfare and pension contributions while the employee is on modified work is not included in the health & welfare and pen- sion contributions otherwise required by the Supplement when an employee is off work on worker's compensation. Continuation of such contri- butions beyond the period of time specified context.

Award for Future Services. Notwithstanding anything contained in the Supplemental Plan or the Agreement for on-the-job injury shall be required. Provisions of this Section shall not be utilized as a reason to disqualify or remove an employee from the modified work program.

(h) Employees accepting modified work shall receive temporary partial benefits as determined by each respective state worker's compensation law, plus a modified work wage when added to such temporary partial benefit, shall equal not less than eighty-five per- cent (85%) of forty (40) hours' pay he/she would otherwise be en- titled to under the provisions of the applicable Area Supplemental Agreement for the first six (6) months from the date the modified work assignment commences. After this initial six (6) month peri- od, the percentage shall increase to ninety percent (90%) for the duration of each individual modified work assignment. The Em-

ployer shall not refuse to assign modified work to employees based solely on such employees reaching the ninety percent (90%) wage level. Such refusal shall be considered an abuse of the program and shall be subject to the grievance procedure. Modified work assign- ments beginning or ending within a workweek shall be paid on a prorated basis; one (1) day equals one-fifth (1/5th).

(i) Employees accepting modified work shall not be subject contrary, the Award is related to disci- plinary action provisions of the Supplemental Agreements unless such violation involves an offense for which no prior warning notice is re- quired under the applicable Supplemental Agreement (Cardinal Sins). Additionally, the provisions of Article 35, Section 3(a), shall apply.

(j) Alleged abuses of the modified work program by the Employer and any factual grievance or request for interpretation concerning this Article shall be submitted directly to the Regional Joint Area Committee. Proven abuses may result in a determination by the National Grievance Committee that would withdraw the benefits of this Article from that Employer, in whole or in part, in which case affected employees shall immediately revert to full worker's com- pensation benefits.

Section 3. Workers Compensation Pay Dispute

Should an employee have a undisputed pay claim concerning the established state worker compensation amount required by Law, the Employer will provide each individual an emergency dispute phone number which will be operational twenty four (24) hours, seven (7) days a week. The Employer's Work Compensation Manager will have authority to make immediate payment. The pay shortage will be reconciled by check delivered by express overnight mail within twenty four (24) hours of the call. If the disputed pay is not received within the twenty-four hour period, an eight (8) hour penalty will be paid the employee for every day until the pay is received.

Section 4. Americans with Disabilities Act

The Union and the Employer recognize their obligations under the Americans with Disabilities Act. It is agreed that the Employer shall determine whether an employee is a qualified individual with

a disability under the ADA and, if so, what reasonable accommoda- tions, if any, should be provided. In the event that the Employer determines that a reasonable accommodation is necessary, the Em- ployer shall notify the Local Union before providing the reasonable accommodation to a qualified bargaining unit employee to ensure that the reasonable accommodation selected by the Employer does not impact another employee's seniority or other contract rights.

Any dispute over whether the Employer complied with its duty to notify the Local Union before implementing a proposed reasonable accommodation or whether providing the reasonable accommoda-

tion violates any employee's rights under any other provision of the ABF NMFA shall be subject to the grievance procedure. Disputes over whether the Employer has complied with its legal require- ments under the ADA, including the ADA requirements to provide a reasonable accommodation, however, shall not be subject to the grievance procedure.

ARTICLE 15. MILITARY CLAUSE

Employees in service in the uniformed future services of the United States, as defined by the provisions of the Uniform Services Em- ployment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable state and federal laws. This shall include continuation of health coverage to the extent required by USERRA, and continuation of pension contributions for the em- ployee's period of service as provided by USERRA. Employee shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

In addition to any contribution required under USERRA, the Em- ployer shall continue to pay health & welfare contributions for reg- ular active employees involuntarily called to active duty status from the military reserves or the National Guard for military-relat- ed service, excluding civil domestic disturbances or emergencies. Such contributions shall only be paid for a maximum period of eighteen (18) months.

ARTICLE 16. EQUIPMENT, SAFETY AND HEALTH

Preamble

It is agreed that all parties covered by this Agreement shall comply with all applicable federal, state performed and local regulations pertaining to worker safety and health and subjects covered by Article 16. Fail- ure to do so shall be subject to the grievance procedure, in accor- dance with Articles 7 and 8 of the ABFNMFA, and any other rem- edies prescribed by law after the procedures contained in this Agreement are exhausted. Class A casual mechanics will not be allowed to sign off safety related write ups.

Section 1. Safe Equipment

The Employer shall not require employees to take out on the streets or highways any vehicle that is not in a safe operating condition, including, but not limited to, equipment which is acknowledged as overweight or not equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement or basis for discipline where employees refuse to operate such equipment un- less such refusal is unjustified.

It shall also not be a violation of this Agreement or considered an unjustified refusal where employees refuse to operate a vehicle when such operation constitutes a violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe condition of such equipment. The unsafe conditions causing the employee's apprehension of injury must be of such nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a bona fide danger of an accident, injury, or serious impairment of health, resulting from the unsafe condition. In order to qualify for protec- tion under this provision, the employee must have sought from the Employer, and have been unable to obtain, correction of the unsafe condition.

Article 16, Section 1

All equipment which is refused because it is not mechanically sound or properly equipped shall be appropriately tagged so that it cannot be used by other employees until the maintenance depart- ment has adjusted the complaint. After such equipment is repaired, the Employer shall place on such equipment an "ok" in a conspicu- ous place so the employee can see the same.

Section 2. Dangerous Conditions

Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work, or danger to person or property or in violation of any applicable statute or court order, or in violation of a government regulation relating to safety of person or equipment.

The term "dangerous conditions of work" does not relate to the type of cargo which is hauled or handled.

Section 3. Accident Reports

Any employee involved in any accident or cargo spill incident, in- volving any hazardous or potentially polluting product, shall imme- diately report said accident or spill incident and any physical injury sustained. When required by his/her Employer, the employee, be- fore starting his/her next shift, shall make out an accident or inci- dent report in writing on forms furnished by the Employer and shall turn in all available names and addresses of witnesses to the acci- dent or incident. The employee shall receive a copy of the accident or incident report that he/she submits to his/her Employer. Failure to comply with this provision shall subject such employee to disci- plinary action by the Employer.

Section 4. Equipment Reports

Employees shall immediately, or at the end of their shift, report all defects of equipment.

(a) Such reports shall be made on a suitable form furnished by the Employer and shall be made in multiple copies, one (1) copy to be retained by the employee and one (1) copy to be made available for inspection by the next driver operating the unit. Such copy will re-

main in the truck. Any alleged violation of the above shall not be cause for refusal of the equipment, but shall be subject to the griev- ance procedure. The Employer shall not ask or require any employ- ee to take out equipment that has been reported by any other em- ployee as being in an unsafe operating condition until the same has been repaired or is certified by a mechanical department that no repairs are needed and the unit is safe to drive.

(b) When the occasion arises where an employee gives written re- port on forms in use by the Employer of a vehicle being in an un- safe working or operating condition and receives no consideration from the Employer, he/she shall take the matter up with the officers of the Union who will take the matter up with the

Employer. How- ever, in no event shall an employee be required to take out on the streets or highways a vehicle that is not in a safe operating condi- tion or in violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety as provided in Section 1 of this Article.

Section 5. Qualifications on Equipment

If the Employer or government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing senior- ity) on such equipment in order to obtain a better job opportunity with his/her Employer, the Employer shall allow such regular em- ployee the use of the equipment so required in order to take the examination on the employee's own time.

Costs of such license required by a government agency will be paid for by the employee.

Once obtained an employee must maintain his/her commercial driver's license with required endorsements unless disqualified by regulatory mandate or documented medical disability.

An employee unable to successfully pass the DOT Commercial Driver's License (CDL) examination will be allowed to take a leave of absence for a period not to exceed two (2) years without loss of seniority. The employee will be given work opportunities ahead of

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casuals to perform non-CDL required job functions. Such employ- ee shall be allowed to claim any open non-CDL bid his/her senior- ity will allow. This bidding provision shall not apply to combina- tion facilities with the exception of locations that have an established practice or agreement providing for disqualified em- ployees to bid on non-CDL positions.

Section 6. Equipment Requirements

(a) All tractors must be equipped as necessary to allow the driver to safely enter and exit the cab, and hook and unhook the air hoses. All equipment used as city peddle trucks, and equipment regularly assigned to peddle runs, must have steps or other similar device to enable drivers to get in and out of the body. All twin trailers used in LTL pick-up and delivery operation with roll up doors purchased after April 1, 1985 shall be equipped with a hand hold and a DOT bumper which may serve as a step.

All equipment purchased, ordered, and/or introduced to the Pickup and Delivery operations after April 1, 2003 will be equipped with air-conditioning and will be maintained in proper operating condi- tion throughout the year. The Company will not exceed two weeks in making necessary air conditioning repairs during this period. It shall not be a violation of this section to operate any unit while waiting for repairs.

(b) The Employer shall install heaters and defrosters on all trucks and tractors.

(c) There shall be first-line tires on the steering axle of all road and local pick-up and delivery power units.

(d) All road equipment regularly assigned to the fleet shall be equipped with an air-ride seat on the driver's side. Such equipment shall be maintained in reasonable operating condition. All new air ride seats shall oscillate and have an adjustable lumbar support, height, backrest and seat tilt.

(e) Tractors added to the road fleet and assigned to road operations on a regular basis, whether newly manufactured or not newly man- ufactured, shall be air conditioned.

(f) When the Employer weighs a trailer, the over-the-road driver shall be furnished the resulting weight information along with his/ her driver's orders.

(g) All company trailers shall be marked for height.

(h) No driver shall be required to drive a tractor designed with the cab under the trailer.

(i) All road and city equipment shall have a speedometer operat- ing with reasonable accuracy. Starting after July 25, 2018 all equipment for the road fleet shall be adjusted and/or specified with the manufacturer's maximum road speed of sixty-five (65) miles per hour, notwithstanding any other agreement or under- standing.

(j) The following minimum measurements for fuel tank placement shall apply to tractors added to the fleet after March 1, 1981, with the understanding that there shall be no retrofit of equipment cur- rently in use: (1) front of fuel tank to rear of front tire-not less than 4 inches; (2) rear of fuel tank to front of duals-not less than 4 inch- es; (3) bottom of fuel tank to ground-provide clearance not less than 7.5 inches, measured on a flat surface; and (4) all fuel tank measurements as stated herein include brackets, return lines, etc. in determining clearance.

Any alleged violation of the above requirements shall not be cause for refusal of the equipment, but shall be subject to the grievance procedure as a safety and health issue.

(k) The following shall apply to shock absorbers on tractor front axles with the purchase of newly manufactured tractors which are placed in service after March 1, 1981, and with the understanding that there shall be no retrofit of equipment currently in use: Where the manufacturer recommends and provides shock absorbers as

standard equipment with the tractor front suspension assembly, properly maintained shocks on such new equipment shall be con- sidered as a necessary and integral part of that assembly.

Where the manufacturer does not recommend and provide shock absorbers as standard equipment with the tractor front suspension assembly, shocks shall not be considered as a necessary or integral part of that suspension system.

Any alleged violation of the above, including maintenance of exist- ing equipment, shall not be cause for refusal of equipment but shall be subject to the grievance procedure as a safety and health issue.

(l)(1) The following shall apply for the minimum interior dimen- sions of the sleeper berths on newly manufactured over-the-road tractors purchased and placed in service after January 1, 1987.

a. Length—80 inches; b. Width—34 inches; and, c. Height—24 inches.

It is understood that a “manufacturing tolerance of error” of one inch (1”) is permissible, provided the original specifications were in conformity with the above recommended dimensions. It is un- derstood that there shall be no retrofit of equipment currently in service.

(2) Interior cab dimensions. Effective January 1, 1988, the Em- ployer, in placing orders for newly manufactured over-the-road tractors, shall request of the manufacturer in writing that there will be compliance with as many of the following October, 1985 SAE recommended practices as possible: J941-E, J1052, J1521, J1522, J1517, J1516, and J1100. The carrier, upon request, will furnish proof to the National Safety and Health Committee that a request was made to the manufacturer for compliance with the aforemen- tioned SAE recommended practices.

(m) The Employer and the Union recognize the need for safe and efficient twin-trailer operations. Accordingly, the parties agree to the following:

Article 16, Section 6

(1) The Employer shall make available to all drivers involved in the twin-trailer operations training in the proper procedures for the safe hooking and unhooking of dollies and jiff-lox. Upon request, the Company will furnish to the Union a copy of their training program.

(2) Dollies and jiff-lox shall be counter-balanced or equipped with a crank-down wheel to support the weight of the dolly tongue or jiff-lox. A handle will also be provided on the tongue of the dolly or jiff-lox and shall be maintained.

(3) A tractor equipped with a pintle hook will be made available to drivers required to drop and hook twin trailers or triples at closed terminals.

The Employer shall make a bona fide attempt to make a telephone available for the driver at closed terminals during the trailer switch.

(4) Whenever possible, the Company will hook up the heaviest trailer in front in twin-trailer operations. In those instances where it is not possible because of an intermediate drop of less than one hundred and fifty (150) miles or scaling of the drive axle, the driver after driving the unit at any point on the trip, determines, at his/her sole discretion, the unit does not handle properly, may have the Company switch the unit or authorize the driver to switch the unit and be paid for such time.

(n)(1) There will be a moratorium on the purchase of diesel pow- ered forklifts and sweepers.

(2) It shall be standard work practice that every diesel-powered sweeper shall be shut off whenever the operator leaves the seat. Under no circumstances shall diesel-powered sweepers be allowed to idle when not attended.

(3) Diesel-powered sweepers shall be tuned and maintained in ac- cordance with schedules recommended by their manufacturers. The Employer shall provide copies of such recommendations to the Union upon request.

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(4) Improperly maintained diesel-powered sweepers may produce visible emissions after start-up. Therefore, any such diesel powered sweeper that is found to be smoking shall be taken out of service as soon as possible until repairs are made and that condition corrected.

(5) The Employer agrees to cooperate with those government and/ or mutually agreed private agencies in such surveys or studies de- signed to analyze the use and operation of diesel-powered sweepers and diesel-powered sweeper emissions.

(o) As of July 1, 1988, as new equipment is ordered or existing equipment requires brake lining replacement, all brake linings shall be of non-asbestos material where available and certifiable.

(p) Slack adjuster equipment (snubbers) used in multiple trailer op- erations, whether on the trailers or on the converters, shall be main- tained in proper working order. However, it shall not be a violation of this provision for the unit to be pulled to the next point of repair if the snubber is inoperative.

(q) Converter dollies may be pulled on public roads by bobtail trac- tors if all of the following conditions are met:

(1) Tractors used in this type of operation shall have a pintle hook installed which has the proper weight capacity and is designed for highway use;

(2) Neither supply nor control air lines are to be connected to the converter dolly when being pulled by a bobtail tractor, and the trac- tor protection valve shall be set in the normal bobtail position;

(3) After October 1, 1991, tractors used to pull converter dollies bobtail must be equipped with a type of bobtail proportioning valve (BPV) in the tractor braking system, unless equipped with ABS;

(4) It is further agreed such configuration must comply with state and federal law.

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(r) All newly manufactured road tractors regularly assigned to the fleet after July 1, 1991, shall be equipped with heated mirrors. All road tractors ordered after April 1, 2003 shall be equipped with a power mirror on the curbside. However, it shall not be a violation of this provision for the tractor to be dispatched to the next Company point of repair if the heated and/or power mirror is inoperative.

(1) All new diesel tractors and new yard equipment shall be equipped with vertical exhaust stacks.

(2) All road and city tractors shall be equipped with large spot mir- rors (6” minimum) on both sides of the tractor by January 1, 1995.

(3) All road tractors and switching equipment shall be equipped with an operable light of sufficient wattage on the back of the cab.

(4) All new road and city equipment shall have operable sun vi- sors.

(5) Seats on forklifts and sweepers shall be maintained in good repair. Forklifts purchased after July 25, 2018 shall include seat suspension (spring type suspension underneath the seat), incline and a mechanism to slide the seat backwards and forward.

(6) On all road and city tractors, the cab door locks shall remain operable and be properly maintained. Both parties agree that the Employer will have reasonable time to repair the locks.

(7) The Employer shall repair inoperable door locks on linehaul tractors that are reported on a driver vehicle inspection report. The Employer shall perform such repairs at the first Employer mainte- nance location.

(s) All newly manufactured city tractors regularly assigned to the city pickup and delivery operation after July 1, 1991, shall be equipped with power steering and an air-ride seat on the driver's side.

(1) All new road and yard equipment shall have power steering.

Article 16, Section 6

(2) All new forklifts and sweepers shall be equipped with power steering.

(t) All hand trucks and pallet jacks shall be maintained in good repair.

(u) All portable and mechanical dock plates shall be maintained in good working condition.

(v) The parties will maintain a safe and healthy working environment in sleeper operations. The parties agree to establish a committee composed of four (4) members each to review the comfort and/or safety aspects of sleeper berths pertaining to ride. Such committee shall meet by mutual agreement of the Co-chairmen as to time and place. The committee shall confer with appropriate representatives of equipment manufacturers and/or other experts on this subject as may be available. The intent of the committee is to identify any problems with the comfort and/or safety aspects of sleeper berths pertaining to ride that may exist, and through its deliberations with the manufac- turers and/or other experts, develop ways and means to correct such situations. The committee shall report its findings and make recom- mendations to the National Grievance Committee.

(1) All new sleeper tractors purchased or leased after February 8, 1998, shall, at a minimum, be equipped with the manufacturer's original equipment standard dual heat/air conditioning systems. This is not intended to preclude the Company from purchasing newer technology on future purchases, should such become avail- able prior to the expiration of this Agreement.

(2) Bunk restraint strap/net buckles on sleeper equipment shall be mounted on the entrance side of the sleeper berth by April 1, 1995.

(3) New sleeper equipment purchased on or after April 1, 1995, shall be equipped with a power window on the passenger's side of the cab that is operable from the driver's side of the cab.

(4) All sleeper cabs added to the Employer's fleet after April 1, 2008 will be walk-in sleeper berths with at least the following di- mensions:

The measurement of 15-3/4 inches from the front of the mattress to the closed sleeper curtain, at any point across the cab, shall apply for the minimum interior walk-in dimension on newly manufac- tured over-the-road sleeper tractors ordered after April 1, 2008. It is understood that the contractual width of a sleeper mattress is 34 inches when determining the 15-3/4 inches from the front of the mattress to the sleeper curtain.

All walk-in sleeper units introduced into operation after April 1, 2008 will have a minimum sleeper berth height of 65 inches from the floor to interior ceiling of the sleeper berth. It is also under- stood that the entrance opening into the sleeper berth area will be a minimum of 64 inches.

This will not apply to triple runs as the length now prohibits. How- ever, if and when it becomes legal to run walk-in sleepers on triple lanes, all new equipment ordered after that effective date will be equipped with walk-in sleeper berths.

(5) All sleeper tractors introduced into Employer linehaul opera- tions after April 1, 2008 will be equipped with an engine and/or exhaust brake. The parties understand that a unit with an inopera- ble engine brake system will not be considered out of service. Re- pairs will be performed at the team's home terminal at the end of that team's tour.

(6) All sleeper tractors will be set so that the unit will continue to idle, except if (a) federal, state, or local laws or regulations require the Employer to limit or eliminate tractor idle time or (b) the unit is equipped with an auxiliary power pack that provides heat and air conditioning to the sleeper berth area.

(w) Employee will not be required to climb on unguarded trailer roofs for snow removal.

(x) At least one vent on the sleeper to open front or back.

(y) The Employer shall repair inoperable air conditioning systems on Employer city tractors within fourteen (14) days of written noti-

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Article 16, Section 6

fication from an employee or the Local Union that the air condition- ing system on a particular city tractor is inoperable.

(z) All linehaul tractors introduced into Employer linehaul oper- ations after April 1, 2008 will be equipped with a cab filter sys-tem that is designed and available from the tractor's manufac- turer.

(aa) The Employer understands tractor interiors should be main- tained in a clean condition so units are safe to operate. Concerns about the cleanliness of tractor interiors must first be raised and reviewed at the local level. In the event the parties are unable to resolve the issue locally, the parties shall refer the issue to the Em- ployer's V.P. or Equipment Services for resolution.

(bb) New trailer jockeys or hostling tractors put into service after the effective date of this agreement will be equipped with power mirrors on the right hand side. Any trailer jockeys or hostling trac- tors newly assigned to the specified states or locations below in List

(1) after March 31, 2018 will be equipped with air conditioning and will be maintained in proper operating condition throughout the year. The Company will not exceed two weeks in making necessary air conditioning repairs. It shall not be a violation of this section to operate any unit while waiting for repairs.

States or locations: Alabama, Arkansas, Arizona, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Nevada, Oklahoma, South Carolina, Tennessee, Texas, Long Beach, CA, Pico Rivera, CA, and San Bernardino, CA.

The Company and the union shall meet periodically to discuss the feasibility of additional locations.

(cc) New forklifts for use in the U-Pack operations purchased af- ter July 25, 2018 will be all-terrain forklifts and have flashing strobe light and all flatbeds are to be equipped with four (4) orange cones.

Article 16, Section 7

Section 7. National Safety, Health & Equipment Committee

The Employer and the Union shall continue the National Safety, Health & Equipment Committee. Such Committee shall be com- prised of qualified representatives to consider safety, health and equipment issues. The Committee shall consult among themselves and/or with appropriate government agencies, state and federal, on matters involving all aspects of trucking operations safety and health and issues related to equipment safety. Such Committee shall convene on a regular basis, with an agenda to be agreed to by the respective chairmen.

Any grievance arising under this Article shall be processed through the Regional Joint Area level in accordance with rules and proce- dures agreed to by the National Safety, Health &Equipment Com- mittee and approved by the National Grievance Committee.

Section 8. Hazardous Materials Program

Parties must update the Hazardous Materials Program guidelines with the understanding that the Union and the Employer will revise the hazardous materials program and address only the mandated requirements.

Section 9. Union Liability

Nothing in this Agreement or its Supplements relating to health, safety or training rules or standards shall create any liability or re- sponsibility on behalf of the Union for any job-related injury or accident to any employee or any other person. Further, the Employ- er will not commence legal action against the Union as a result of the Union's negotiation of safety standards contained in this Agree- ment or failure to properly investigate or follow-up Employer com- pliance with those safety standards.

Section 10. Government Required Safety & Health Reports

The Employer shall provide, upon written request by the Local Union, a copy of any occupational incident report that is required to

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Article 16, Section 10

be filed with a federal government agency on safety and health sub- jects addressed by Article 16 only. Such reports shall be free of charge for one (1) copy.

Employees and authorized Union representatives shall have access to written occupational safety and health programs. Upon request, the Employer shall provide one (1) copy of the programs to the authorized Union representative free of charge.

Section 11. Facilities

Dock floors shall be maintained in good repair and reasonably free from potholes.

Yards shall be maintained reasonably free from potholes and rea- sonably effective dust control measures shall be implemented as necessary.

Breakrooms and storage areas for linens, mattresses and individual towels shall be maintained in a sanitary condition.

Restrooms and showers shall be maintained in a sanitary condition. Showers, where provided, shall have body soap or other appropri- ate cleansing agents and clean individual towels. The requirement to provide a shower which is maintained in a sanitary condition is not satisfied by the availability of a Hazmat shower.

The Employer agrees to maintain clean restrooms and break rooms on a regular basis throughout the day. All restrooms and break rooms facilities shall be maintained and kept in proper working order.

Suitable windshield/window cleaning materials shall be available to include a long handled brush/squeegee.

ARTICLE 17. PAY PERIOD

The Joint Area Committee or the National Grievance Committee and the Employer may, by mutual agreement, waive the provisions of Local Supplements dealing with pay periods upon a satisfactory

showing of necessity by the Employer, provided such waiver is not a violation of a state bonus or federal law or regulation.

Timely Pay For Drivers

The Employer will make every effort to accommodate drivers, who are away from their home terminal at the conclusion of a pay peri- od, to ensure that those drivers are paid on a timely basis.

Pay Period

Employees shall be paid weekly or bi-weekly in accordance with compensation for past practice. The payday for all employees shall be Friday. Pay stubs or paper checks will be available on payday at the end of the employee's work shift. services.

If for reasons beyond the Employer's control, such as weather de- lays, express mail failure, etc. an employee's paycheck does not arrive at the employee's facility by payday, the employee will be paid on that day by station draft.

ARTICLE 18. OTHER SERVICES

In the event the Employer, party to this Agreement, may require the services of employees coming under the jurisdiction of this Agree- ment in a manner and under conditions not provided for in this Agreement, then and in such instances the Local Union and the Employer concerned may negotiate such matters for such specific purposes, subject to the approval of the Multi-Region Change of Operations Committee.

ARTICLE 19. POSTING

Section 1. Posting of Agreement

A copy of this Agreement shall be posted in a conspicuous place in each garage and terminal. i

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Article 19, Section 2

Section 2. Union Bulletin Boards

The Employer agrees to provide suitable space for the union bulle- tin board in each garage, terminal or place of work. Postings by the Union on such boards are to be confined to official business of the Union.

All Union bulletin boards must be glass encased and the steward and Business Agent given a key. The Employer shall have 90 days to comply.

ARTICLE 20. UNION AND EMPLOYER COOPERATION

Section 1. Fair Day's Work for Fair Day's Pay

The parties agree at all times as fully as it may be within their pow- er to cooperate so as to protect the long-range interests of the em- ployees, the Employer, the Union and the general public served by the trucking industry.

The Union and the Employer recognize the principle of a fair days work for a fair days pay; that jobs and job security of employees working under this Agreement are best protected through efficient and productive operations of the Employer and the trucking indus- try; and that this principle shall be recognized in the administration of this Agreement and its Supplements and the resolution of all grievances thereunder.

Section 2. Joint Industry Development Committee

The parties recognize that the unionized LTL industry is losing market share and jobs to competitors. The parties recognize that it is in the interest of the Union and the Employers to return the LTL industry to health and to foster its growth. Only if the industry pros- pers and grows will the industry's employees, whom the Union represents, achieve true job and economic security. Only if the in- dustry prospers and grows will the industry have access to the re- sources it needs to capitalize and be competitive.

Recognizing that returning the industry to health should be a coop- erative, long-term effort, the Teamsters National Freight Industry Negotiating Committee ("TNFINC") and the Employer agree to es- tablish a Joint Industry Development Committee to serve as a vehi- cle for this effort. The purpose of the Committee will be to perform the following tasks: address the principles of an intermodal truck- load agreement as a means of capturing new market and creating additional city/P&D jobs; develop data to evaluate and monitor in- dustry and competitor productivity, costs and operations; catalogue, compare and evaluate work rules, practices and procedures among the various ABF NMFA supplements and the Employer; make joint recommendations to the parties about any changes in the ABF NMFA and its supplements that the Committee believes should be considered in the next round of negotiations for the new ABF NMFA; solicit grants for joint activities that benefit the industry and its bargaining unit employees, such as driver training schools; and monitor pending legislation and executive action on the national, state and local level that may affect the welfare of the industry and, where appropriate, jointly recommend actions that further the inter- ests of the industry and its bargaining unit employees and jointly present the views of the Joint Committee to legislative and execu- tive bodies.

The Committee shall operate as a labor-management committee within the meaning of Section 302(c)(9) of the LMRA, as amend- ed, established and functioning so as to fulfill one or more of the purposes set forth in Section 6(c)(2) of the Labor Management Co- operation Act of 1978. The Committee shall have the full support of both the International Brotherhood of Teamsters and the Employer in the Committee's efforts to identify problems, formulate plans to solve those problems and, where appropriate, conduct joint activi- ties designed to implement the plans.

The Chairman of TNFINC will appoint five (5) Union represen- tatives to the Joint Committee. The Employer will appoint five (5) Employer representatives to the Joint Committee. Appoint- ments to the Joint Committee will be made in a manner to assure that there are persons serving who are familiar with the full range of operations undertaken by the Employer under all supplemen-

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tal agreements. The Joint Committee shall meet at least quarterly and may appoint continuing subcommittees to carry out specific tasks. The Union and Employer representatives to the Joint Com- mittee will establish procedures for the operation of this Com- mittee.

Section 3. Benefits Joint Committee

The Union and the Employers will establish a Benefits Joint Com- mittee to review the provision of health & welfare and pension ben- efits to employees covered by this Agreement. This Committee is charged with the critical responsibility of ensuring that employee health & welfare and pension benefits are made available to em- ployees covered by the terms of the ABF NMFA in a secure and cost efficient manner. It is anticipated that this Committee shall serve as a source of continuing study regarding the most efficient manner of providing benefits to covered employees. The Union and the Employers will establish procedures for the operation of this Committee. The Committee will make periodic reports and recom- mendations to TNFINC and the Employer.

Section 4. New Business/Job Creation Opportunities

The parties recognize that there may be new job opportunities in Article 20, Section 2 markets and/or services not currently per- formed under the Agreement. During the term of the Agreement, the Employer may propose to TNFINC a new business opportu- nity which would increase Teamster jobs. The Employer's pro- posal to TNFINC must contain a detailed description of the pro- posed new business opportunity and the specific protections to ensure that the proposal will not impact bargaining unit employ- ees. In no event shall the Employer's new business opportunity proposal have an adverse impact on existing bargaining unit em- ployees, the work performed by the bargaining unit, or violate any of the bargaining unit employees' contract rights. The Em- ployer's proposal must be approved by TNFINC and by the Union Supplemental Negotiating Committees and Local Unions in the Supplemental Areas where the proposed new business op- portunities exist.

ARTICLE 21. UNION ACTIVITIES

Any employee, member of the Union, acting in any official capacity whatsoever shall not be discriminated against for his/her acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimina- tion against any employee because of Union membership or activities.

A Union member elected or appointed to serve as a Union official shall be granted a leave of absence during the period of such em- ployment, without discrimination or loss of seniority rights, and without pay.

ARTICLE 22. OWNER-OPERATORS

In the event the Employer employs employee owner-operators, the Employer will negotiate the wages, benefits and working condi- tions for these owner-operators with TNFINC.

ARTICLE 23. SEPARATION OF EMPLOYMENT

The Employer must mail earnings to discharged employees by cer- tified mail the next business day, unless the employee is paid by direct deposit. The foregoing shall not apply to unused vacation, unless required otherwise by law. Vacation pay for which the dis- charged employee is qualified shall be paid no later than the first (1st) day following final determination of the discharge.

Upon a permanent terminal closing and/or cessation of operations, the Employer shall pay all money due to the employee during the first (1st) payroll department working day following the date of the terminal closing and/or cessation of operations.

Failure to comply shall subject the Employer to pay liquidated damages in the amount of eight (8) hours' pay for each day of delay. Upon quitting, the Employer shall pay all money due to the em- ployee on the next regular payday for the week in which the resig- nation occurs.

Article 24

ARTICLE 24. INSPECTION PRIVILEGES AND EMPLOYER AND EMPLOYEE IDENTIFICATION

No employee will be required to have their driver's license repro- duced in any manner except by their employer, law enforcement agencies, government facilities and facilities operating under govern- ment contracts that require such identification to enter the facility.

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that the Agreement is being adhered to; provided, however, there is no interruption of the firm's working schedule.

Company representatives, if not known to the employee, shall iden- tify themselves to employees prior to taking disciplinary action.

Safety or other company vehicles shall be identified when stopping company equipment.

The Employer agrees to supply company identification to minimize the problem of having to use their personal identification. It is agreed that new ID's will be made within a twelve (12) month peri- od of the new contract.

Employees may be required to show their driver's license and Company identification to customers, and allow the customer to copy or otherwise reproduce their Company identification only and not the driver's license. The Company identification will not have personal information on it such as home address or social security number.

ARTICLE 25. SEPARABILITY AND SAVINGS CLAUSE

If any article or section of this Agreement or of any Supplements thereto should be held invalid by operation of law or by any tribu- nal of competent jurisdiction, or if compliance with or enforcement

Article 25

of any article or section should be restrained by such tribunal pend- ing a final determination as to its validity, the remainder of this Agreement and of any Supplements thereto, or the application of such article or section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any article or section is held invalid or enforce- ment of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collec- tive bargaining negotiations after receipt of written notice of the desired amendments by either Employer or Union for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. There shall be

no limitation of time for such written notice. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after receipt of the stated written notice, either party shall be permitted all legal or economic recourse in support of its demands notwith-standing any provisions of this Agreement to the contrary.

ARTICLE 26. TIME SHEETS, TIME CLOCKS, VIDEO CAMERAS, AND COMPUTER TRACKING DEVICES

Section 1. Time Sheets and Time Clocks

In over-the-road or line operations, the Employer shall provide and require the employee to keep a time sheet or trip card showing the arrival and departure at terminal and intermediate stops and cause and duration of all delays, time spent loading and unloading, and same shall be turned in at the end of each trip. In local cartage op- erations, a daily time record shall be maintained by the Employer at its place of business. All terminals with five (5) or more employees shall have time clocks at such terminals.

Employees shall punch their own time cards.

The Employer shall maintain sign-in and sign-out records at termi- nals. All road drivers must record their name, home domicile, origin,

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destination and arrival and/or departure times. The Employer shall make available upon the written request of a Local Union informa- tion regarding the destination of loads and/or where loads were loaded within the time limits set forth in the grievance procedure.

The Employer may substitute updated time recording equipment for time cards and time sheets. However, a paper trail shall be maintained.

The Employer may computerize the sign-in and sign-out records. However, at all times, the Union shall have reasonable access to a paper record of the sign-in and sign-out records.

Section 2. Use of Video Cameras for Discipline and Discharge

The Employer shall not install or use video cameras in areas of the Employer's premises that violate the employee's right to privacy such as in bathrooms or places where employees change clothing or provide drug or alcohol testing specimens.

Section 3. Audio, Video and Computer Tracking Devices

The Employer may use video, still photos derived from video, elec- tronic tracking devices and/or audio evidence to discipline an em- ployee without corroboration by observers if the employee engages in conduct such as falsification of logs, records, claims for compen- sation and other documents, theft of time or property, vandalism, or physical violence for which an employee could be discharged with- out a warning letter. If the information on the video, still photos, electronic tracking devices and/or audio recording is to be utilized for any purpose in support of a disciplinary or discharge action, the Employer must provide the Local Union, prior to the hearing, an opportunity to review the evidence used by the Employer.

ARTICLE 27. EMERGENCY REOPENING

In the event of war, declaration of emergency, imposition of manda- tory economic controls, the adoption of national health care or any

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congressional or federal agency action which has a significantly ad- verse effect on the financial structure of the trucking industry or ad- verse impact on the wages, benefits or job security of the employees, during the life of this Agreement, either party may reopen the same upon sixty (60) day's prior written notice and request renegotiation of the provisions of this Agreement directly affected by such action.

Upon the failure of the parties to agree in such negotiations within the subsequent sixty (60)- day period, thereafter, either party shall be permitted all lawful economic recourse to support its request for re- visions. If governmental approval of revisions should become neces- sary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

ARTICLE 28. SYMPATHETIC ACTION

In the event of a labor dispute between the Employer, party to this Agreement, and any International Brotherhood of Teamsters Union, parties to this or any other International Brotherhood of Teamsters' Agreement, during the course of which dispute such Union engages in lawful economic activities which are not in violation of this or such other Agreement, then any other affiliate of the International Brother- hood of Teamsters, having an agreement with such Employer shall have the right to engage in lawful economic activity against such Em- ployer in support of the above first-mentioned Union notwithstanding anything to the contrary in this Agreement or the International Broth- erhood of Teamsters' Agreement between such Employer and such other affiliate, with all of the protection provided in Article 9.

ARTICLE 29. SUBSTITUTE SERVICE

Section 1. Piggyback Operations

(a) The Employer shall not use piggyback over the same route where the Employer has established relay runs or through runs ex- cept to move overflow freight or as otherwise provided in Section 3 herein.

(b) It is recognized and agreed that there were two distinct and separate types of rail operations in effect on April 1, 1994: (1) the use of rail to move overflow freight; and (2) approved and/or agreed to rail operations. Accordingly, the provisions of this Sec- tion 1 shall apply in its entirety to the overflow rail operations. This Section 1 shall only apply to the approved and/or agreed to rail operations to the extent it has been historically applied prior to April 1, 1994.

If a driver is available (which includes the two (2)-hour period of time prior to end of his/her rest period) at point of origin when a trailer leaves the yard for the piggyback ramp, such driver's run- around compensation shall start from the time the trailer leaves the yard. Available regular drivers at relay points shall be pro- tected against runarounds if a violation occurred at the point of origin.

If the Employer does not have an over-the-road domicile at the point of origin, the Employer shall protect against runaround the available drivers at the first relay point over which the freight would normally move had it not been placed on the rail. Available regular drivers at relay points shall be protected against runaround if a violation occurred at the first relay point.

The Employer shall not reduce or fail to increase the road driver complement, including the addition of equipment, at the point of origin for the purpose of creating an overflow of freight to avoid the application of this Section.

(c) When the Employer utilizes Piggyback operations as a substi- tute service to deliver overflow loads and such substitute service is matched in both directions (East to West and West to East or North to South and South to North), it is understood and agreed by the parties that the Employer will be required to add a sufficient num- ber of employees and the necessary amount of equipment to move trailers over the road when the volume of matched loads reaches a level to insure efficient utilization of equipment and regular work opportunity for the added employees.

It is the intent of the parties in this Section 1 to maximize the move- ment of freight over the Employer's established relay runs, thereby minimizing the use of substitute service.

The record keeping requirement set out in Section 2 below will provide the Union with the basis of monitoring the use of such pig- gyback operation.

(d) The Employer agrees the non-employee owner-operators, birdy-back, fishy-back and barge operations will not be used over the same routes where the Employer has established relay runs during the term of this Agreement.

Section 2. Maintenance of Records

(a) Trailers piggybacked as a substitute service as provided in Sec- tion 1 are to be signed in and signed out on the regular dispatch sheet in road operations, and where there are no road operations sign-in and sign-out sheets shall be maintained at an appropriate location, including trailers taken to and from the rail yard by city employees. These sheets will be made available, upon request, to the drivers for a period of thirty (30) days. The Employer shall report in writing on a monthly basis to the Local Union at the rail origin point, or in cases where there are no drivers domiciled at the rail origin point to the Local Union at the first driver relay point affected,

the number of trailers put on the rail at the rail origin point. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard. The time limits set forth in the Supplemental Agreement for filing claims based upon the monthly report shall commence to run upon the receipt of the report by the Local Union.

(b) With regard to use of substitute service as provided in Section 1, full and complete records of handling, dispatch and movement of such units system-wide shall be kept by the Employer and a report, which will include the date of all outbound rail movement, all points of origin and destination, all trailer numbers and the name of each railroad/routing, shall be sent on a quarterly basis to the office of the National Freight Director and the affected Area Regional Freight Director.

Article 29, Section 2

Where inspection of the records indicates that piggyback is being used as a substitute for road operations, as defined in Section 1 of this Article, over an established relay, rather than handling over- flow traffic, the grievance procedure may be invoked at the appro- priate Regional Joint Area Committee by the Regional Freight Co- ordinator or the office of the National Freight Director to provide a reasonable remedy for the improper usage of piggyback, including the revocation of the use of substitute service, for repeated viola- tions over such relay.

(c) With regard to trailers moved on rail as an approved intermodal operations set forth in Section 3, the Employer shall report in writ- ing on a monthly basis to each Local Union affected, the number of trailers put on the rail at the rail origin points of the approved inter- modal operations. The Employer shall also report the origin, desti- nation, trailer/load number, trailer weight and the time the trailer/ load leaves the Employer's yard for the rail yard.

In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total intermodal rail miles as reported on line 6 of the Bureau of Trans- portation Statistics (BTS) Schedule 600 annual report and the total miles as reported on line 7 of the BTS Schedule 600 annual report.

(d) With regard to the use of a Preferred Company as provided in Section 6, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers tendered to any Preferred Company. The Employer also shall report the origin, des- tination, trailer/load number, trailer weight and the time the trailer/ load leaves the Employer's yard.

In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total number of miles the Employer utilized any Preferred Company consistent with the requirements of Article 29, Section 6.

Section 3. Intermodal Service

(a) The parties recognize that in 1991, Congress passed the Inter- modal Surface Transportation Efficiency Act of 1991 and declared

the policy of the United States to be one of promoting the develop- ment of a national intermodal transportation system consisting of all forms of transportation in a unified, interconnected manner. The parties have, therefore, entered into this Agreement to enhance the Employer's opportunities to secure the benefits which flow from this national policy of encouraging intermodal transportation, in- cluding long-term stable and secure employment. At the same time, the parties recognize the need to minimize and provide for the im- pact which intermodal operations may have on certain employees covered by this Agreement.

(b) Use of Intermodal Service

1. Subject to the conditions set forth hereinafter, the Employer may establish a new intermodal service over the same route where the Employer has established relay runs or through runs.

Present relay or through operations may not be reduced, modified or changed in any other manner as the result of the implementation of a new intermodal service until such time as the proposed inter- modal operation has been approved by the National Intermodal Committee. The Employer shall submit to the National Intermodal Committee an application for approval which shall identify the road operation(s) the intended intermodal service will reduce and/ or eliminate; a list identifying the name and seniority date of each driver affected by the intended intermodal service(s); and a list by domicile of each of the road drivers openings available.

In the event the National Intermodal Committee is unable to agree on whether or not the Employer's proposed intermodal operations meet the criteria set forth below, the proposed operation shall not be approved until such time as those issues are resolved. This provi- sion shall not be utilized as a method to delay and/or deny a pro- posed intermodal operation when the criteria set forth below have been clearly satisfied.

(a) There shall be no more than two (2) intermodal changes ap- proved during the term of this Agreement; and

(b) No more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, 1998 shall be affected by the intermodal changes approved during the term of this Agreement.

In the event a proposed intermodal operation also includes the transfer of work that is subject to the provisions of Article 8, Sec- tion 6, the proposed intermodal operations and the transfer of work subject to Article 8, Section 6, may be heard by a combined Nation- al Intermodal/Change of Operations Committee on a joint record, and the seniority rights of all affected employees shall be deter- mined by Article 29, Section 3 95 such Committee, which shall have the authority granted in Article 8, Section 6(g).

2. An approved intermodal operation that provides service over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board driv- ers during each dispatch week at each of the affected domiciles.

For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the pre- vious four (4) week period in which the driver had normal earnings shall be considered the weekly protection when violations occur.

3. When transporting any shipment by intermodal service within the Employer's terminal network, the Employer shall utilize its drivers subject to the applicable respective area supplemental agreements to pickup such shipments from the shipper at point of origin and/or the Employer's terminal and deliver them to the ap- plicable intermodal exchange point. The Employer also shall use its drivers to deliver intermodal shipments to the consignee or the Em- ployer's terminal. A driver may be required to drive through other terminal service areas to the intermodal exchange point to pickup and deliver intermodal shipments without penalty.

4. Total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 28 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annu- al Report during any calendar year. In the event intermodal rail miles exceed this 28 percent maximum, the Employer shall be required to

remove an appropriate amount of freight from the rail and add a cor- responding number of drivers at each affected domicile. Effective for Calendar Year 2005 and thereafter, the maximum amount of rail miles as a percent of total miles as calculated above will be reduced from 28% to 26%. Subject to the provisions of Section 6 of the Article, total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 24 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annu- al Report during any calendar year. In the event intermodal rail miles exceed this 24% maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a correspond- ing number of drivers at each affected domicile.

The parties recognize that the current shipping markets demand ex- pedited delivery of freight in a manner that may not be accom- plished by hauling certain freight by rail. These market demands create a need to reduce the amount of freight hauled by rail and to use alternative methods of substitute service. As contemplated by Article 20, Section 4, new business opportunities may be pursued that promote new Teamster job opportunities while protecting ex- isting Teamster jobs, benefits, and working conditions. With these facts in mind, the rail miles as a percentage of total miles will be reduced as follows: effective Calendar Year 2010, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 24% to 21.5%. Effective Calendar Year 2011, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21.5% to 21%. Ef- fective Calendar Year 2012, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21% to 19%. The reduction in rail miles during the term of this Agreement is subject to the provisions of Article 29, Section 6.

The National Intermodal Committee shall establish rules and guidelines that will allow the Union the opportunity to verify and audit the Employer's BTS rail reports. In the event the Union estab- lishes through the grievance procedure that an Employer has falsi- fied the BTS reports in order to increase the maximum amount of intermodal rail miles permitted under this Article, the remedy for such a violation shall include a cessation of the Employer's affected

Article 29, Section 3

intermodal service until such time as the issue has been resolved to the satisfaction of the Union.

In the event the BTS rail and/or line haul miles reporting require- ments are modified and/or eliminated, the parties will meet to devel- op a substitute reporting procedure consistent with those of the BTS.

(c) Job Protection for Current Road Drivers

1. Rail operations that are subject to the provisions of Section 1(b) above shall not result in the layoff or involuntary transfer of any driver at any affected road driver domicile.

2. During the term of this Agreement, the Employer shall be per- mitted no more than two (2) Intermodal Changes whereby the Em- ployer may reduce and/or eliminate existing road operation(s) through the use of intermodal service. It is specifically agreed that a total of no more than ten (10) percent of the Employer's total ac- tive road driver seniority list as of April 1, 2003, shall be affected by the Intermodal Changes during the term of this Agreement.

Any road driver who is adversely affected by an approved Inter- modal Operation and would thereby be subject to layoff, or who is on layoff at an affected domicile at the time an Intermodal Opera- tion is approved, shall be offered work opportunity at other road driver domiciles within the Employer's system. The Employer shall include in its proposed Intermodal Operations specific facts that adequately support the Employer's claims that there will be suffi- cient freight to support the work opportunities the Employer pro- poses at each gaining domicile. In the event there is more than one (1) domicile involved, the drivers adversely affected shall be dove- tailed on a master seniority list and an opportunity to relocate shall be offered on a seniority basis, subject to the provisions of Article 8, Section 6. The "hold" procedures set forth in Article 8, Section 6 of the ABF NMFA shall be applicable. Where the source of the proposed work opportunity is presently being performed by bar- gaining unit employees over the road, the Employer shall be re- quired to make reasonable efforts to fill the offered positions as set forth in Article 8, Section 6(d)(6).

Article 29, Section 3

Drivers who relocate under this provision shall be dovetailed on the applicable seniority list at the domicile they bid into. Health & welfare and pension contributions shall be remitted in accordance with the provisions of Article 8, Section 6(a) and moving and lodging shall be paid in accordance with Article 8, Section 6(c) of the ABF NMFA.

It is understood and agreed that the intent of this provision is to provide the maximum job security possible to those drivers affected by the use of intermodal service. Therefore, the number of drivers on the affected seniority lists at rail origin points at the time an inter- modal change becomes effective shall not be reduced during the term of this Agreement other than

as may be provided in subsequent changes of operations. Drivers on the affected seniority lists at gain- ing domiciles at the time an intermodal change becomes effective, shall not be permanently laid off during the term of this Agreement.

The senior driver voluntarily laid off at an intermodal losing domi- cile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) with- in any thirty (30) calendar day period on a primary run of such do- micile, not affected by a Change of Operations.

For the purposes of this Section, short-term layoffs (1) that coincide with normal seasonal freight flow reductions that are experienced on a regional basis and that include a reduction in rail freight that corre- sponds to the reduction in truck traffic, or (2) that are incidental day- to-day layoffs due to reasons such as adverse weather conditions and holiday scheduling, shall not be considered as a permanent layoff. Layoffs created by a documented loss of a customer shall not exceed thirty (30) days. Any layoff for reasons other than as described above shall be considered as a permanent layoff. The Employer shall have the burden of proving that a layoff is not permanent.

In order to ensure that the work opportunities of the drivers at the gaining domiciles are not adversely affected by the redomiciling of drivers, the bottom twenty-five percent (25%) of the drivers at a gaining domicile shall not have their earnings reduced below an average weekly earnings of eight hundred and fifty dollars ($850). This eight hundred and fifty dollar ($850) average wage guarantee

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Article 29, Section 3

shall not start until the fourth (4th) week following the implemen- tation of the approved Intermodal Change of Operation.

It is not the intent of this provision to establish a eight hundred and fifty dollar ($850) per week as an artificial base wage but rather a minimum guarantee. This provision shall not preclude the short-term layoffs as defined above. The Employer shall have the burden of proving that drivers at the gaining domiciles have not had their work opportunities adversely affected by the redomiciling of drivers.

The eight hundred and fifty dollar ($850) average wage guarantee shall be determined based on the average four (4) weeks earnings of each active protected driver on the bottom twenty- five percent (25%) of the seniority roster. When the earnings of any active pro- tected driver in the bottom twenty-five percent (25%) of the senior- ity roster totals less than three thousand four hundred ($3,400) during each four (4) week period, the driver shall be compensated for the difference between actual earnings and three thousand four hundred ($3,400).

The four (4) week average shall be calculated each week on a “roll- ing” basis. A “rolling” four (4) week period is defined as a base week and the previous three consecutive weeks. Where the Employer makes a payment to an employee to fulfill the guarantee, the amount paid shall be added to the employee’s earnings for the base week of the applicable four (4) week period and shall be included in the cal- culations for subsequent four (4) week “rolling” periods to determine whether any further guarantee payments to the employee are due.

Time not worked shall be credited to drivers for purposes of com- puting earnings in the following instances:

a. Where a driver is offered a work opportunity that the driver has a contractual obligation to accept, and the driver elects not to accept such work, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the eight hundred and fifty dollar ($850) average wage guarantee.

No driver shall be penalized by having contractual earned time off credited for purposes of determining the eight hundred and fifty dollar ($850) average wage guarantee. However, where a driver takes earned time off in excess of forty-eight (48) hours during any work week, that work week shall be excluded from the rolling four (4) week period used to determine the eight hundred and fifty dollar ($850) average wage guarantee.

b. Where a driver uses a contractual provision to refuse or defer work so as to knowingly avoid legitimate work opportunity and therefore abuse the eight hundred and fifty dollar ($850) average wage guarantee, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the eight hundred and fifty dollar ($850) average wage guarantee.

Nothing in this subsection applies to or shall be construed to limit claims by any driver on the seniority roster at a gaining domicile alleging that the driver's work opportunity was adversely affected following the implementation of the Intermodal Change of Opera- tions because of the Employer's failure to provide adequate work opportunities for existing and redomiciled drivers. However, after the point that the Employer has provided adequate work opportuni- ties for protected drivers (existing and redomiciled), the wage pro- tection for active drivers in the bottom twenty-five percent (25%) of the seniority roster shall be limited to the eight hundred and fifty dollar ($850) guarantee.

As soon as a factual determination has been made that a driver in the bottom twenty-five percent (25%) of the seniority roster is entitled to the eight hundred and fifty dollar ($850) average wage guarantee, the driver's claim shall be paid. All other types of claims that the driver's work opportunities have been adversely affected shall be held in abey- ance until determined through the intermodal grievance procedure.

Section 4. National Intermodal Committee

The parties shall establish a National Intermodal Committee com- posed of four (4) Union representatives appointed by the Union Chairman of the National Grievance Committee and four (4) Em-

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ployer representatives appointed by the Employer Chairman of the National Grievance Committee. In the event a proposed intermodal operation includes the transfer of work subject to the provisions of Article 8, Section 6, the National Intermodal Committee shall then be considered as a combined National Intermodal/Multi- Region Change of Operations Committee with the authority to resolve all seniority issues in accordance with the authority granted by Article 8, Section 6(g).

The National Intermodal Committee shall establish rules of proce- dure to govern the manner in which proposed intermodal opera- tions are to be heard, procedures for resolving intermodal issues and procedures for establishing pre-hearing guidelines.

Any grievance concerning the application or interpretation of Arti- cle 29, Section 2(c) or concerning any issues that may arise from an approved intermodal operation provided for in this Section 3, shall be first referred to the National Intermodal Committee. If the Na- tional Intermodal Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the Nation- al Grievance Committee.

Section 5.

The Employer is prohibited from using rail as a subterfuge to trans- port freight by truck, driven by those outside of the bargaining unit. To this end, all loads tendered to the railroad shall be tendered by the Employer using bargaining unit employees at the point where the load is to be placed on the rail. Once tendered to the railroad, a load may not be transferred to non-bargaining unit personnel for transport by truck except in bona fide emergencies beyond the con- trol of the Employer and/or the railroad. Such emergencies shall not include the Employer tendering loads to the railroad when the Em- ployer knows or should know the load will not meet the scheduled departure time of the train and the railroad then transports the load by truck. The parties agree that this Subsection shall not apply to the Employer's existing rail operations, that have otherwise been permitted prior to February 8, 1998, by written agreement of the parties, or through a grievance decision. The parties further agree that nothing in this Subsection shall be construed to limit or other-

wise affect the railroads movements of loads within the metropoli- tan area between railroads or between tracks. This provision shall apply to all rail activities permitted under this Article.

MEMORANDUM OF UNDERSTANDING— PURCHASED TRANSPORTATION

The undersigned parties have reached agreement regarding Pur- chased Transportation Service (PTS) and outline the following un- derstandings with reference to the operation/employee protection of this MOU. This MOU is intended to permit a limited use of PTS for over-the-road transportation only. Nothing in this MOU is in- tended to permit the use of PTS for any other operation (i.e. P & D, Local Cartage, current intermodal, drayage, or shuttle operations etc.). Article 29 of the ABF NMFA remains in effect except as spe- cifically provided for in this Memorandum of Understanding.

Any disputes regarding PTS will be referred to the National PTS Committee consisting of an equal number of representatives from the Union and the Company for resolution. Any failures to resolve the dispute will be referred to the National Grievance Committee.

1) All active road drivers as of the date of ratification of the ABF NMFA commencing in 2018 will be protected by red circle name from layoff directly caused by the use of purchased transpor- tation per the attached seniority lists as of the date of ratification. For the remainder of the agreement, red circle protection will be extended by name on a one (1) for two (2) basis for road drivers hired after the date of ratification to replace red circle drivers that retire, quit, or are terminated. This protection does not apply to a road driver who has been offered but declined a transfer pursuant to any Change of Operations.

2) Red circle protection will apply to drivers at locations with single line seniority if they transfer to the road board from the local cartage board, as long as their seniority date is prior to the date of ratification of this agreement.

3) For locations with separate seniority lists that have transfer- ability from local cartage to the road board provided for in an exist-

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ing supplemental agreement, red circle protection will apply based on their bidding seniority date and the supplemental seniority ap- plication. Red circle protection will not apply if the applicable se- niority date per the supplemental provisions is after the date of ratification of the current agreement.

4) Notwithstanding anything in the ABF NMFA to the con- trary, the Employer shall be permitted to utilize companies for over-the-road purchased transportation substitute service. The maximum amount of over-the-road purchased transportation shall be limited to 5% (for the length of this agreement), of the Employ- er's total miles as reported on line 301 of Schedule 300 of the DOT/ FMCSA Annual Report during any calendar year. In conjunction with using over-the-road purchase transportation providers, the Company's total combined intermodal rail miles and purchased transportation miles shall not exceed 24% of the Company's total miles during any calendar year.

5) It is agreed that any purchased transportation provider uti- lized under this MOU shall be permitted to only make pick-ups at an ABF customer, and drop and pickup trailers at the Employer's terminal locations, but shall be required to do so in areas of the terminal specifically designated for such exchange. Freight picked up at a customer location by purchased transportation shall be de- livered to the nearest ABF facility(s) that can effectuate the effi- cient integration of the product into the ABF system.

6) If a red-circled driver is available (which includes the two (2)-hour period of time prior to end of his/her rest period) at point of origin when the trailer leaves the terminal or customer yard via purchased transportation, such driver's runaround compensation shall start from the time the trailer leaves the yard. Available red-circled drivers at relay points shall be protected against run- arounds if a violation occurred at the point of origin. If the Em- ployer does not have an over-the-road domicile at the point of ori- gin, the Employer shall protect the red-circled employees against runaround of the available drivers at the first relay point over which the freight would normally move had it not been placed on pur- chased transportation. Available red-circled drivers at relay points

Article 29, Section 5

shall be protected against runaround if a violation occurred at the first relay point. Runaround protection will be equal to the number of PTS drivers used; i.e. for each PTS used one aggrieved driver will be protected regardless of the dispatch system used at the af- fected terminal.

7) In the event a Union carrier becomes available to the Com- pany and said carrier is cost competitive and equally qualified, the Company will give such carrier first and preferred opportunity to bid on purchased transportation business. The Employer shall pro- vide to TNFINC an up-to-date list of purchased transportation pro- viders utilized within thirty (30) days of the end of each calendar quarter. In the event a PTS provider repeatedly violates the condi- tions established under this MOU, the Union shall have the ability to remove the carrier from future PTS utilization.

8) The Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers tendered to any purchased transportation provider. The Employer also shall report the carrier's name (including DOT number), origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard. In addition, the Employer shall, on a quarterly basis, unless otherwise required, send to the office of the National Freight Director a report containing all of the above indi- cated information in addition to the total number of miles the Em- ployer utilized with purchased transportation, inclusive of the type of PTS utilized, including whether the purpose was for avoiding empty miles, overflow or one-time business opportunities such as product launches.

9) All new business opportunities (such as product launches) and purchased transportation to avoid empties shall count toward the maximum amount of purchased transportation. In the event of product launches, the Company will notify TNFINC within twen- ty-four (24) hours of being awarded the business and will provide an overview of the PTS service being utilized in the business op- portunity. In the event it is necessary to temporarily exceed the lim- its outlined in this agreement to further accommodate a business opportunity, such request shall be made directly to TNFINC.

Article 29, Section 5

10) To preserve and/or grow existing road boards, each time the Company uses purchased transportation providers to run over the top of linehaul domicile terminal locations and/or relay domi- ciles, said dispatches shall be counted as supplemental or replace- ment runs, as applicable, for purposes of calculating the require- ment to add new employees to the road board. The formula for recalling or adding employees to the affected road board shall be thirty (30) supplemental runs in a sixty (60) day period. The only two exceptions to this condition are (a) one-time business opportu- nities (such as product launches), and (b) runs to avoid empties.

11) On a monthly basis and until as otherwise agreed to, the Company will identify by name and number all dispatch and/or manifest lanes that have been identified as and designated as “emp- ty lanes” eligible for PTS to include the number and percentage of empty miles currently on the two-way traffic lane. Such business and operational information as required by this MOU shall be pro- vided to the National Freight Division on a confidential basis and will only be reviewed by TNFINC to ensure compliance with the provisions of this MOU.

12) All purchased transportation carriers shall sign-in/sign-out when arriving or departing from service centers.

ARTICLE 30. JURISDICTIONAL DISPUTES

In the event that any dispute should arise between any Local Unions, parties to this Agreement or Supplements thereto, or be- tween any Local Union, party to this Agreement or Supplements thereto and any other Union, relating to jurisdiction over employ- ees or operations covered by such Agreements, the Employer and the Local Unions agree to accept and comply with the decision or settlement of the Unions or Union bodies which have the authority to determine such dispute, and such disputes shall not be submitted to arbitration under this Agreement or Supplements thereto or to legal or administrative agency proceedings. Pending such determi- nation, the Employer shall not be precluded from seeking appropri- ate legal or administrative relief against work stoppages or picket- ing in furtherance of such dispute.

ARTICLE 31. SINGLE EMPLOYER, MULTI-UNION UNIT

The parties agree to become a single-employer, multi-union bar- gaining unit established by this ABF National Master Freight Agree- ment, and to be bound by the interpretations and enforcement of this ABF National Master Freight Agreement and Supplements thereto.

ARTICLE 32. SUBCONTRACTING

(SEE ATTACHED MEMORANDUM OF UNDERSTANDING)

Section 1. Work Preservation

For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the signatory Employer agrees that no operation, work or services of the kind, nature or type covered by, or presently performed by, or hereafter assigned to, the collective bargaining unit by the signatory Employer will be subcontracted, transferred, leased, diverted, assigned or conveyed in full or in part (hereinafter referred to as “divert” or “subcon- tract”), by the Employer to any other plant, business, person, or non-unit employees, or to any other mode of operation, unless spe- cifically provided and permitted in this Agreement.

In addition, the signatory Employer agrees that it will not, as here- inafter set forth, subcontract or divert the work presently performed by, or hereafter assigned to, its employees to non-employee own- er-operators or other business entities owned and/or controlled by the signatory Employer, or its parent, subsidiaries or affiliates.

Section 2. Diversion of Work— Parent or Subsidiary Companies

The parties agree that for purposes of this Article it shall be pre- sumed that a diversion of work in violation of this Agreement oc- curs when work presently and regularly performed by, or hereafter assigned to, employees of the signatory Employer has been lost and the lost work is being performed in the same manner (including transportation by owner-operators and independent contractors) by

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Article 32, Section 2

an entity owned and/or controlled by the signatory Employer, its parent, or a subsidiary, including logistics companies, within one hundred twenty (120) days of the loss of the work. The burden of overcoming such presumption in the grievance procedure shall be upon the Employer.

Section 3. Subcontracting

The Employer may subcontract local cartage work, including pick- ups and deliveries, when all regular employees at a particular loca- tion are either working, have been offered work or are scheduled to work, except that in no event shall road work presently performed or runs established during the life of this Agreement be farmed out. No dock work shall be farmed out except for existing situations estab- lished by agreed-to past practices. Overflow loads may be delivered pursuant to the provisions of Article 29. Loads may also be deliv- ered by other agreed-to methods or as presently agreed to. Other persons performing subcontracted work which is permitted herein shall receive no less than the equivalent of the economic terms and conditions of this Agreement and the applicable Supplement.

The signatory Employer shall maintain records identifying persons performing subcontracted work permitted by this Agreement. Said records shall be made available for inspection by the Local Union(s) in the locality affected by such subcontract work.

The normal, orderly interlining of freight for peddle on occasional basis, where there are parallel rights, and when not for the purpose of evading this Agreement, may be continued as has been permitted by past practice provided it is not being done to defeat the provi- sions of this Agreement.

Section 4. Expansion of Operations

(a) Adjoining Over-The-Road and Local Cartage

It is understood and agreed that the provisions of the ABF National Master Freight Agreement shall be applied, without evidence of union representation of the employees involved, to all subsequent additions to, and extensions of, current over-the-road or local cart-

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age operations which adjoin and are controlled and utilized as part of such current operations of the signatory Employer, or any other entity, not operated wholly independently of the signatory Employ- er within the meaning of Article 3, Section 1 (a). In this regard, the parties agree that newly-established terminals and consolidations of terminals which are controlled and utilized as part of a current operation will be covered by the ABF National Master Freight Agreement and applicable Over-the-Road and Local Cartage Sup- plemental Agreements.

(b) New Pick-Up and Delivery Adjoining Current Operations

It shall not, however, be a violation of this Article if, during the term of this Agreement, the Employer commences pick-up and de- livery operations which adjoin and are controlled and utilized as part of such current operations with other than its own employees when there is insufficient business to economically justify the es- tablishment of its own employer-operated pick-up and delivery ser- vice. However, the above exception shall thereafter terminate when sufficient economic justification develops so as to warrant the es- tablishment and maintenance of the terminal operation by the Em- ployer, in which event, the Employer shall institute a pick-up and delivery operation or continue such operations with companies which maintain wage standards established by this Agreement in the area where the work is conducted. This exception shall not ap- ply in any circumstance where the Employer is presently engaged in pick-up and delivery operations either through his own terminal or through companies which maintain such wage standards.

(c) Non-Adjoining Pick-Up and Delivery Operations

The parties further agree that with respect to all subsequently estab- lished over-the-road and local cartage operations and terminals of the signatory Employer which do not adjoin, but are utilized and controlled as part of, current over-the-road and local cartage opera- tions, the provisions of Article 2, Section 3(a) shall govern so that when a majority of the eligible employees of the signatory Employ- er performing work at that location execute a card authorizing a signatory Local Union to represent them as their collective bargain-

ing agent at the terminal location, then, such employees shall auto- matically be covered by this Agreement and the applicable Supple- mental Agreements.

(d) Operations permitted by Article 29, and not in violation of any other provisions of this Agreement, are not to be considered as ex- tensions of current operations within the meaning of Section 4.

Section 5. New Business Opportunities

For the purpose of preserving work and job opportunities, the Nation- al Grievance Committee may define the circumstances and adopt pro- cedures by which the Employer and a Local Union, parties to this Agreement, may in compliance therewith enter into a Special Circum- stance Agreement which does not meet the standards provided herein.

In order to preserve work and increase job opportunities, the Compa- ny may utilize third parties for final mile deliveries of special freight. These deliveries are limited to “room of choice”, “white glove” as- sembly, and installation services inside addresses that are above and beyond the normal scope of service provided by ABF. The third-par- ty carriers in this regard shall not perform any dock work or loading/ unloading at any ABF terminal or station (“service center”). Bargain- ing unit employees shall continue to perform all “curbside” or “to the threshold” deliveries of such freight when that is the destination. The purpose of this paragraph is to allow the Company to obtain and hold new business accounts that result in a net gain of work opportunities for the unit. This paragraph shall not result in the layoff of bargaining unit employees. On a monthly basis, the Company shall provide the local union with a list of shippers that fall under this paragraph. Also, all delivery bills for these “inside” deliveries shall specify that it is inside “white glove service” work.

Section 6.

MEMORANDUM OF UNDERSTANDING ON ARTICLE 32—SUBCONTRACTING

During negotiations for the National Master Freight Agreement to replace the Agreement which is scheduled to expire on March 31,

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2003, the parties discussed employer subcontracting under Article 32 of the NMFA. As a result of these discussions, the parties agreed to the following understandings and clarifications as to the intent of the work preservation, diversion of work, and subcontracting pro- visions of Article 32:

A. It is a violation of Article 32 to use vendors to perform work, other than overflow, of the kind, nature, or type currently or previ- ously performed by bargaining unit employees. For example, it is a violation of Article 32 for the size of the bargaining unit to decrease by attrition and the Employer not replace the employees while us- ing vendors to perform work of the kind, nature, or type previously performed by that bargaining unit. Bargaining unit work of the kind, nature, or type includes any pick-up or delivery of freight, dockwork, clerical, or maintenance work functions performed by the bargaining unit under the Agreement.

B. Although Article 32 permits the Employer to subcontract over- flow work, it is a violation for the Employer to regularly subcontract work of the kind, nature, or type currently or previously performed by the bargaining unit, rather than hiring additional employees over and above the existing complement to perform the regularly subcon- tracted work. Subject to employee availability (for example, inabil- ity to hire and/or absenteeism), work is subcontracted regularly in violation of Article 32 when there is a pattern of bargaining unit work being subcontracted on a daily or weekly basis. Nothing in this Memorandum of Understanding is intended to change the triggers for hiring in the applicable Supplemental Agreements.

C. Recognizing that shippers may consign freight within their con- trol to/from Mexico at any point in the United States, Article 32 prohibits the Employer from subcontracting work under its control to be performed in the United States of the kind, nature, or type currently or previously performed by the bargaining unit to em- ployees employed by Mexican companies.

D. It is a violation of Article 32 for the Employer to knowingly subcontract bargaining unit work to be performed by a subcontrac- tor while any regular scheduled or regular unscheduled employees,

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including “shapes” or “percenters” are on lay off unless they have been offered and refused such work (or attempt to contact the em- ployee is unsuccessful, which shall be verified). Subterfuge by any party is a serious offense and violates Article 32. Examples of sub- terfuge may include:

a. Tendering an amount of freight to a vendor on a given day that exceeds the capacity of that vendor; and

b. Tendering freight to a subcontractor that knowingly will not be attempted for delivery on the day subcontracted.

Section 7. National Subcontracting Review Committee

The parties shall establish a National Subcontracting Review Com- mittee composed of two (2) Union representatives appointed by the Union Chairman of the National Grievance Committee and two (2) Employer representatives appointed by the Employer Chairman of the National Grievance Committee. The National Subcontracting Review Committee shall have the authority to review and adjudi- cate alleged violations of the work preservation, diversion of work and subcontracting provisions of Article 32, including practices by an Employer that are an alleged subterfuge to avoid the require- ments of Article 32.

All other grievances arising under this Article shall be processed on an expedited basis pursuant to the procedures contained in Article 8, Section 1(a).

ARTICLE 33. WAGES, CASUAL RATES, PREMIUMS AND COST-OF-LIVING (COLA)

1. General Wage Adjustments: All Regular Employees

All regular employees subject to this Agreement will receive the following general wage adjustments:

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a. Effective July 1, 2018:	+$0.30 per hour on all hourly rates
	+0.750 cents per mile on all mileage rates

b. Effective July 1, 2019:	+$0.35 per hour on all hourly rates +0.875 cents per mile on all mileage rates
c. Effective July 1, 2020:	+$0.40 per hour on all hourly rates +1.000 cents per mile on all mileage rates
d. Effective July 1, 2021:	+$0.45 per hour on all hourly rates +1.125 cents per mile on all mileage rates
e. Effective July 1, 2022:	+$0.50 per hour on all hourly rates +1.250 cents per mile on all mileage rates

No employee shall suffer a reduction in a wage rate as a result of this agreement.

All regular employees still in the New Hire Progression on the ef- fective dates of this Agreement shall receive the appropriate per- centage adjustment.

2. Casual Rates

(a) City and Combination Casuals

Hourly rates for city and combination casuals (CDL required) shall increase by 85% of the general wage increase for regular employ- ees on the dates shown in Section 1 of this Article.

(b) Dock Only Casuals

Effective July 1, 2018, the hourly rate for dock only casuals will increase to $16.25.

Effective July 1, 2019, the hourly rate for dock only casuals will increase to $16.50.

Article 33

Effective July 1, 2020, the hourly rate for dock only casuals will increase to $16.75.

Effective July 1, 2021, the hourly rate for dock only casuals will increase to $17.00.

Effective July 1, 2022, the hourly rate for dock only casuals will increase to $17.25.

3. Utility Employee and Sleeper Team Premiums

(a) Effective April 1, 2008 and in the event Employer subject to this Agreement utilizes the Utility Employee classification, each Utility Employee shall receive an hourly premium of $1.00 per hour over the highest rate the Employer pays to local cartage drivers under the Supplemental Agreement covering the Utility Employee's home do- micile. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

(b) Effective April 1, 2003, the Sleeper Team Premium will be a minimum of 2 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

4. Cost of Living Adjustment Clause

All regular employees shall be covered by the provisions of a cost- of-living allowance as set forth in this Article.

The amount of the cost-of-living allowance shall be determined as pro- vided below on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series Using 1982-84 Expenditure Patterns). All Items published by the Bureau of Labor Sta- tistics, U.S. Department of Labor and referred to herein as the Index.

Effective July 1, 2019, and every July 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, 2018, (pub- lished February, 2018) and the index for January, 2019 (published February, 2019) with a similar calculation for every year thereafter, as follows:

Article 33

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.5%, there will be a 1 cent increase in the hourly wage rates payable on July 1, 2019 , and every July 1 there- after. These increases shall only be payable if they equal a mini- mum of five cents ($.05) in a year. In no case shall the cost-of living-allowance be more than five (5) cents in any given year.

All cost-of-living allowances paid under this Agreement will be- come and remain a fixed part of the base wage rate for all job clas- sifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each 1 cent increase in hourly wages.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of La- bor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

5. Education and Training

The Employer will pay each regular employee that completes CDL training and certification after April 1, 2018 the sum of three hun- dred dollars ($300.00).

ARTICLE 34. GARNISHMENTS

ARTICLE 34—INTENTIONALLY LEFT BLANK

Article 35, Section 1

ARTICLE 35.

Section 1. Employee's Bail

Employees will be bailed out of jail if accused of any offense in connection with the faithful discharge of their duties, and any em- ployee forced to spend time in jail or in courts shall be compensat- ed at his/her regular rate of pay. In addition, he/she shall be enti- tled to reimbursement for his/her meals, transportation, court costs, etc.; provided, however, that faithful discharge of duties shall in no case include compliance with any order involving com- mission of a felony. In case an employee shall be subpoenaed as a company witness, he/she shall be reimbursed for all time lost and expenses incurred.

Section 2. Suspension or Revocation of License

In the event an employee receives a traffic citation for a moving violation which would contribute to a suspension or revocation or suffers a suspension or revocation of his/her right to drive the com- pany's equipment for any reason, he/she must promptly notify the Employer in writing. Failure to comply will subject the employee to disciplinary action up to and including discharge. If such suspen- sion or revocation comes as a result of his/her complying with the Employer's instruction, which results in a succession of size and weight penalties or because the Employer's instruction to drive company equipment which is in violation of DOT regulations relat- ing to equipment or because the company equipment did not have either a speedometer or a tachometer in proper working order and if the employee has notified the Employer of the citation for such vi- olation as above mentioned, the Employer shall provide employ- ment to such employee at not less than his/her regular earnings at the time of such suspension for the entire period thereof.

When an employee in any job classification requiring driving has his/her operating privilege or license suspended or revoked for rea- sons other than those for which the employee can be discharged by the Employer, a leave of absence without loss of seniority, not to exceed three (3) years, shall be granted for such time as the em- ployee's operating license has been suspended or revoked. The em-

Article 35, Section 2

ployee will be given work opportunities ahead of casuals to per- form non-CDL required job functions.

Section 3. Drug Testing

PREAMBLE

While abuse of alcohol and drugs among our members/employees is the exception rather than the rule, the Teamsters National Freight Industry Negotiating Committee and the Employers

signatory to this Agreement share the concern expressed by many over the growth of substance abuse in American society.

The parties have agreed that the Drug and Alcohol Abuse Program will be modified in the event that further federal legislation or De- partment of Transportation regulations provide for revised testing methodologies or requirements. The parties have incorporated the appropriate changes required by the applicable DOT drug testing rules under 49 CFR Parts 40 and 382, and agree that if new federal- ly mandated changes are brought about, they too will become part of this Agreement. The drug testing procedure, agreed to by labor and management, incorporates state-of-the-art employee protec- tions during specimen collection and laboratory testing to protect the innocent and ensures the Employer complies with all applicable DOT drug and alcohol testing regulations. In order to eliminate the safety risks which result from alcohol or drugs, the parties have agreed to the following procedures:

ABF NMFA UNIFORM TESTING PROCEDURE

A. Probable Suspicion Testing

In cases in which an employee is acting in an abnormal manner and at least one (1) supervisor, two (2) if available, have probable sus- picion to believe that the employee is under the influence of con- trolled substances and/or alcohol, the Employer may require the employee (in the presence of a union shop steward, if possible) to undergo a urine specimen collection and a breath alcohol analysis as provided in Section 4B. The supervisor(s) must have received training in the signs of drug intoxication in a prescribed training

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Article 35, Section 3

program which is endorsed by the Employer. Probable suspicion means suspicion based on specific personal observations that the Employer representative(s) can describe concerning the appear- ance, behavior, speech or breath odor of the employee. The obser- vations may include the indication of chronic and withdrawal ef- fects of controlled substances. The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. A copy must be provided to the shop steward or other union official after the employee is discharged. Suspicion is not probable and thus not a basis for testing if it is based solely on third (3rd) party observation and reports. The employee shall not be required to waive any claim or cause of action under the law. For all purpos- es herein, the parties agree that the terms “probable suspicion” and “reasonable cause” shall be synonymous.

The following collection procedures shall apply to all types of testing:

A refusal to provide a urine specimen or undertake a breath analysis will constitute a presumption of intoxication and the employee will be subject to discharge without receipt of a prior warning letter. If the employee is unable to produce 45mL of urine, he/she shall be offered up to forty ounces of fluid to drink and shall remain at the collection site under observation until able to produce a 45mL spec- imen, for a period of up to three (3) hours from the first unsuccessful attempt to provide the urine specimen. If the employee is still unable to produce a 45mL specimen, the Employer shall direct the employ- ee to undergo an evaluation which shall occur within five business days, by a licensed physician, acceptable to the MRO who has the expertise in the medical issues concerning the employee’s inability to provide an adequate amount of urine. If the physician and MRO conclude that there is no medical condition that

would preclude the employee from providing an adequate amount of urine, the MRO will issue a ruling that the employee refused the test. If an employee is unable to provide sufficient breath sample for analysis, the proce- dures outlined in the DOT regulations shall be followed for all em- ployees. Such employees shall be evaluated by a licensed physician, acceptable to the Employer, who has the expertise in the medical issues concerning the employee's failure to provide an adequate amount of breath. Absent a medical condition, as determined by the

licensed physician, said employee will be regarded as having re- fused to take the test. The Employer will adhere to DOT regulations for employees who are unable to provide a urine or breath specimen due to a permanent or long-term medical condition. Contractual time limits for disciplinary action, as set forth in the appropriate Supplemental Agreement, shall begin on the day on which speci- mens are taken. In the event the Employer alleges only that the em- ployee is intoxicated on alcohol and not drugs, previously agreed-to procedures under the appropriate Supplemental Agreement for de- termining alcohol intoxication shall apply.

In the event the Employer is unable to determine whether the ab- normal behavior is due to drugs or alcohol, the drug testing proce- dure contained herein and the breath alcohol testing procedure con- tained in Section 4B shall be used. If the laboratory results are not known prior to the expiration of the contractual time period for disciplinary action, the cause for disciplinary action shall specify that the basis for such disciplinary action is for "alcohol and/or drug intoxication".

B. DOT Random Testing

It is agreed by the parties that random urine drug testing will be implemented only in accordance with the DOT rules under 49 CFR Part 382, Subpart C.

The method of selection for random urine drug testing will be neu- tral so that all employees subject to testing will have an equal chance to be randomly selected.

The term "employees subject to testing" under this agreement is meant to include any employee required to have a Commercial Drivers License (CDL) under the Department of Transportation regulations.

Employees out on long term injury or disability for any reason shall not be tested.

The provisions of Article 35, Section 3 F 3 (Split Sample Proce- dures), and Article 35, Section 3 J 1 (One-Time Rehabilitation), shall apply to random urine drug testing.

C. Non-Suspicion-Based Post-Accident Testing

Non-suspicion-based post-accident testing is defined as urine drug testing as a result of an accident which meets the definition of an accident as outlined in the Federal Motor Carrier Safety Regula- tions. Urine drug testing will be required after accidents meeting the following conditions and drivers are required to remain readily available for testing for thirty-two (32) hours following the acci- dent or until tested.

Employees subject to non-suspicion-based post-accident drug test- ing shall be limited to those employees subject to DOT drug test- ing, who are involved in an accident where there is:

(i) a fatality, or;

(ii) a citation under State or local law is issued to the driver for a moving traffic violation arising from the accident in which:

(a) bodily injury to a person who, as a result of the injury, immedi- ately receives medical treatment away from the scene of the acci- dent, or

(b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

The driver has the responsibility to make himself/herself available for urine drug testing within the thirty-two (32) hour period in ac- cordance with the procedures outlined in this Subsection. The driv- er is responsible to notify the Employer upon receipt of a citation and to note receipt thereof on the accident report. Failure to so no- tify the Employer shall subject the driver to disciplinary action.

If a driver receives a citation for a moving violation more than thir- ty- two (32) hours after a reportable accident, he/she shall not be required to submit to post-accident urine drug testing.

The Employer shall make available a urine drug testing kit and an appropriate collection site for the driver to provide specimens.

The provisions of Article 35, Section 3 F 3 (Split Sample Proce- dures), and Article 35, Section 3 J 1 (One-Time Rehabilitation), shall apply to non-suspicion-based post-accident urine drug testing.

D. Chain of Custody Procedures

Any specimens collected for drug testing shall follow the DHHS/ DOT (Department of Health and Human Services/ Department of Transportation) specimen collection procedures. At the time speci- mens are collected for any drug testing, the employee shall be given a copy of the specimen collection procedures. In the presence of the employee, the specimens are to be sealed and labeled. As per DOT regulations, it is the employee's responsibility to initial the seals on the specimen bottles, additionally ensuring that the specimens test- ed by the laboratory are those of the employee.

The required procedure follows:

When urine specimens are to be provided, at least 45 mL of speci- men shall be collected. At least 30 mL shall be placed in one (1) self-sealing, screw-capped or snap-capped container. A urine spec- imen of at least 15mL shall be placed in a second (2nd) such con- tainer. They shall be sealed and labeled by the collector, and ini- tialed by the employee without the containers leaving the employee's presence. The employee has the responsibility to iden- tify each container and initial same. Following collection, the spec- imens shall be placed in the transportation container together with the appropriate copies of the chain of custody form. The transpor- tation container shall then be sealed in the employee's presence. The container shall be sent to the designated testing laboratory at the earliest possible time by the fastest available means.

Article 35, Section 3

In this urine collection procedure, the donor shall urinate into a collection container capable of holding at least 55 mL, which shall remain in full view of the employee until transferred to tamper re- sistant urine bottles, and sealed and labeled, and the employee has initialed the bottles.

It is recognized that the Specimen Collector is required to check for sufficiency of specimen, acceptable temperature range, and signs of tampering, provided that the employee's right to privacy is guaran- teed and in no circumstances may observation take place while the employee is producing the urine specimens, unless required by DOT regulations. If it is established that the employee's specimen is outside of the acceptable temperature range or has been inten- tionally tampered with or substituted by the employee, the employ- ee will be required to immediately submit an additional specimen under direct observation. Also, if it is established that the employ- ee's specimen has been intentionally tampered with or substituted by the employee, the employee is subject to discipline as if the specimen tested positive. In order to deter adulteration of the urine specimen during the collection process, physiologic determinations for creatinine, specific gravity, pH, and any substances that may be used to adulterate the specimen shall be performed by the laborato- ry. If the laboratory suspects the presence of an interfering sub- stance/ adulterant that could make a test result invalid, but the ini- tial laboratory is unable to identify it, the specimen must be sent to another HHS certified laboratory that has the capability of doing so.

Any findings by the laboratory that indicate that a specimen is adul- terated as a result of the fact that it contains a substance that is not expected to be present in human urine; a substance that is expected to be present is identified at a concentration so high that it is not consistent with human urine; or has physical characteristics which are outside the normal expected range for human urine shall be im- mediately reported to the Company's Medical Review Officer (MRO). The parties recognize that the key to chain of custody in- tegrity is the immediate sealing and labeling of the specimen bot- tles in the presence of the tested employee. If each container is re- ceived undamaged at the laboratory properly sealed, labeled and initialed, consistent with DOT regulations as certified by the labo-

ratory, the Employer may take disciplinary action based upon the MRO's ruling.

E. Urine Collection Kits and Forms

The contents of the urine collection kit shall be as follows:

1. The kit shall include a specimen collection container capable of holding at least fifty-five (55) mL of urine and contains a tempera- ture reading device capable of registering the urine temperature specified in the DOT regulations.

2. Two (2) plastic bottles that are capable of holding at least thir- ty-five (35) mL, have screw-on or snap-on caps, and markings clearly indicating the appropriate levels for the primary (30 mL) and split (15 mL) specimens.

3. A uniquely numbered (i.e. Specimen Identification Number) DOT approved chain of custody form with similarly numbered Bottle Custody Seals, and a transportation kit seal (e.g., Box Seal) shall be utilized during the urine collection process and completed by the collection site person. In the case of probable suspicion or other contractually required testing, a Non-DOT chain of custody form will be used for the testing of Non-DOT employees. The ap- propriate laboratory copies are to be placed into the transportation container with the urine specimens. The exterior of the transporta- tion kit shall then be secured, e.g., by placing the tamper-proof Box Seal over the outlined area.

4. Shrink-wrapped or similarly protected kits shall be used in all instances.

F. Laboratory Requirements

1. Urine Testing

In testing urine samples, the testing laboratory shall test specifically for those drugs and classes of drugs and adulterants employing the test methodologies and cutoff levels covered in the DOT Regula- tions 49 CFR, Part 40.

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2. Specimen Retention

All specimens deemed positive, adulterated, substituted, or invalid by the laboratory, according to the prescribed guidelines, must be retained at the laboratory for a period of one (1) year.

3. Split Sample Procedure

The split sample procedure is required for all employees selected for urine drug testing. When any test kit is received by the labora- tory, the "primary" sealed urine specimen bottle shall be immedi- ately removed for testing, and the remaining "split" sealed speci- men bottle shall be placed in secured storage. Such specimen shall be placed in refrigerated storage if it is to be tested outside of the DOT mandated period of time.

The employee will be given a shrink-wrapped or similarly protect- ed urine collection kit. After receiving the specimen, the collector shall pour at least 30 mL of urine into the specimen bottle

and at least 15 mL into the second split specimen bottle. Both bottles shall be sealed in the employee's presence, initialed by the employee, then forwarded to an accredited laboratory for testing. If the em- ployee is advised by the MRO that the first (1st) urine sample tested positive, adulterated, or substituted, in a random, return to duty, follow-up, probable suspicion or post accident urine drug test, the employee may, within seventy-two (72) hours of receipt of the ac- tual notice, request from the MRO that the second (2nd) urine spec- imen be forwarded by the first laboratory to another independent and unrelated accredited laboratory of the parties' choice for GC/ MS confirmatory testing for the presence of the drug, or other con- firmatory testing for adulterants, or to confirm that the specimen has been substituted as defined in 49 CFR Part 40. If the employee chooses to have the second (2nd) sample analyzed, he/she shall at that time execute a special check-off authorization form to ensure payment by the employee. Split specimen testing will conform to the regulations as defined in 49 CFR Part 40. If the employee chooses the optional split sample procedure, and so notifies his Em- ployer, disciplinary action can only take place after the MRO re- ports a positive, adulterated, or substituted result on the primary

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test and the MRO reports that the testing of the split specimen con- firmed the result. However, the employee may be taken out of ser- vice once the MRO reports a positive, adulterated, or substituted result based on the testing of the primary specimen while the test- ing of the split specimen is being performed. If the second (2nd) test confirms the findings of the first laboratory and the employee wishes to use the rehabilitation options of this Section, the employ- ee shall reimburse the Employer for the cost of the second (2nd) sample's analysis before entering the rehabilitation program. If the second (2nd) laboratory report is negative, for drugs, adulterants, or substitution, the employee will be reimbursed for the cost of the second (2nd) test and for all lost time. It is also understood that if an employee opts for the split sample procedure, contractual time limits on disciplinary action in the Supplements are waived.

4. Laboratory Accreditation

All laboratories used to perform urine drug testing pursuant to this Agreement must be certified by Health and Human Services under the National Laboratory Certification Program (NLCP).

G. Laboratory Testing Methodology

1. Urine Testing

The initial testing shall be by immunoassay which meets the re- quirements of the Food and Drug Administration for commercial distribution. The initial cutoff levels used when screening urine specimens to determine whether they are negative or positive for various classes of drugs shall be those contained in the Scientific and Technical Guidelines for Federal Drug Testing Programs (sub- ject to revision in accordance with subsequent amendments to the HHS Guidelines).

All specimens identified as positive on the initial test shall be con- firmed using gas chromatography/mass spectrometry (GC/MS) techniques. Quantitative GC/MS confirmatory procedures for drugs and confirmatory procedures for specimens that are initially identified as

being adulterated or substituted shall comply with the testing protocols mandated by the Scientific and Technical Guide-

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lines for Federal Drug Testing Programs (subject to revision in ac- cordance with subsequent amendments to the HHS Guidelines).

Validity testing shall be conducted on all specimens, pursuant to HHS requirements, to determine whether they have been adulterat- ed or substituted. All specimens which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative, unless they are confirmed to be adulterated, substituted, or invalid. Only specimens which test positive on both the initial test and the GC/MS confirmation test shall be reported as positive. Specimens that are confirmed to be adulterated or substituted shall be reported as such.

When a grievance is filed as a result of a drug test that is ruled positive, adulterated, or substituted, the Employer shall provide a copy of the MRO ruling to the Union.

Where Schedule I and II drugs are detected, the laboratory is to re- port a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist and certified as accurate.

2. Prescription and Non-prescription Medications

If an employee is taking a prescription or non-prescription medica- tion in the appropriate described manner he/she will not be disci- plined. Medications prescribed for another individual, not the em- ployee, shall be considered to be illegally used and subject the employee to discipline.

3. Medical Review Officer (MRO)

The Medical Review Officer (MRO) shall be a licensed physician with the knowledge of substance abuse disorders, issues relating to adulterated and substituted specimens, possible medical causes of specimens having an invalid result, and applicable DOT agency regulations. In addition, the MRO shall keep current on applicable DOT agency regulations and comply with the DOT qualification training and continuing education requirements. The MRO shall

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review all urine drug test results from the laboratory and shall ex- amine alternate medical explanations for tests reported as positive, adulterated, or substituted, as well as those results reported as in- valid. Prior to the final decision to verify a urine drug test result, all employees

shall have the opportunity to discuss the results with the MRO. If the employee declines to speak with the MRO, or the em- ployee fails to contact the MRO within 72 hours of being notified to do so by the Employer, or if the MRO is unable to contact the employee within ten (10) days of the receipt of the drug test result being reported to him by the laboratory, then the MRO may report the result to the Employer.

4. Substance Abuse Professional (SAP)

The Substance Abuse Professional (SAP), as provided in the regula- tions, means a licensed physician (Medical Doctor or Doctor of Os- teopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or a drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders and be knowledgeable of the SAP function as it relates to Employer interest in safety-sensitive functions, and applicable DOT agency regulations. In addition, the SAP shall comply with the DOT qualification training and continuing education requirements.

H. Leave of Absence Prior to Testing

1. An employee shall be permitted to take leave of absence in ac- cordance with the FMLA or applicable State leave laws for the pur- pose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action.

2. Employees requesting to return to work from a voluntary leave of absence for drug use or alcoholism shall be required to submit to testing as provided for in Part J of this Section. Failure to do so will

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subject the employee to discipline including discharge without the receipt of a prior warning letter.

The provisions of this Section shall not apply to probationary em- ployees.

I. Disciplinary Action Based on Positive Adulterated, or Substituted Test Results

Consistent with past practice under this Agreement, and notwith- standing any other language in any Supplement, the Employer may take disciplinary action based on the test results as follows:

1. If the MRO reports that a urine drug test is positive, adulterated, or substituted, the employee shall be subject to discharge except as provided in Part J.

2. The following actions shall apply in probable suspicion testing based on DOT and contractual mandates.

a. If the urine drug test is positive, adulterated, or substituted, ac- cording to the procedures described in Part G, the employee shall be subject to discharge.

b. If the breath alcohol test results show a blood alcohol concentra- tion equal to or above the level previously determined by the appro- priate Supplemental Agreement for alcohol intoxication, the em- ployee shall be subject to discharge pursuant to the Supplemental Agreement.

c. If the breath alcohol test is negative and the urine drug test is negative, the employee shall be immediately returned to work and made whole for all lost earnings.

J. Return to Employment After a Positive Urine Drug Test

1. Any employee with a positive, adulterated, or substituted urine drug test result (other than under probable suspicion testing), thereby subjecting the employee to discipline, shall be granted reinstatement on a one (1)—time lifetime basis if the employee successfully com-

pletes a course of education and/or treatment program as recom- mended by the Substance Abuse Professional (SAP). The SAP will recommend a course of education and/or treatment with which the employee must demonstrate successful compliance prior to returning to DOT safety-sensitive duty. The SAP will refer him/her to a treat- ment program which has been approved by the applicable Health and Welfare Fund, where such is the practice. Any cost of evaluation, education and/or treatment over and above that paid for by the appli- cable Health and Welfare Fund, must be borne by the employee.

2. Employees electing the one-time lifetime evaluation and/or re- habilitation must notify the Company within ten (10) days of being notified by the Company of a positive, adulterated, or substituted urine drug test. The evaluation process and education and/or treat- ment program must take a minimum of ten (10) days. The employ- ee must begin the evaluation process and education and/or treat- ment program within fifteen (15) days after notifying the Company. The employee must request reinstatement promptly after successful completion of the education and/or treatment program. After the minimum ten (10) day period and re-evaluation by the SAP, the employee may request reinstatement, but must first provide a nega- tive return to duty urine drug test, to be conducted by a clinic and laboratory of the Employer's choice, before the employee can be reinstated. Any employee choosing to protest the discharge must file a protest under the applicable Supplement. After the discharge is sustained, the employee must notify the Company within ten (10) days of the date of the decision, of the desire to enter the evaluation process and education and/or treatment program.

3. While undergoing treatment, the employee shall not receive any of the benefits provided by this Agreement or Supplements thereto except the continued accrual of seniority.

4. Before reinstatement after the minimum ten (10) day period, the employee must be re- evaluated by the Substance Abuse Profession- al to determine successful compliance with any recommended edu- cation and/or treatment program. The employee must then submit to the Employer's return-to-duty urine drug test (and alcohol test if so prescribed by the SAP) with a negative result. The employee

will be subject to at least six (6) unannounced follow-up urine drug tests in the first year, as determined by the SAP. If, at any time, the employee tests positive, provides an adulterated or substituted specimen, or refuses to submit to a test, the employee shall be sub- ject to discharge.

(a) Return-to-duty drug test is a urine drug test which an employee must complete with a negative result, after having been reevaluated by a SAP to determine successful compliance with recommended education and/or treatment.

(b) Follow-up drug testing shall mean those unannounced urine drug tests required (minimum of six (6) in a twelve (12) month period) when an employee tests positive, provides an adulterated or substituted specimen, or refused to be tested and has been evaluated by the SAP, completed education and/or treatment, been re-evaluat- ed by SAP and returned to work. The requirements of follow-up testing follow the employee through breaks in service (i.e. layoff, on-the-job injury, personal illness/injury, leave of absence, etc.). In addition, the requirements of follow-up testing follow the employ- ee to subsequent employers. The SAP has the authority to order any number of follow-up urine drug and/or alcohol tests and to extend the twelve (12) month period up to sixty (60) months.

K. Special Grievance Procedure

1. The parties shall together create a Special Region Joint Area Committee consisting of an equal number of employer and union representatives to hear drug-related discipline disputes. All such disputes arising after the establishment of the Special Region Joint Area Committee shall be taken up between the Employer and Local Union involved. Failing adjustment by these parties, the dispute shall be heard by the Special Region Joint Area Committee within ninety (90) days of the Committee's receipt of the dispute. Where the Special Region Joint Area Committee, by majority vote, settles a dispute, such decision shall be final and binding on both parties with no further appeal. Where the Special Region Joint Area Com- mittee is unable to agree on or come to a decision on a dispute, the dispute will be referred to the National Grievance Committee.

2. The procedures set forth herein may be invoked only by the au- thorized Union Representative or the Employer.

L. Paid-for Time

1. Training

Employees undergoing substance abuse training as required by the DOT will be paid for such time and the training will be scheduled in connection with the employee's normal work shift, where possi- ble.

2. Testing

Employees subject to testing and selected by the random selection process for urine drug testing shall be compensated at the regular straight time hourly rate of pay in the following manner provided that the test is negative:

a. Random Drug Tests

(1) for all time at the collection site.

(2) (a) for travel time one way if the collection site is reasonably en route between the employee's home and the terminal, and the em- ployee is going to or from work; or

(b) for travel time both ways between the terminal and the collec- tion site, only if the collection site is not reasonably en route be- tween the employee's home and the terminal.

(3) When an employee is on the clock and a random drug test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

(4) The Employer will not require the city employee to go for urine drug testing before the city employee's shift, provided the collection site is open during or immediately following the em- ployee's shift.

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(5) During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the collection site to take a random drug test.

(6) If a road driver is called at home to take a random drug test at a time when the road driver is not en route to or from work, the driv- er shall be paid, in addition to all time at the collection site, travel time both ways between the driver's home and the collection site with no minimum guarantee.

b. Non-Suspicion-Based Post-Accident Testing

(1) In the event of a non-suspicion-based post-accident testing situa- tion, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time [during the thirty-two (32) hour period], the em- ployee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

(2) When the Employer takes a road driver out of service and di- rects the employee to be tested immediately, the Employer will make arrangements for the road driver to return to his/her home terminal in accordance with the Supplemental Agreement.

Section 4. Alcohol Testing

The parties agree that in the event of further federal legislation or DOT regulations providing for revised methodologies or require- ments, those revisions shall, to the extent they impact this Agreement, unless mandated, be subject to mutual agreement by the parties.

A. Employees Who Must be Tested

There shall be random, non-suspicion-based post-accident and probable suspicion alcohol testing of all employees subject to DOT mandated alcohol testing. This includes all employees who, as a condition of their employment, are required to have a DOT physi- cal, a CDL and are subject to testing for drugs under Article 35, Section 3 B.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT-mandated alcohol testing are only subject to probable suspicion testing as provided in Article 35, Section 3 of the ABF NMFA or the appropriate article of the applicable Supple- mental Agreement. The alcohol breath testing methodology out- lined in this Section will be utilized for all employees required to undergo probable suspicion testing. (For test results and discipline, refer to ABF NMFA, Article 35, Section 3 I 2.)

B. Alcohol Testing Procedure

All alcohol testing under this Section will be conducted in accor- dance with applicable DOT/FMCSA regulations. All equipment used for alcohol testing must be on the NHTSA Conforming Prod- ucts List and be used and maintained in compliance with DOT re- quirements. Breath samples will be collected by a Breath Alcohol Technician (BAT) who has successfully completed the necessary training course that is the equivalent of the DOT model course and who is knowledgeable of the alcohol testing procedures set forth in 49 CFR Part 40 and any current DOT Guidance. Law enforcement officers who have been certified by state or local governments to conduct breath alcohol testing are deemed to be qualified as Breath Alcohol Technicians. The training shall be specific to the type of Evidential Breath Testing (EBT) device being used for testing. The Employer shall provide the employees with material containing the information required by Section 382.601 of the Federal Motor Car- rier Safety Regulations.

1. Screening Test

The initial screening test uses an Evidential Breath Testing (EBT) device, unless other testing methodologies or devices are mandated or agreed upon, to determine levels of alcohol. The following initial cutoff levels shall be used when screening breath samples to deter- mine whether they are negative or positive for alcohol.

Breath Alcohol Levels:

Less than 0.02% BAC—Negative

0.02% BAC and above—Positive (Requires Confirmation Test)

2. Confirmatory Test

All samples identified as positive on the initial screening test, indi- cating an alcohol concentration of 0.02% BAC or higher, shall be confirmed using an EBT device that is capable of providing a print- ed result in triplicate; is capable of assigning a unique number to each test; and is capable of printing out, on each copy of the printed test result, the manufacturer's name for the device, the device's se- rial number and the time of the test unless other testing methodolo- gies or devices are mandated or mutually agreed upon.

A confirmation test must be performed a minimum of fifteen (15) minutes after the screening test, but not more than thirty (30) min- utes, unless otherwise provided by conditions set forth and defined in 49 CFR Part 40.

The following cutoff levels shall be used to confirm a positive test for alcohol:

Breath Alcohol Levels:

Less than 0.02% BAC—Negative

0.02% BAC to 0.039% BAC—Positive*

0.04% BAC and above—Positive*

*Refer to Section 4 L for Discipline Based on a Positive Test

C. Notification

All employees subject to DOT-mandated random alcohol testing will be notified of testing by the Employer, in person or by direct phone contact.

D. Pre-Qualification Testing for Non-DOT Personnel

Section has been deleted

Article 35, Section 4

E. Random Testing

The method used to randomly select employees for alcohol testing shall be neutral, scientifically valid and in compliance with DOT regulations.

The annual random testing rate for alcohol use shall be the rate es- tablished by the Administrator of the FMCSA.

In the event of a grievance or litigation, the Employer shall, upon written request from the employee, release to the employee and the Union (in its capacity as representative of the grievant and as a de- cision maker in the grievance process), information required to be maintained under the DOT alcohol testing regulations and arising from the results of an alcohol test which is subject to release under the regulations.

The parties agree that no effort will be made to cause the system and method of selection to be anything but a true random selection procedure ensuring that all affected employees are treated fairly and equally.

Employees subject to random alcohol testing shall be tested within one (1) hour prior to starting the tour of duty, during the tour of duty, or immediately after completing the tour of duty.

Employees who are on long-term illness or injury leave of absence, disability or vacation shall not be subject to testing during the peri- od of time they are away from work.

F. Non-Suspicion-Based Post-Accident Testing

Employees subject to non-suspicion-based post-accident alcohol testing shall be limited to those employees subject to DOT alcohol testing, who are involved in an accident where there is:

(i) a fatality, or;

(ii) a citation under State or local law is issued to the driver for a moving traffic violation arising from the accident in which:

Article 35, Section 4

(a) bodily injury to a person who, as a result of the injury, immedi- ately receives medical treatment away from the scene of the acci- dent, or

(b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

Alcohol testing will be required under the above conditions and employees are required to submit to such testing as soon as practi- cable. Under no circumstances shall this type of testing be conduct- ed after eight (8) hours from the time of the accident.

It shall be the responsibility of the driver to remain readily avail- able for testing after the occurrence of a commercial motor vehicle accident. It is also the responsibility of the employee to not use al- cohol for eight (8) hours or until a DOT post-accident alcohol test is performed, whichever occurs first. It is not the intention of this language to require the delay of necessary medical attention or to prohibit the driver from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or necessary medical attention.

Prior to the effective date of the DOT alcohol testing regulations, the Employer agrees to give each employee subject to DOT non-suspicion based post-accident testing written notification of the procedures required by the DOT regulations in the event of an accident as defined by the DOT.

G. Substance Abuse Professional (SAP)

1. The Substance Abuse Professional (SAP), as provided in the reg- ulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or a drug and alcohol counsel- or (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the

Article 35, Section 4

diagnosis and treatment of alcohol and controlled substance-related disorders, be knowledgeable of the SAP function as it relates to Em- ployer interest in safety-sensitive functions, and applicable DOT agency regulations. In addition, the SAP shall comply with the DOT qualification training and continuing education requirements.

2. The Employer will provide the employee with a list of resources available to the driver in evaluating and resolving problems with the misuse of alcohol as soon as practicable but no later than thirty-six (36) hours after the Employer's receipt of notice from the BAT that the employee has a BAC of 0.04% or higher, exclusive of holidays and weekends. The SAP will be responsible for recommending the appropriate course of education and/or treatment required prior to the employee returning to work and is the only person responsible for determining, during the evaluation process, whether an employee will be directed to a rehabilitation program, and if so, for how long.

3. Follow-up and return-to-duty tests need not be confined to the substance involved in the violation. If the SAP determines that a driver needs assistance with an alcohol and drug abuse problem, the SAP may require drug tests to be performed along with any re- quired alcohol follow-up and/or return-to-duty tests, if it has been determined that a driver has violated the drug testing prohibition.

4. Any cost of evaluation by the SAP and/or rehabilitation recom- mended by the SAP associated with the abuse of alcohol while per- forming or available to perform safety-sensitive functions under this Agreement, over and above that paid for by the applicable Health and Welfare Fund, must be borne by the employee. The Em- ployer will pay for random, non-suspicion-based post-accident and probable suspicion alcohol testing. Return-to-duty and follow-up alcohol testing that is prescribed by the SAP, will be paid for by the Employer, provided the employee tests negative.

H. Probable Suspicion Testing

Employees subject to DOT probable suspicion alcohol testing un- der this Section shall be tested in accordance with current, applica- ble DOT regulations.

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For all purposes herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

Probable suspicion is defined as an employee's specific observable appearance, behavior, speech or body odor that clearly indicates the need for probable suspicion alcohol testing.

In the event the Employer is unable to determine whether the ab- normal behavior or appearance is due to alcohol or drugs, the Em- ployer shall specify that the basis for any

disciplinary action or testing is for alcohol and/or drug intoxication. In such cases, the employee shall be tested in accordance with Article 35, Section 3 A, and applicable DOT alcohol testing regulations.

In cases where an employee has specific, observable, abnormal in- dicators regarding appearance, behavior, speech or body odor, and at least one (1) supervisor, two (2) if available, have probable sus- picion to believe that the employee is under the influence of alco- hol, the Employer may require the employee, in the presence of a union shop steward or other employee requested by the employee under observation, to submit to a breath alcohol test. Suspicion is not probable and thus not a basis for testing if it is based solely on third party observation and reports.

The supervisor(s) must make a written statement of these observa- tions within twenty-four (24) hours. Upon request, a copy must be provided to the shop steward or other union official after the em- ployee is discharged or suspended or taken out of service.

All supervisors and Employer representatives designated to deter- mine whether probable suspicion exists to require an employee to undergo alcohol testing shall receive specific training on the physi- cal, behavioral, speech and performance indicators of how to detect probable suspicion alcohol misuse and use of controlled substances as required by DOT regulations.

In the event the Employer requires a probable suspicion test, the Employer shall provide transportation to and from the testing loca- tion.

Article 35, Section 4

I. Preparation for Testing

All alcohol testing shall be conducted in conformity with the DOT alcohol regulations. Any alleged abuse by the Employer, such as proven harassment of any employee or deliberate violation of the regulations or the contract shall be subject to the grievance proce- dure to provide a reasonable remedy for the alleged violation.

Upon arrival at the testing site, an employee must provide the Breath Alcohol Technician (BAT) with proper identification. The employee shall not be required to waive any claim or cause of ac- tion under the law.

A standard DOT approved alcohol testing form will be used by all testing facilities. In the case of probable suspicion or other contrac- tually required testing, a Non-DOT chain of custody form will be used for the testing of Non-DOT employees.

J. Specimen Testing Procedures

All procedures for alcohol testing will comply with Department of Transportation regulations.

No unauthorized personnel will be allowed in any area of the test- ing site. Only one alcohol testing procedure will be conducted by a BAT at the same time.

The employee will provide his or her breath sample in a location that allows for privacy. The Employer agrees to recognize all em- ployees' rights to privacy while being subjected to the testing pro- cess at all times and at all testing sites. Further, the Employer agrees that in all

circumstances the employee's dignity will be con- sidered and all necessary steps will be taken to ensure that the entire process does nothing to demean, embarrass or offend the employee unnecessarily. Testing will be under the direct observation of a Breath Alcohol Technician (BAT). All procedures shall be conduct- ed in a professional, discreet and objective manner. Direct observa- tion will be necessary in all cases.

Article 35, Section 4

The employee shall provide an adequate amount of breath for the Evidential Breath Testing device. If the individual is unable to pro- vide a sufficient amount of breath, the BAT shall direct the individ- ual to again attempt to provide a complete sample.

If an employee is unsuccessful in providing the requisite amount of breath, the Employer then must have the employee obtain, within five (5) days, an evaluation from a licensed physician selected by the Employer and the Local Union and who has the expertise in the medical issues concerning the employee's inability to provide an adequate amount of breath. If the physician is unable to determine that a medical condition has, or with a high degree of probability could have, precluded the employee from providing an adequate amount of breath, the employee's failure to provide an adequate amount of breath will be regarded as a refusal to take the test and subject the employee to discharge.

K. Leave of Absence Prior to Testing

An employee shall be permitted to take leave of absence in accor- dance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alco- holism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action. This pro- vision does not alter or amend the disciplinary provision (Article 35, Section 4 L) of this Section.

Before returning to work from a voluntary leave of absence, the employee must have completed any recommended treatment and taken a return to duty test, with a result of less than 0.02% BAC, and further be subject to six (6) unannounced follow-up alcohol tests in the first twelve (12) months following the employee's re- turn to duty.

The Supplemental Agreements shall address the issue of an extra board driver who, while at his home terminal, has consumed alco- hol, is then called for dispatch and requests additional time off. Requesting time off under this provision shall not be used as a sub- terfuge to avoid taking a random alcohol (and/or drug) test.

L. Disciplinary Action Based on Positive Test Results

1. First Positive Test
0.02% BAC-0.039% BAC
Out of Service for 24 hours
0.04% BAC-Less than State DWI/DUI Limit
Out of Service for the length of time determined by the SAP with a minimum of twenty-four (24) hours
State DWI/DUI Limit and Above
Subject to discharge

2. Second Positive Test
0.02% BAC-0.039% BAC
Out of Service for a five (5) calendar day suspension
0.04% BAC-Less than State DWI/DUI Limit
Out of Service for the length of time determined by the SAP with a minimum of a twenty (20) calendar day suspension
State DWI/DUI Limit and Above
Subject to discharge

3. Third Positive Test
0.02% BAC-0.039% BAC
Out of Service for a fifteen (15) calendar day suspension
0.04% BAC-Less than State DWI/DUI Limit
Out of Service for the length of time determined by the SAP with a minimum of a thirty (30) calendar day suspension
State DWI/DUI Limit and Above
Subject to discharge

4. Fourth Positive Test
0.02% BAC-0.039% BAC
Subject to discharge
0.04% BAC-Less than State DWI/DUI Limit
Subject to discharge
State DWI/DUI Limit and Above
Subject to discharge

5. An employee who is tested positive in a non-suspicion-based post-accident alcohol testing situation shall be subject to the fol-

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Article 35, Section 4

lowing discipline for the positive alcohol test or the vehicular acci- dent, whichever is greater:

First Non-Suspicion-Based Post-Accident Positive Test—0.02% BAC—0.039% BAC—Thirty (30) calendar day suspension. 0.04% BAC and higher—Subject to discharge.

Second Non-Suspicion-Based Post-Accident Positive Test—0.02% BAC and higher—Subject to discharge.

6. An employee's refusal to submit to any alcohol test will subject the employee to discharge.

M. Return to Duty After a Positive (Greater than .04 to the State Limit) Alcohol Test

Before returning to work the employee must be evaluated by a SAP, comply with any education and/or treatment recommended by the SAP, be re-evaluated by the SAP to determine compliance with rec- ommended education and/or treatment, and take a return-to-duty al- cohol test, showing a result of less than 0.02% BAC. The employee will be subject to at least six (6) unannounced follow-up alcohol and/ or drug tests as determined by the SAP. The requirements of follow- up testing follow the employee through breaks in service (i.e. layoff, on-the-job injury, personal illness/injury, leave of absence, etc.). In addition, the requirements of follow-up testing follow the employee to subsequent employers. The SAP has the authority to order any number of follow-up alcohol and/or urine drug tests and to extend the twelve (12) month period up to sixty (60) months.

N. Paid-for-time -Testing

Employees subject to testing and selected by the random selection process for alcohol testing shall be compensated at the regular straight time hourly rate of pay provided that the test is negative:

1. Random Alcohol Tests

a. Paid for all time at the collection site.

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b. (1) for travel time one way if the collection site is reasonably en route between the employee's home and the terminal, and the em- ployee is going to or from work; or

(2) for travel time both ways between the terminal and the collec- tion site, only if the collection site is not reasonably en route be- tween the employee's home and the terminal.

c. When an employee is on the clock and a random alcohol test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

d. The Employer will not require the city employee to go for alco- hol testing before the city employee's shift, provided the collection site is open during or immediately following the employee's shift.

e. During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the col- lection site to take a random alcohol test.

f. If a road driver is called to take a random alcohol test at a time when the road driver is not en route to or from work, the driver shall be paid, in addition to all time at the collection site, travel time both ways between the location of the driver when called and the collec- tion site with no minimum guarantee.

2. Non-Suspicion-Based Post-Accident Testing

a. In the event of a non-suspicion-based post-accident testing situ- ation, where the employee has advised the Employer of the issu- ance of a citation for a moving violation, but the

Employer does not direct the employee to be tested immediately, but sends the employ- ee for testing at some later time (during the eight (8) hour period), the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

Article 35, Section 4

b. When the Employer takes a driver out of service and directs the employee to be tested immediately, the Employer will make ar- rangements for the driver to return to his/her home terminal in ac- cordance with the Supplemental Agreement.

O. Record Retention

The Employer shall maintain records in a secure manner so that disclosure of information to unauthorized persons does not occur.

Each Employer or its agent is required to maintain the following records for two years:

1. Records of the inspection and maintenance of each EBT used in employee testing;

2. Documentation of the Employer's compliance with the Quality Assurance Program for each EBT it uses for alcohol testing; and

3. Records of the training and proficiency testing of each BAT used in employee testing.

The Employer must maintain for five years records pertaining to the calibration of each EBT used in alcohol testing, including re- cords of the results of external calibration checks.

P. Special Grievance Procedure

1. The parties shall together create a Special Region Joint Area Committee consisting of an equal number of Employer and Union representatives to hear drug and alcohol related discipline disputes. All such disputes arising after the establishment of the Special Re- gion Joint Area Committee shall be taken up between the Employer and Local Union involved. Failing adjustment by these parties, the dispute shall be heard by the Special Region Joint Area Committee within ninety (90) days of the Committee's receipt of the dispute. When the Special Region Joint Area Committee, by majority vote, settles a dispute, such decision shall be final and binding on both parties with no further appeal. Where the Special Region Joint Area

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Committee is unable to agree or come to a decision on a dispute, the dispute will be referred to the National Grievance Committee.

2. The Procedures set forth herein may be invoked only by the au- thorized Union representative or the Employer.

ARTICLE 36. NEW ENTRY (NEW HIRE) RATES

Full-Time New Hire Wage Progression and Casual Rates

A. **CDL Qualified Driver or Mechanics** Effective April 1, 2013, all regular employees hired on or after that date and employees who are in progression shall receive the following hourly and/or mileage rates of pay:

(a) Effective first (1st) day of employment —ninety percent (90%) of the top rate.

(b) Effective first (1st) day of employment plus one (1) year—one hundred percent (100%) of the top rate.

B. **Non-CDL Qualified Employees** Effective April 1, 2013, all non-CDL qualified employees (excluding mechanics) hired will be subject to the following new hire progression:

(a) Effective first (1st) day of employment—seventy percent (70%) of the top rate.

(b) Effective first (1st) day of employment plus one (1) year—sev- enty five percent (75%) of the top rate.

(c) Effective first (1st) day of employment plus two (2) years— eighty percent (80%) of the top rate.

(d) Effective first (1st) day of employment plus three (3) years— ninety percent (90%) of the top rate.

(e) Effective first (1st) day of employment plus four (4) years— one hundred percent (100) of the top rate.

Article 36

The above rates shall not apply to casual employees. The term “top rate” is the applicable hourly and/or mileage rate of pay for the job classification payable under this Agreement.

ARTICLE 37. NON-DISCRIMINATION

The Employer and the Union agree not to discriminate against any indi- vidual with respect to hiring, compensation, terms or conditions of em- ployment because of such individuals race, color, religion, sex, age, or national origin nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, sex, age, or national origin or engage in any other discriminatory acts prohibited by law. This Article also covers employees with a qualified disability under the Americans with Disabil- ities Act, although whether the Employer has complied with the ADA’s statutory requirements shall not be subject to the grievance procedure.

ARTICLE 38.

Section 1. Sick Leave

Effective April 1, 2018 and thereafter, all Supplemental Agree- ments shall provide for a minimum of five (5) days or forty (40) hours of sick leave per contract year. The Employer agrees to com- ply with all Federal, State or Local laws with regards to paid sick leave including exemptions for bargaining agreements.

Sick leave not used by December 31 of any contract year will be paid no later than the third Friday of January at the applicable hour- ly rate in existence on that date. Each day of sick leave will be paid for on the basis of a minimum of eight (8) hours straight-time pay or whatever the normal daily work schedule is (e.g. 10 hours if the employee is on a 10 hour schedule up to a maximum of forty (40) hours at the applicable hourly rate).

Sick leave will be paid to eligible employees beginning on the first (1st) working day of absence.

The accrual and cash out dates for sick leave will move from April 1 to January 1.

The additional sick leave days referred to above shall also be included in those Supplements containing sick leave provisions prior to April 1, 1976. The National Negotiating Committees may develop rules and regulations to apply to sick leave provisions negotiated in the 1976 Agreement and amended in this Agreement uniformly to the Supple- ments. The Committee shall not establish rules and regulations for sick leave programs in existence on March 31, 1976.

Section 2. Jury Duty

Effective April 1, 2003, all regular employees called for jury duty will receive the difference between eight (8) hours pay at the applicable hour- ly wage and actual payment received for jury service for each day of jury duty to a maximum of fifteen (15) days pay for each contract year.

When such employees report for jury service on a scheduled work- day, they will not unreasonably be required to report for work that particular day.

Time spent on jury service will be considered time worked for pur- poses of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements to a maximum of fifteen (15) days for each contract year.

Employees, who have been selected to serve on a jury, including those selected as an alternate jury member and who are scheduled to work shifts beginning after 4:00 p.m., will be given the option of working either the day their jury duty begins or the day follow- ing the day their jury duty begins and thereafter shall not be re- quired to work on any day in which the jury is in session.

Section 3. Family and Medical Leave Act

All employees who worked for the Employer for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Eligible employees are entitled to up to a total of 12 weeks of unpaid leave during any twelve (12) month period for the following reasons:

Article 38, Section 3

1. Birth or adoption of a child or the placement of a child for foster care;

2. To care for a spouse, child or parent of the employee due to a serious health condition;

3. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this Section, and the Employer will main- tain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid va- cation or other paid leave for part of the twelve (12) week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Em- ployer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to re- quire a second (2nd) opinion at the Employer's expense. If the sec- ond opinion conflicts with the initial certification, a third opinion from a health care provider selected by the first and second opinion health care providers, at the Employer's expense may be sought, which shall be final and binding. Failure to provide certification shall cause any leave taken to be treated as an unexcused absence.

As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must be medical- ly qualified to perform the functions of his/her job. In cases where employees fail to return to work, the provisions of the applicable Supplemental Agreement will apply.

It is specifically understood that an employee will not be required to repay any of the contributions for his/her health insurance during FMLA leave. No employee will be disciplined for requesting or taking FMLA leave under the contract absent fraud, misrepresenta- tion, or dishonesty.

Disputes arising under this provision shall be subject to the griev- ance procedure.

The provisions of this Section are in response to the federal FMLA and shall not supersede any state or local law which provides for greater employee rights.

The Employer may not force an employee to use pre-scheduled va- cation time as FMLA leave, provided the vacation involved was prescheduled in accordance with the applicable supplemental agreement. The Employer may not force an employee to take the last unscheduled week of vacation as FMLA leave.

The Employer may not force an employee who has taken separate hours of unpaid leave for medical reasons to substitute those hours as accrued leave under the FMLA.

The Employer may not force an employee to substitute accrued leave for FMLA leave if the employee is receiving supplemental loss-of-time disability benefits from a benefit plan under the Agreement.

ARTICLE 39. DURATION

Section 1.

This Agreement shall be in full force and effect from April 1, 2018 to and including June 30, 2023, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

When notice of cancellation or termination is given under this Sec- tion, the Employer and the Union shall continue to observe all terms of this Agreement until impasse is reached in negotiations, or until either the Employer or the Union exercise their rights under Section 3 of this Article.

Article 39, Section 2

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negoti- ate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to June 30, 2023 or June 30th of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

The Teamsters National Freight Industry Negotiating Committee, as representative of the Local Unions or the signatory Employer or the authorizing Employer Associations, shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after July 1, 2023, unless agreed to the contrary.

Section 4.

Revisions agreed upon or ordered shall be effective as of June 30, 2023 or June 30th of any subsequent contract year.

Section 5.

In the event of an inadvertent failure by either party to give the notice set forth in Sections 1 and 2 of this Article, such party may give such notice at any time prior to the termination or

automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

Section 6.

In those circumstances where the Teamsters National Freight In- dustry Negotiating Committee, as representative of the Local Union, or the signatory Employer or the authorizing Employer As- sociations, shall have served a notice of reopening pursuant to this Article and have not been able to arrive at an agreement within six (6) months, then either side shall have the right on sixty (60) days' written notice to terminate this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this day of ___ , 2018 to be effective April 1, 2018, except as to those areas where it has been otherwise agreed between the parties.

TEAMSTERS NATIONAL ABF
NEGOTIATING COMMITTEE

James P. Hoffa, Chairman
Ernie Soehl, Co-Chairman

Ed Adley	Lendon Grisham	Kevin McCaffrey
Steve Bishop	Michael Hienton	Mark Morell
Howard Boykin	Bill Hoyt	John A. Murphy
Michael Cales	Ron Hicks	Robert Paffenroth
Jon Flinn	Charles A. Jones	Chris Richter
Greg Foster	Rick Laughton	Chuck Shafer
Johnny Gabriel	Walter Maestas	Bill Wedebrand

Rich Gibson, Staff Attorney, IBT
Kaitlyn Long, Economics Dept., IBT
Michael Conyngham, Economist, IBT Contractor

ABF NATIONAL
NEGOTIATING COMMITTEE

David Evans, Chairman

Murray Babb	Steven Michael Hill	Nick Ricke
Eric Bucheit	Gary Hunt	Jeff Slobodnik
Christopher Burton	Jose Iglesia	Mark Theodore
Gary Caldwell	Michael Johns	Matthew Turrieta
Kirby Clark	Derrick McElwaney	Jerry Tworek
Lane Denison	Mark McMinn	Andy Upchurch
Steve Dusko	Tony Nations	Bob Wade
Dan Griesse	Rick Porter	Matt Wolff

ADDENDUM A

ADDENDUM A

Work Day/work week

The number of start times in effect today will remain except as agreed to between the Local Union and the Company.

ADDENDUM B

Break Time

All Breaks shall remain the same.

ADDENDUM C

Work Across Classifications

(a) **Hostling Across Job Classifications:** When someone bids or is assigned a hostling job, he/she will be required to do any type of hostling required at that location (for example, hook road units, city units and trailers to and from the dock). Seniority will prevail for work assignments among various hostler assignments (road, dock, city) and when the need exists to move employees within the hos- tler assignment, the junior employee will be moved first.

(b) **Drop & Pick:** Road drivers will be permitted to make one pickup or delivery en-route to his/her destination terminal and he/ she is also able to make one pickup or delivery en-route on his/her return. A “drop & pick en-route” shall be defined as a drop or pick- up between the start of a run and the end of the run (i.e., between points A and B) and shall not deviate 20 miles from the normal route. There shall be no fingerprinting of the freight. Furthermore, the Company shall not violate any “T rules” that exist in any Sup- plement (i.e., prohibiting stops beyond or before the destination or ending terminals), except as otherwise agreed to.

(c) **Drop & Hook:** At terminals with 75 or fewer local cartage employees, a road driver that comes into the terminal may be able to push or pull his/her power unit even though there are local cart- age/dock employees on duty. This provision shall not apply in a driver’s home domicile or at his/her lay down destination.

(d) **Forklift only bids:** There will be no forklift driver only positions.

ADDENDUM D

ADDENDUM D

(Excerpt from National Economic Settlement)

Health & Welfare and Pension Plans

a. The Company shall continue to contribute to the same Health and Welfare and Pension Funds it was contributing to as of March 1, 2018 and abide by each Fund's rules and regulations. The Company shall execute all documents and participation agreements required by each Fund to maintain participation. The Company shall contin- ue to contribute at the rates required as of March 31, 2018 as deter- mined by the applicable Fund.

b. Health and Welfare Contribution Increases: Effective August 1, 2018 and each August 1 thereafter during the life of the agreement, the Company shall increase its contribution by the amount deter- mined by the Funds, as being necessary to maintain benefits and/or comply with legally mandated benefit levels, not to exceed an in- crease of up to $0.50 per hour (or weekly/monthly equivalent) per year. Once a Fund issues a determination that an increase is reason- ably necessary to maintain benefits in a given year, the increase shall become due and owing upon written notice from the Fund to the Company, provided the combined Health and Welfare increase does not exceed $0.50 per hour. The Article 20 approval process is no longer required. If the Company refuses to honor a request for an increase from the applicable Fund, the matter shall proceed directly to the National Grievance Committee for consideration. If the Na- tional Grievance Committee deadlocks, the request of the Fund shall prevail and be honored by the Company. Failure to comply within seventy-two (72) hours shall constitute an immediate delinquency.

For the following funds, however, the following fixed guaranteed contribution rate increases shall apply:

Central States Health – Teamcare
Western Teamsters Welfare Trust (WTWT)
Central Pennsylvania Health Plan
Local 710 Health Plan
Local 705 Health Plan
Local 179 Health Plan
Local 673 Health Plan

ADDENDUM D

August 1, 2018 – increase $0.39 per hour
August 1, 2019 – increase $0.40 per hour
August 1, 2020 – increase $0.42 per hour
August 1, 2021 – increase $0.50 per hour
August 1, 2022 – increase $0.50 per hour

Monthly, daily and/or hourly contributions shall be converted from the hourly contributions in accordance with past practice.

The trigger in all Supplements for qualifying for a week's health and welfare contribution will remain three days, except for supplements that have a longer requirement. Those Supplements on an hourly con- tribution will continue their respective practices. The trigger for the obligation to make health & welfare contributions in Supplements that provide for a monthly-based contribution shall remain the same.

c. Pension Funds/Rates: All Pension contribution rates shall be frozen at those rates required by the applicable Pension Fund as of March 31, 2018 for the duration of this agreement.

Neither the Company nor any Pension Fund is permitted to require contributions or payments of any assessments, co-pays, fees or surcharges from any employee or Union entity signatory hereto as a result of the frozen rate.

The “one-punch” rule for pension contributions in the Chicago area pension funds shall apply where such rule applied prior to the 2013-18 ABF NMFA.

Reopener: If new pension legislation is enacted during the term of this agreement, Article 27’s reopener provisions shall apply.

If any Pension Fund rejects this agreement because of the compa- ny’s level of contributions or otherwise refuses to accept the frozen contribution rate and terminates the Company’s participation in the Fund, the Company shall make contributions to the Teamsters Na- tional 401(k) Savings Plan in the amount of six dollars ($6.00) per hour on behalf of the employees in the area covered by the Pension Fund. Such amount shall be immediately 100% vested for the bene- fit of the employee. If a withdrawal event occurs for any other rea- son, Article 27’s reopener provisions shall apply (including the right to take economic action).

The Company will not seek to withdraw from any Pension Fund to which it contributed under the 2013-18 ABF NMFA.

MOU

MOU to ABF NMFA

Profit Sharing Bonus

1. If the Employer achieves a published, annual operating ratio of 96.0 or below for any full calendar year during this agreement (2019 through 2022), each employee will receive a bonus based on their individual W-2 earnings (excluding any profit sharing bonus- es) for the year in which the qualifying operating ratio was achieved according to the following schedule:

ABF Published Annual Operating Ratio	Bonus Amount
95.1 to 96.0	1%
93.1 to 95.0	2%
93.0 and below	3%

2. The profit-sharing bonus will be distributed to the employees by separate check within 60 days of the end of the calendar year. An employee must be on the ABF seniority list for the entire calendar year in question to be eligible for such a bonus. Any employee who resigns, retires or otherwise incurs a termination of employment, whether voluntary or involuntary, during the year in question shall not be eligible for a year-end bonus.

3. There shall be no inter-company charges initiated by the em- ployer or changes in accounting assumptions or practices (GAAP), except as required to conform to governmental regulation, for the purpose of defeating the calculation of the annual operating ratio.

MOU to ABF NMFA

Vacation Transition for Employees hired between April 1, 2013 and March 31, 2018

Notwithstanding any other agreements, the parties have agreed to the following understanding of the vacation transition for employ- ees hired between April 1, 2013 and March 31, 2018.

MOU

Under the Summary of General Monetary National and all Supple- mental Agreements for the period covering April 1, 2018 through June 30, 2023, the Vacation Eligibility Schedule was restored to the schedule contained in the applicable 2008 to 2013 Supplemental Agreements.

Under this schedule, regular status seniority employees hired and establishing a Vacation Anniversary Date between April 1, 2013 and March 31, 2018 will begin or have begun accruing vacation under the restored schedule beginning with the first vacation anni- versary date on or after April 1, 2018. At the end of that Vacation Anniversary Accrual Period, they will have earned two weeks of vacation time. During the transition period to the restored Vacation Eligibility Schedule under the 2018 to 2023 agreements, these em- ployees will be permitted to take one of the two weeks of vacation time starting immediately upon ratification of the ABF NMFA, upon completion of at least one (1) year of employment and other- wise qualifying, including adherence to scheduling of vacation, under the applicable Supplemental Agreement.

The MOU does not apply to the supplemental contract areas indi- cated below, due to the vacation language in those supplements. Employees hired in these contract areas, during the time period in- dicated above, are not impacted by the restoration of the 2008 to 2013 Vacation Eligibility Schedule:

1. TEAMSTERS JOINT COUNCIL 40 FREIGHT COUNCIL SUPPLEMENTAL AGREEMENT

2. NEW JERSEY-NEW YORK AREA GENERAL TRUCK- ING SUPPLEMENTAL AGREEMENT

3. NEW JERSEY-NEW YORK AREA AND LOCAL 701 SUPPLEMENTAL AGREEMENT

4. JOINT COUNCIL NO. 7 BAY AREA LOCAL PICKUP AND DELIVERY SUPPLEMENTAL AGREEMENT

Exhibit 10.2

ABF NATIONAL MASTER FREIGHT AGREEMENT

For the Period of
~~April 1, 2018~~July 1, 2023 through June 30, ~~2023~~2028

covering:

Operations in, between and over all of the states, territories and possessions of the United States, and operations into and out of all contiguous territory.

ABF FREIGHT SYSTEM, INC. hereinafter referred to as the "Employer" or "Company" or "ABF" and the TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No._____which Local Union is an affiliate of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

ARTICLE 1. PARTIES TO THE AGREEMENT

NO CHANGE

ARTICLE 2. SCOPE OF AGREEMENT

NO CHANGE

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

NO CHANGE

ARTICLE 4. STEWARDS

NO CHANGE

ARTICLE 5.

NO CHANGE

ARTICLE 6.

NO CHANGE

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY

NO CHANGE

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1.

NO CHANGE

Section 2.

NO CHANGE

Section 3. Work Stoppages

NO CHANGE

Section 4.

NO CHANGE

Section 5.

NO CHANGE

Section 6. Change of Operations

NO CHANGE

Section 7.

Any grievance committee or panel, as constituted under this Agreement, shall have the jurisdiction and power to decide grievances which arose under the preceding agreements and supplements thereto. In doing so, the committees or panels shall follow the grievance procedure set forth in the ~~2008-2013~~**2023 – 2028** Agreement, but apply the contract under which the grievance arose.

Section 8. Sleeper Cab Operations

NO CHANGE

ARTICLE 9. PROTECTION OF RIGHTS

NO CHANGE

ARTICLE 10. LOSS OR DAMAGE

NO CHANGE

ARTICLE 11. BONDS AND INSURANCE

NO CHANGE

ARTICLE 12. UNIFORMS

NO CHANGE

ARTICLE 13. PASSENGERS

NO CHANGE

ARTICLE 14. COMPENSATION CLAIMS

NO CHANGE

ARTICLE 15. MILITARY CLAUSE

NO CHANGE

ARTICLE 16. EQUIPMENT, SAFETY AND HEALTH

Preamble

NO CHANGE

Section 1. Safe Equipment

NO CHANGE

Section 2. Dangerous Conditions

Under no circumstances will an employee be required or assigned o engage in any activity involving dangerous conditions of work, or danger to person or property or in violation of any applicable statute or court order, or in violation of a government regulation relating to safety of person or equipment.

The term “dangerous conditions of work” does not relate to the type of cargo which is hauled or handled.

If the "ABS" warning indicator is activated prior to a dispatch at a shop location, the tractor will be repaired or switched out. If it occurs "on-route" it shall be remedied at the next shop location.

Section 3. Accident Reports

NO CHANGE

Section 4. Equipment Reports

NO CHANGE

Section 5. Qualifications on Equipment

NO CHANGE

Section 6. Equipment Requirements

(a) All tractors must be equipped as necessary to allow the driver to safely enter and exit the cab, and hook and unhook the air hoses. All equipment used as city peddle trucks, and equipment regularly assigned to peddle runs, must have steps or other similar device to enable drivers to get in and out of the body. All twin trailers used in LTL pick-up and delivery operation with roll up doors purchased after April 1, 1985 shall be equipped with a hand hold and a DOT bumper which may serve as a step.

All equipment purchased, ordered, and/or introduced to the Pickup and Delivery operations after April 1, 2003 will be equipped with air-conditioning and will be maintained in proper operating condition throughout the year. The Company will not exceed two weeks in making necessary air conditioning repairs during this period. It shall not be a violation of this section to operate any unit while waiting for repairs.

(b) The Employer shall install heaters and defrosters on all trucks and tractors.

(c) There shall be first-line tires on the steering axle of all road and local pick-up and delivery power units.

(d) All road equipment regularly assigned to the fleet shall be equipped with an air-ride seat on the driver's side. Such equipment shall be maintained in reasonable operating condition. All new air ride seats shall oscillate and have an adjustable lumbar support, height, backrest and seat tilt.

(f) When the Employer weighs a trailer, the over-the-road driver shall be furnished the resulting weight information along with his/her driver's orders.

(g) All company trailers shall be marked for height.

(h) No driver shall be required to drive a tractor designed with the cab under the trailer.

(i) All road and city equipment shall have a speedometer operating with reasonable accuracy. **Pending the final ruling regarding the speed limiter proposal filed by the FMSCA, law permitting, the company agrees that starting thirty days after ratification of this agreement** all equipment for the road fleet shall be adjusted and/or specified with the manufacturer's maximum road speed of **seventy (70)** miles per hour, notwithstanding any other agreement or understanding.

(j) The following minimum measurements for fuel tank placement shall apply to tractors added to the fleet after March 1, 1981, with the understanding that there shall be no retrofit of equipment currently in use: (1) front of fuel tank to rear of front tire- not less than 4 inches; (2) rear of fuel tank to front of duals- not less than 4 inches; (3) bottom of fuel tank to ground-provide clearance not less than 7.5 inches, measured on a flat surface; and (4) all fuel tank measurements as stated herein include brackets, return lines, etc. in determining clearance.

Any alleged violation of the above requirements shall not be cause for refusal of the equipment, but shall be subject to the grievance procedure as a safety and health issue.

(k) The following shall apply to shock absorbers on tractor front axles with

(e) Tractors added to the road fleet and assigned to road operations on a regular basis, whether newly manufactured or not newly manufactured, shall be air conditioned.

the purchase of newly manufactured tractors which are placed in service after March 1, 1981, and with the understanding that there

shall be no retrofit of equipment currently in use: Where the manufacturer recommends and provides shock absorbers as standard equipment with the tractor front suspension assembly, properly maintained shocks on such new equipment shall be considered as a necessary and integral part of that assembly.

Where the manufacturer does not recommend and provide shock absorbers as standard equipment with the tractor front suspension assembly, shocks shall not be considered as a necessary or integral part of that suspension system.

Any alleged violation of the above, including maintenance of existing equipment, shall not be cause for refusal of equipment but shall be subject to the grievance procedure as a safety and health issue.

(l)(1) The following shall apply for the minimum interior dimensions of the sleeper berths on newly manufactured over-the-road tractors purchased and placed in service after January 1, 1987.

a. Length - 80 inches; b. Width - 34 inches; and, c. Height – 24 inches.

It is understood that a “manufacturing tolerance of error” of one inch (1”) is

aforementioned SAE recommended practices.

(m) The Employer and the Union recognize the need for safe and efficient twin-trailer operations. Accordingly, the parties agree to the following:

(1) The Employer shall make available to all drivers involved in the twin-trailer operations training in the proper procedures for the safe hooking and unhooking of dollies and jiff-lox. Upon request, the Company will furnish to the Union a copy of their training program.

(2) Dollies and jiff-lox shall be counter- balanced or equipped with a crank-down wheel to support the weight of the dolly tongue or jiff-lox. A handle will also be provided on the tongue of the dolly or jiff-lox and shall be maintained.

(3) A tractor equipped with a pintle hook will be made available to drivers required to drop and hook twin trailers or triples at closed terminals.

The Employer shall make a bona fide attempt to make a telephone available for the driver at closed terminals during the trailer switch.

(4) Whenever possible, the Company will hook up the heaviest trailer in front

permissible, provided the original specifications were in conformity with the above recommended dimensions. It is understood that there shall be no retrofit of equipment currently in service.

(2) Interior cab dimensions. Effective January 1, 1988, the Employer, in placing orders for newly manufactured over-the-road tractors, shall request of the manufacturer in writing that there will be compliance with as many of the following October, 1985 SAE recommended practices as possible: J941-E, J1052, J1521, J1522, J1517, J1516, and J1100. The carrier, upon request, will furnish proof to the National Safety and Health Committee that a request was made to the manufacturer for compliance with the

in twin- trailer operations. In those instances where it is not possible because of an intermediate drop of less than one hundred and fifty (150) miles or scaling of the drive axle, the driver after driving the unit at any point on the trip, determines, at his/her sole discretion, the unit does not handle properly, may have the Company switch the unit or authorize the driver to switch the unit and be paid for such time.

(n)(1) There will be a moratorium on the purchase of diesel powered forklifts and sweepers.

(2) It shall be standard work practice that every diesel-powered sweeper shall be shut off whenever the operator leaves the seat.

Under no circumstances shall diesel-powered sweepers be allowed to idle when not attended.

(3) Diesel-powered sweepers shall be tuned and maintained in accordance with schedules recommended by their manufacturers. The Employer shall provide copies of such recommendations to the Union upon request.

(4) Improperly maintained diesel-powered sweepers may produce visible emissions after start-up. Therefore, any such diesel powered sweeper that is found to be smoking shall be taken out of service as soon as possible until repairs are made and that condition corrected.

(5) The Employer agrees to cooperate with those government and/or mutually agreed private agencies in such surveys or studies designed to analyze the use and operation of diesel-

being pulled by a bobtail tractor, and the tractor protection valve shall be set in the normal bobtail position;

(3) After October 1, 1991, tractors used to pull converter dollies bobtail must be equipped with a type of bobtail proportioning valve (BPV) in the tractor braking system, unless equipped with ABS;

(4) It is further agreed such configuration must comply with state and federal law.

(r) All newly manufactured road tractors regularly assigned to the fleet after July 1, 1991, shall be equipped with heated mirrors. All road tractors ordered after April 1, 2003 shall be equipped with a power mirror on the curbside. However, it shall not be a violation of this provision for the tractor to be dispatched to the next Company point of repair if the heated and/or power mirror is inoperative.

powered sweepers and diesel-powered sweeper emissions.

(o) As of July 1, 1988, as new equipment is ordered or existing equipment requires brake lining replacement, all brake linings shall be of non-asbestos material where available and certifiable.

(p) Slack adjuster equipment (snubbers) used in multiple trailer operations, whether on the trailers or on the converters, shall be maintained in proper working order. However, it shall not be a violation of this provision for the unit to be pulled to the next point of repair if the snubber is inoperative.

(q) Converter dollies may be pulled on public roads by bobtail tractors if all of the following conditions are met:

(1) Tractors used in this type of operation shall have a pintle hook installed which has the proper weight capacity and is designed for highway use;

(2) Neither supply nor control air lines are to be connected to the converter dolly when

~~(1) All new diesel tractors and new yard tractors equipment shall be equipped with vertical exhaust stacks.~~

(1) All new diesel yard tractors shall be equipped with vertical exhaust stacks. All new diesel road and city tractors shall be equipped with horizontal exhaust systems that meet regulatory and FMCSA requirements as specified by the equipment manufacturers.

(2) All road and city tractors shall be equipped with large spot mirrors (6" minimum) on both sides of the tractor by January 1, 1995.

(3) All road tractors and switching equipment shall be equipped with an operable light of sufficient wattage on the back of the cab.

(4) All new road and city equipment shall have operable sun visors.

(5) Seats on forklifts and sweepers shall be maintained in good repair. Forklifts purchased after July 25, 2018 shall include seat suspension (spring type suspension

underneath the seat), incline and a mechanism to slide the seat backwards and forward.

(6) On all road and city tractors, the cab door locks shall remain operable and be properly maintained. Both parties agree that the Employer will have reasonable time to repair the locks.

(7) The Employer shall repair inoperable door locks on linehaul tractors that are reported on a driver

manufacturers and/or other experts, develop ways and means to correct such situations. The committee shall report its findings and make recommendations to the National Grievance Committee.

(1) All new sleeper tractors purchased or leased after February 8, 1998, shall, at a minimum, be equipped with the manufacturer's original equipment standard dual heat/air conditioning systems. This is not intended to preclude the Company from

vehicle inspection report. The Employer shall perform such repairs at the first Employer maintenance location.

(s) All newly manufactured city tractors regularly assigned to the city pickup and delivery operation after July 1, 1991, shall be equipped with power steering and an air-ride seat on the driver's side.

(1) All new road and yard equipment shall have power steering.

(2) All new forklifts and sweepers shall be equipped with power steering.

(t) All hand trucks and pallet jacks shall be maintained in good repair.

(u) All portable and mechanical dock plates shall be maintained in good working condition.

(v) The parties will maintain a safe and healthy working environment in sleeper operations. The parties agree to establish a committee composed of four (4) members each to review the comfort and/or safety aspects of sleeper berths pertaining to ride. Such committee shall meet by mutual agreement of the Co-chairmen as to time and place. The committee shall confer with appropriate representatives of equipment manufacturers and/or other experts on this subject as may be available. The intent of the committee is to identify any problems with the comfort and/or safety aspects of sleeper berths pertaining to ride that may exist, and through its deliberations with the purchasing newer technology on future purchases, should such become available prior to the expiration of this Agreement.

(2) Bunk restraint strap/net buckles on sleeper equipment shall be mounted on the entrance side of the sleeper berth by April 1, 1995.

(3) New sleeper equipment purchased on or after April 1, 1995, shall be equipped with a power window on the passenger's side of the cab that is operable from the driver's side of the cab.

(4) All sleeper cabs added to the Employer's fleet after April 1, 2008 will be walk-in sleeper berths with at least the following dimensions:

The measurement of 15-3/4 inches from the front of the mattress to the closed sleeper curtain, at any point across the cab, shall apply for the minimum interior walk-in dimension on newly manufactured over-the- road sleeper tractors ordered after April 1, 2008. It is understood that the contractual width of a sleeper mattress is 34 inches when determining the 15-3/4 inches from the front of the mattress to the sleeper curtain.

All walk-in sleeper units introduced into operation after April 1, 2008 will have a minimum sleeper berth height of 65 inches from the floor to interior ceiling of the sleeper berth. It is also understood that the entrance opening into the sleeper berth area will be a minimum of 64 inches.

This will not apply to triple runs as the length

now prohibits. However, if and when it

becomes legal to run walk-in sleepers on triple lanes, all new equipment ordered after that effective date will be equipped with walk- in sleeper berths.

(5) All sleeper tractors introduced into Employer linehaul operations after April 1, 2008 will be equipped with an engine and/or exhaust brake. The parties understand that a unit with an inoperable engine brake system will not be considered out of service. Repairs will be performed at the team's home terminal at the end of that team's tour.

(6) All sleeper tractors will be set so that the unit will continue to idle, except if (a) federal, state, or local laws or regulations require the Employer to limit or eliminate tractor idle time or (b) the unit is equipped with an auxiliary power pack that provides heat and air conditioning to the sleeper berth area.

(w) Employee will not be required to climb on unguarded trailer roofs for snow removal.

(x) At least one vent on the sleeper to open front or back.

(y) The Employer shall repair inoperable air conditioning systems on Employer city tractors within fourteen (14) days of written notification from an employee or the Local Union that the air conditioning system on a particular city tractor is inoperable.

(z) All linehaul tractors introduced into Employer linehaul operations after April 1, 2008 will be equipped with a cab filter system that is designed and available from the tractor's manufacturer.

(aa) The Employer understands tractor interiors should be maintained in a clean condition so units are safe to operate. Concerns about the cleanliness of tractor interiors must first be raised and reviewed at the local level. In the event the parties are unable to resolve the issue locally, the parties shall refer the issue to the

(bb) New trailer jockeys or hostling tractors put into service after the effective date of this agreement will be equipped with power mirrors on the right-hand side. **Effective with ratification of this agreement, any new trailer iockeys or hostling tractors added to the fleet will be equipped with air conditioning.** Any trailer jockeys or hostling tractors newly assigned to the specified states or locations below in List 1 after March 31, 2018, will be equipped with air conditioning and will be maintained in proper operating condition throughout the year. The Company will not exceed two weeks in making necessary air conditioning repairs. It shall not be a violation of this section to operate any unit while waiting for repairs.

States or locations: Alabama, Arkansas, Arizona, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Nevada, Oklahoma, South Carolina, Tennessee, Texas, Long Beach, CA, Pico Rivera, CA, and San Bernardino, CA.

The Company and the union shall meet periodically to discuss the feasibility of additional locations.

(cc) New forklifts for use in the U-Pack operations purchased after July 25, 2018 will be all-terrain forklifts and have flashing strobe light and all flatbeds are to be equipped with four (4) orange cones.

(dd) Forklift seats shall have sufficient seat cushion as well as spring suspension system under the seat. Forklift seats also shall have incline and decline capability. Forklift seats should also be adjustable and able to slide back and forth. This section shall apply to forklifts order after ratification of the agreement.

(ee) Rain gear and gloves shall be available for flatbed drivers upon request.

Section 7. National Safety, Health

Employer's V.P. or Equipment Services for resolution.	**& Equipment Committee** *NO CHANGE*

Section 8. Hazardous Materials Program

NO CHANGE

Section 9. Union Liability

NO CHANGE

Section 10. Government Required Safety & Health Reports

NO CHANGE

Section 11. Facilities

NO CHANGE

ARTICLE 17. PAY PERIOD

The Joint Area Committee or the National Grievance Committee and the Employer may, by mutual agreement, waive the provisions of Local Supplements dealing with pay periods upon a satisfactory showing of necessity by the Employer, provided such waiver is not a violation of a state or federal law or regulation.

Timely Pay For Drivers

The Employer will make every effort to accommodate drivers, who are away from their home terminal at the conclusion of a pay period, to ensure that those drivers are paid on a timely basis.

Pay Period

Employees shall be paid weekly or bi-weekly in accordance with past practice. The payday for all employees shall be Friday. Pay stubs or paper checks will be available on payday at the end of the employee's work shift.

If for reasons beyond the Employer's control, such as weather delays, express mail failure, etc. an employee's paycheck does not arrive at the employee's facility by payday, the employee will be paid on that day by station draft.

In the event of a verifiable pay shortage of seventy-five dollars ($75.00) or more, the Employer shall correct the pay shortage by direct deposit or station draft within two (2) business days (excluding Saturdays, Sundays and Holidays) following the employee notifying the Company in writing. Failure to correct as described will result in the employer paying a penalty of eight (8) hours per day for each business day (excluding Saturdays, Sundays and holidays) until corrected. Supplements or local practices providing greater protections for the employee shall prevail.

ARTICLE 18. OTHER SERVICES

NO CHANGE

ARTICLE 19. POSTING

NO CHANGE

ARTICLE 20. UNION AND EMPLOYER COOPERATION

NO CHANGE

ARTICLE 21. UNION ACTIVITIES

Any employee, member of the Union, acting in any official capacity whatsoever shall not be discriminated against for his/her acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of Union membership or activities.

A Union member elected or appointed to

serve as a Union official shall be granted a leave of absence during the period of such employment, without discrimination or loss of seniority rights, and without pay.

An employee elected or appointed to serve as a government representative shall be granted a leave of absence during the period of such employment without discrimination or loss of seniority but without pay.

ARTICLE 22. OWNER-OPERATORS

NO CHANGE

ARTICLE 23. SEPARATION OF EMPLOYMENT

NO CHANGE

ARTICLE 24. INSPECTION PRIVILEGES AND EMPLOYER AND EMPLOYEE IDENTIFICATION

No employee will be required to have their driver's license reproduced in any manner except by their employer, law enforcement agencies, government facilities and facilities operating under government contracts that require such identification to enter the facility.

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that the Agreement is being adhered to; provided, however, there is no interruption of the firm's working schedule.

Company representatives, if not known to the employee, shall identify themselves to employees prior to taking disciplinary action.

Safety or other company vehicles shall be identified when stopping company equipment.

The Employer agrees to supply company identification to minimize the problem of having to use their personal identification. ~~It is agreed that new ID's will be made within a twelve (12) month period of the new contract~~**Company identification will be issued upon hire and updated as needed for employees**.

Employees may be required to show their driver's license and Company identification to customers, and allow the customer to copy or otherwise reproduce their Company identification only and not the driver's license. The Company identification will not have personal information on it such as home address or social security number.

ARTICLE 25. SEPARABILITY AND SAVINGS CLAUSE

NO CHANGE

ARTICLE 26. TIME SHEETS, TIME CLOCKS, VIDEO CAMERAS, AND COMPUTER TRACKING DEVICES

Section 1. Time Sheets and Time Clocks

In over-the-road or line operations, the Employer shall provide and require the employee to keep a time sheet or trip card showing the arrival and departure at terminal and intermediate stops and cause and duration of all delays, time spent loading and unloading, and same shall be turned in at the end of each trip. **Upon conversion to electronic time keeping devices, including Electronic Time clocks (ETC), Electronic**

Logging Devices (ELD) or other devices developed, over-the-road employees shall be required to use the electronic devices to show beginning of tour, departure, arrival, intermediate stops, delays, time spent loading or unloading, all work performed during a tour of duty and end of tour as instructed by the Employer. Employees shall have access to payroll information entered electronically. Employees shall be trained on the use of electronic time keeping devices and nothing in this provision shall reduce any paid for time.

Employees shall punch their own timecards. **Employees shall scan their own Identification Badges in lieu of timecards when an Electronic Time Clock (ETC) is used.**

The Employer shall maintain sign-in and sign-out records at terminals. All road drivers must record their name, home domicile, origin, destination and arrival and/or departure times. The Employer shall make available upon the written request of a Local Union information regarding the destination of loads and/or where loads were loaded within the time limits set forth in the grievance procedure.

The Employer may substitute updated time recording equipment for timecards and time sheets. However, a paper trail shall be maintained.

The Employer may computerize the sign-in and sign-out records. However, at all times, the Union shall have reasonable access to a paper record of the sign-in and sign-out records.

Section 2. Use of Video Cameras for Discipline and Discharge

The Employer shall not install or use video cameras in areas of the Employer's premises that violate the employee's right to privacy such as in bathrooms or places where employees change clothing or provide drug or alcohol testing specimens.

Furthermore, the Company agrees that it will not, for the purpose of monitoring or recording in cab activity, or any other purpose, use inward facing cameras, audio recorders, body sensors, or biometric technology in vehicles operated by bargaining unit employees.

In vehicles that are equipped with inward facing cameras, such equipment shall be covered or otherwise rendered inoperable and will not be used for monitoring or recording in cab activity.

Section 3. Audio, Video and Computer Tracking Devices

The Employer may use video, still photos derived from video, electronic tracking devices and/or audio evidence to discipline an employee without corroboration by observers if the employee engages in conduct such as falsification of logs, records, claims for compensation and other documents, theft of time or property, vandalism, or physical violence for which an employee could be discharged without a warning letter. **As used in this section "theft of time" shall not include inadvertent and immaterial extensions of break time and lunch periods.** If the information on the video, still photos, electronic tracking devices and/or audio recording is to be utilized for any purpose in support of a disciplinary or discharge action, the Employer must provide the Local Union, prior to the hearing, an opportunity to review the evidence used by the Employer.

ARTICLE 27. EMERGENCY REOPENING

NO CHANGE

ARTICLE 28. SYMPATHETIC ACTION

NO CHANGE

ARTICLE 29. SUBSTITUTE SERVICE

Section 1. Piggyback Operations

NO CHANGE

Section 2. Maintenance of Records

(a) Trailers piggybacked as a substitute service as provided in Section 1 are to be signed in and signed out on the regular dispatch sheet in road operations, and where there are no road operations sign-in and sign- out sheets shall be maintained at an appropriate location, including trailers taken to and from the rail yard by city employees. These sheets will be made available, upon request, to the drivers for a period of thirty (30) days. The Employer shall report in writing on a monthly basis to the Local Union at the rail origin point, or in cases where there are no drivers domiciled at the rail origin point to the Local Union at the first driver relay point affected, the number of trailers put on the rail at the rail origin point. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard. The time limits set forth in the Supplemental Agreement for filing claims based upon the monthly report shall commence to run upon the receipt of the report by the Local Union.

(b) With regard to use of substitute service as provided in Section 1, full and complete records of handling, dispatch and movement of such units system-wide shall be kept by the Employer and a report which will and the name of each railroad/routing, shall be sent on a quarterly basis to the office of the National Freight Director and the affected Area Regional Freight Director.

Where inspection of the records indicates that piggyback is being used as a substitute for road operations, as defined in Section 1 of this Article, over an established relay, rather than handling overflow traffic, the grievance procedure may be invoked at the appropriate Regional Joint Area Committee by the Regional Freight Coordinator or the office of the National Freight Director to provide a reasonable remedy for the improper usage of piggyback, including the revocation of the use of substitute service, for repeated violations over such relay.

(c) With regard to trailers moved on rail as an approved intermodal operations set forth in Section 3, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers put on the rail at the rail origin points of the approved intermodal operations. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard.

In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total intermodal rail miles ~~as~~ **under the same methodology as was traditionally** reported on line 6 of the Bureau of Transportation Statistics (BTS) Schedule 600 annual report and the total miles **under the same methodology as was traditionally** ~~as~~ reported on line 7 of the BTS Schedule 600 annual report.

(d) With regard to the use of a

~~Employer and a report, which will~~ include the date of all outbound rail movement, all points of origin and destination, all trailer numbers

~~(d) With regard to the use of a~~ ~~Preferred Company~~**PTS carrier** as provided in Section 6, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers tendered to any ~~Preferred Company~~**PTS carrier**. The Employer also shall report the origin, destination, trailer/load number, trailer weight

and the time the trailer/load leaves the Employer's yard.

In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total number of miles the Employer utilized any ~~Preferred Company~~**PTS carrier** consistent with the requirements of Article 29, Section 6.

Section 3. Intermodal Service

(a) The parties recognize that in 1991, Congress passed the Intermodal Surface Transportation Efficiency Act of 1991 and declared the policy of the United States to be one of promoting the development of a national intermodal transportation system consisting of all forms of transportation in a unified, interconnected manner. The parties have, therefore, entered into this Agreement to enhance the Employer's opportunities to secure the benefits which flow from this national policy of encouraging intermodal transportation, including long-term stable and secure employment. At the same time, the parties recognize the need to minimize and provide for the impact which intermodal operations may have on certain employees covered by this Agreement.

(b) Use of Intermodal Service

each driver affected by the intended intermodal service(s); and a list by domicile of each of the road drivers openings available.

In the event the National Intermodal Committee is unable to agree on whether or not the Employer's proposed intermodal operations meet the criteria set forth below, the proposed operation shall not be approved until such time as those issues are resolved. This provision shall not be utilized as a method to delay and/or deny a proposed intermodal operation when the criteria set forth below have been clearly satisfied.

(a) There shall be no more than two (2) intermodal changes approved during the term of this Agreement; and

(b) No more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, 1998 shall be affected by the intermodal changes approved during the term of this Agreement.

In the event a proposed intermodal operation also includes the transfer of work that is subject to the provisions of Article 8, Section 6, the proposed intermodal operations and the transfer of work subject to Article 8, Section 6, may be heard by a combined National Intermodal/Change of Operations

1. Subject to the conditions set forth hereinafter, the Employer may establish a new intermodal service over the same route where the Employer has established relay runs or through runs.

Present relay or through operations may not be reduced, modified or changed in any other manner as the result of the implementation of a new intermodal service until such time as the proposed intermodal operation has been approved by the National Intermodal Committee. The Employer shall submit to the National Intermodal Committee an application for approval which shall identify the road operation(s) the intended intermodal service will reduce and/or eliminate; a list identifying the name and seniority date of

Committee on a joint record, and the seniority rights of all affected employees shall be determined by Article 29, Section 3 95 such Committee, which shall have the authority granted in Article 8, Section 6(g).

2. An approved intermodal operation that provides service over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board drivers during each dispatch week at each of the affected domiciles.

For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the previous four (4) week period in

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which the driver had normal earnings shall be considered the weekly protection when violations occur.

3. When transporting any shipment by intermodal service within the Employer's terminal network, the Employer shall utilize its drivers subject to the applicable respective area supplemental agreements to pickup such shipments from the shipper at point of origin and/or the Employer's terminal and deliver them to the applicable intermodal exchange point. The Employer also shall use its drivers to deliver intermodal shipments to the consignee or the Employer's terminal. A driver may be required to drive through other terminal service areas to the intermodal exchange point to pickup and deliver intermodal shipments without penalty.

4. Total intermodal rail miles **using the same methodology** included on line 303 of Schedule 300 of the BTS

~~of freight in a manner that may not be accomplished by hauling certain freight by rail. These market demands create a need to reduce the amount of freight hauled by rail and to use alternative methods of substitute service. As contemplated by Article 20, Section 4, new business opportunities may be pursued that promote new Teamster job opportunities while protecting existing Teamster jobs, benefits, and working conditions. With these facts in mind, the rail miles as a percentage of total miles will be reduced as follows: effective Calendar Year 2010, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 24% to 21.5%. Effective Calendar Year 2011, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21.5% to 21%. Effective Calendar Year 2012, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21% to~~

Annual Report shall not exceed **24**~~28~~ percent **(total combined rail and PTS)** of the Employer's total miles as reported ~~on line 301 of Schedule 300 of the BTS Annual Report~~ during any calendar year. In the event intermodal rail miles exceed this **24**~~28~~ percent maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile. ~~Effective for Calendar Year 2005 and thereafter, the maximum amount of rail miles as a percent of total miles as calculated above will be reduced from 28% to 26%. Subject to the provisions of Section 6 of the Article, total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 24 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event intermodal rail miles exceed this 24% maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile.~~

~~The parties recognize that the current shipping markets demand expedited delivery~~ ~~19%. The reduction in rail miles during the term of this Agreement is subject to the provisions of Article 29, Section 6.~~

The National Intermodal Committee shall establish rules and guidelines that will allow the Union the opportunity to verify and audit the Employer's ~~BTS rail~~ reports. In the event the Union establishes through the grievance procedure that an Employer has falsified the BTS reports in order to increase the maximum amount of intermodal rail miles permitted under this Article, the remedy for such a violation shall include a cessation of the Employer's affected intermodal service until such time as the issue has been resolved to the satisfaction of the Union.

In the event the BTS rail and/or line haul miles reporting requirements are modified and/or eliminated, the parties will meet to develop a substitute reporting procedure consistent with those of the BTS.

(c) Job Protection for Current Road Drivers

1. Rail operations that are subject to the provisions of Section 1(b) above shall not

result in the layoff or involuntary transfer of any driver at any affected road driver domicile.

2. During the term of this Agreement, the Employer shall be permitted no more than two (2) Intermodal Changes whereby the Employer may reduce and/or eliminate existing road operation(s) through the use of intermodal service. It is specifically agreed that a total of no more than ten (10) percent of the Employer's total Article 8, Section 6(c) of the ABF NMFA.

It is understood and agreed that the intent of this provision is to provide the maximum job security possible to those drivers affected by the use of intermodal service. Therefore, the number of drivers on the affected seniority lists at rail origin points at the time an intermodal change becomes effective shall not be reduced during the term of this Agreement other than

active road driver seniority list as of April 1, 2003, shall be affected by the Intermodal Changes during the term of this Agreement.

Any road driver who is adversely affected by an approved Intermodal Operation and would thereby be subject to layoff, or who is on layoff at an affected domicile at the time an Intermodal Operation is approved, shall be offered work opportunity at other road driver domiciles within the Employer's system. The Employer shall include in its proposed Intermodal Operations specific facts that adequately support the Employer's claims that there will be sufficient freight to support the work opportunities the Employer proposes at each gaining domicile. In the event there is more than one (1) domicile involved, the drivers adversely affected shall be dovetailed on a master seniority list and an opportunity to relocate shall be offered on a seniority basis, subject to the provisions of Article 8, Section 6. The "hold" procedures set forth in Article 8, Section 6 of the ABF NMFA shall be applicable. Where the source of the proposed work opportunity is presently being performed by bargaining unit employees over the road, the Employer shall be required to make reasonable efforts to fill the offered positions as set forth in Article 8, Section 6(d)(6).

Drivers who relocate under this provision shall be dovetailed on the applicable seniority list at the domicile they bid into. Health & welfare and pension contributions shall be remitted in accordance with the provisions of Article 8, Section 6(a) and moving and lodging shall be paid in accordance with as may be provided in subsequent changes of operations. Drivers on the affected seniority lists at gaining domiciles at the time an intermodal change becomes effective, shall not be permanently laid off during the term of this Agreement.

The senior driver voluntarily laid off at an intermodal losing domicile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) within any thirty (30) calendar day period on a primary run of such domicile, not affected by a Change of Operations.

For the purposes of this Section, short-term layoffs (1) that coincide with normal seasonal freight flow reductions that are experienced on a regional basis and that include a reduction in rail freight that corresponds to the reduction in truck traffic, or (2) that are incidental day-to-day layoffs due to reasons such as adverse weather conditions and holiday scheduling, shall not be considered as a permanent layoff. Layoffs created by a documented loss of a customer shall not exceed thirty (30) days. Any layoff for reasons other than as described above shall be considered as a permanent layoff. The Employer shall have the burden of proving that a layoff is not permanent.

In order to ensure that the work opportunities of the drivers at the gaining domiciles are not adversely affected by the redomiciling of drivers, the bottom twenty-five percent (25%) of the drivers at a gaining domicile shall not have their earnings reduced below an average weekly earnings of **one thousand dollars ($1,000)** ~~eight hundred and fifty~~

~~dollars ($850)~~. This **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee shall not start until the fourth (4th) week following the implementation of the approved Intermodal Change of Operation.

It is not the intent of this provision to establish a **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ per week as an artificial base wage but rather a minimum guarantee. This provision shall not preclude the short-term layoffs as defined above. The Employer shall have the burden of proving that drivers at the gaining domiciles have not had their work opportunities adversely affected by the redomiciling of drivers.

The **one thousand dollars ($1,000)**~~eight hundred and fifty dollar ($850)~~ average wage guarantee shall be determined based on the average four (4) weeks earnings of each active protected driver on the bottom twenty-five percent (25%) of the seniority roster. When the earnings of any active protected driver in the bottom twenty-five percent (25%) of the seniority roster totals less than ~~three thousand four hundred ($3,400)~~**four thousand dollars ($4,000** during each four (4) week period, the driver shall be compensated for the difference between actual earnings and **four thousand dollars ($4,000)** ~~three thousand four hundred ($3,400)~~.

The four (4) week average shall be calculated each week on a "rolling" basis. A "rolling" four (4) week period is defined as a base week and the previous three consecutive weeks. Where the Employer makes a payment to an employee to fulfill the guarantee, the amount paid shall be added to the employee's earnings for the base week of the applicable four (4) week period and shall be included in the calculations for subsequent four (4) week "rolling" periods to determine whether any further guarantee

following instances:

a. Where a driver is offered a work opportunity that the driver has a contractual obligation to accept, and the driver elects not to accept such work, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee.

No driver shall be penalized by having contractual earned time off credited for purposes of determining the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee. However, where a driver takes earned time off in excess of forty-eight (48) hours during any work week, that work week shall be excluded from the rolling four (4) week period used to determine the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee.

b. Where a driver uses a contractual provision to refuse or defer work so as to knowingly avoid legitimate work opportunity and therefore abuse the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee.

Nothing in this subsection applies to or shall be construed to limit claims by any driver on the seniority roster at a gaining domicile alleging that the driver's work opportunity was adversely affected following the implementation of the Intermodal Change of Operations because of the Employer's failure to provide adequate

whether any further guarantee payments to the employee are due.

Time not worked shall be credited to drivers for purposes of computing earnings in the

work opportunities for existing and redomiciled drivers. However, after the point that the Employer has provided adequate work opportunities for protected drivers (existing and redomiciled), the wage

protection for active drivers in the bottom twenty-five percent (25%) of the seniority roster shall be limited to the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ guarantee.

As soon as a factual determination has been made that a driver in the bottom twenty-five percent (25%) of the seniority roster is entitled to the **one thousand dollars ($1,000)** ~~eight hundred and fifty dollar ($850)~~ average wage guarantee, the driver's claim shall be paid. All other types of claims that the driver's work opportunities have been adversely affected shall be held in abeyance until determined through the intermodal grievance procedure.

Section 4. National Intermodal Committee

NO CHANGE

Section 5.

NO CHANGE

~~**MEMORANDUM OF UNDERSTANDING - PURCHASED TRANSPORTATION**~~

Section 6. Purchased Transportation

The undersigned parties have reached agreement regarding Purchased Transportation Service (PTS) and outline the following understandings consisting of an equal number of representatives from the Union and the Company for resolution. Any failures to resolve the dispute will be referred to the National Grievance Committee.

1) All ~~active~~ road drivers ~~as of the date of~~ratification of the ABF NMFAcommencing in ~~2018~~ will be protected ~~by red circle name~~ from layoff directly caused by the use of purchased transportation~~, per the attached seniority lists as of the date of ratification. For the remainder of the agreement, red circle protection will be extended by name on a one (1) for two (2) basis for road drivers hired after the date of ratification to replace red circle drivers that retire, quit, or are terminated. This protection does not apply to a road driver who has been offered but declined a transfer pursuant to any Change of Operations.~~

2) ~~Red circle p~~**P**rotection will apply to drivers at locations with single line seniority if they transfer to the road board from the local cartage board, ~~as long as their seniority date is prior to the date of ratification of this~~

with reference to the operation/employee protection of this ~~MOU~~**Section**. This ~~MOU~~**Section** is intended to permit a limited use of PTS for over-the- road transportation only. Nothing in this ~~MOU~~**Section** is intended to permit the use of PTS for any other operation (i.e. P & D, Local Cartage, current intermodal, drayage, or shuttle operations etc.). Article 29 of the ABF NMFA remains in effect except as specifically provided for in this **Section**~~Memorandum of Understanding~~.

Any disputes regarding PTS will be referred to the **ABF** National PTS Committee

~~agreement.~~

3) For locations with separate seniority lists that have transferability from local cartage to the road board provided for in an existing supplemental agreement, ~~red circle~~ protection will apply based on their bidding seniority date and the supplemental seniority application. ~~Red circle protection will not apply if the applicable seniority date per the supplemental provisions is after the date of ratification of the current agreement.~~

4) Notwithstanding anything in the ABF NMFA to the contrary, the Employer shall be permitted to utilize companies for over-the-road purchased transportation substitute

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service. The maximum amount of over-the-road purchased transportation shall be limited to 5% (for the length of this agreement), of the Employer's total miles ~~as~~**under the same methodology as was traditionally** reported on line 301 of Schedule 300 of the DOT/FMCSA Annual Report during any calendar year. In conjunction with using over-the-road purchase transportation providers, the Company's total combined intermodal rail miles and purchased transportation miles shall not exceed 24% of the Company's total miles

freight would normally move had it not been placed on purchased transportation. Available ~~red circled~~ drivers at relay points shall be protected against runaround if a violation occurred at the first relay point. Runaround protection will be equal to the number of PTS drivers used; i.e. for each PTS used one aggrieved driver will be protected regardless of the dispatch system used at the affected terminal.

7) In the event a Union carrier becomes available to the Company and said carrier is cost competitive and equally qualified, the

Company's total miles during any calendar year.

5) It is agreed that any purchased transportation provider utilized under this **Section**~~MOU~~ shall be permitted to only make pick-ups at an ABF customer, and drop and pickup trailers at the Employer's terminal locations, but shall be required to do so in areas of the terminal specifically designated for such exchange. Freight picked up at a customer location by purchased transportation shall be delivered to the nearest ABF facility(s) that can effectuate the efficient integration of the product into the ABF system.

6) If a ~~red-circled~~ driver is available (which includes the two (2)-hour period of time prior to end of his/her rest period) at point of origin when the trailer leaves the terminal or customer yard via purchased transportation, such driver's runaround compensation shall start from the time the trailer leaves the yard. Available ~~red-circled~~ drivers at relay points shall be protected against runarounds if a violation occurred at the point of origin. If the Employer does not have an over- the-road domicile at the point of origin, the Employer shall protect the ~~red-circled~~ employees against runaround of the available drivers at the first relay point over which the Company will give such carrier first and preferred opportunity to bid on purchased transportation business. The Employer shall provide to TNFINC an up-to-date list of purchased transportation providers utilized within thirty (30) days of the end of each calendar quarter. In the event a PTS provider repeatedly violates the conditions established under this **Section**~~MOU~~ the Union shall have the ability to remove the carrier from future PTS utilization.

8) The Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers tendered to any purchased transportation provider. The Employer also shall report the carrier's name (including DOT number), origin, destination, trailer/load number, **tractor number,** trailer weight and the time the trailer/load leaves the Employer's yard. In addition, the Employer shall, on a quarterly basis, unless otherwise required, send to the office of the National Freight Director a report containing all of the above indicated information in addition to the total number of miles the Employer utilized with purchased transportation, inclusive of the type of PTS utilized, including whether

the purpose was for avoiding empty miles, overflow or one-time business opportunities such as product launches.

9) All new business opportunities (such as product launches) and purchased transportation to avoid empties shall count toward the maximum amount of purchased transportation. In the event of product launches, the Company will notify TNFINC within twenty-four (24) hours of being awarded the business and will provide an overview of the PTS service being utilized in the business opportunity. In the event it is necessary to temporarily exceed the limits outlined in this agreement to further accommodate a business opportunity, such request shall be made directly to TNFINC.

10) To preserve and/or grow existing road boards, each time the Company uses purchased transportation providers **out of the same terminal** and/or to run over the top of linehaul domicile terminal locations and/or relay domiciles, said dispatches shall be counted as supplemental or replacement runs, as applicable, for purposes of calculating the requirement to add new employees to the road board. The formula for recalling or adding employees to the affected road board shall be thirty (30) supplemental runs in a sixty (60) day period. The only two exceptions to this condition are (a) one-

miles currently on the two-way traffic lane. Such business and operational information as required by this **Section**~~MOU~~ shall be provided to the National Freight Division on a confidential basis and will only be reviewed by TNFINC to ensure compliance with the provisions of this **Section**~~MOU~~.

12) All purchased transportation carriers shall sign-in/sign-out when arriving or departing from service centers.

(13) Regardless of any additional restrictions on the use of PTS, the Company shall not use PTS out of any location if any road drivers at that location are on layoff or not receiving the equivalent of a forty (40) hour guarantee in that location.

14) In locations where the Company is using PTS and/or rail, the Company shall continue hiring efforts for road drivers as provided for in paragraph 10 above.

ARTICLE 30. JURISDICTIONAL DISPUTES

NO CHANGE

ARTICLE 31. SINGLE EMPLOYER, MULTI-UNION UNIT

time business opportunities (such as product launches), and (b) runs to avoid empties.

11) On a monthly basis and until as otherwise agreed to, the Company will identify by name and number all dispatch and/or manifest lanes that have been identified as and designated as "empty lanes" eligible for PTS to include the number and percentage of empty

NO CHANGE

ARTICLE 32. SUBCONTRACTING

NO CHANGE

ARTICLE 33. WAGES, CASUAL RATES, PREMIUMS AND COST-

OF-LIVING (COLA)

SEE NATIONAL ECONOMIC SETTLEMENT

1. General Wage Adjustments: All Regular Employees

All regular employees subject to this Agreement will receive the following general wage adjustments:

a. Effective July 1, ~~2018~~**2023:** +~~$0.30~~**$3.50** per hour on all hourly rates +~~0.750~~**08.75**cents per mile on all mileage rates

b. Effective July 1, ~~2019~~**2024:** +~~$0.35~~**0.75** per hour on all hourly rates +~~0.875~~**01.875** cents per mile on all mileage rates

c. Effective July 1, ~~2020~~**2025:** +~~$0.35~~**0.75** per hour on all hourly rates +~~0.875~~**01.875** cents per mile on all mileage rates

d. Effective July 1, ~~2021~~**2026:** +~~$0.35~~**0.75** per hour on all hourly rates +~~0.875~~**01.875** cents per mile on all mileage rates

e. Effective July 1, ~~2022~~**2027:** +~~$0.35~~**0.75** per hour on all hourly rates +~~0.875~~**01.875** cents per mile on all

Article.

(b) Dock Only Casuals

Effective July 1, ~~2018~~**2023**, the hourly rate for dock only casuals will increase to $~~16.25~~**17.50**.
Effective July 1, ~~2019~~**2024**, the hourly rate for dock only casuals will increase to $~~16.50~~**17.70**.
Effective July 1, ~~2020~~**2025**, the hourly rate for dock only casuals will increase to $~~16.75~~**18.00**.
Effective July 1, ~~2021~~**2026**, the hourly rate for dock only casuals will increase to $~~17.00~~**18.25**.
Effective July 1, ~~2022~~**2027**, the hourly rate for dock only casuals will increase to $~~17.25~~**18.50**.

3. Utility Employee and Sleeper Team Premiums

(a) Effective April 1, 2008 and in the event Employer subject to this Agreement utilizes the Utility Employee classification, each Utility Employee shall receive an hourly premium of $1.00 per hour over the highest rate the Employer pays to local cartage drivers under the Supplemental Agreement covering the Utility Employee's home domicile. A Utility

mileage rates

No employee shall suffer a reduction in a wage rate as a result of this agreement.

All regular employees still in the New Hire Progression on the effective dates of this Agreement shall receive the appropriate percentage adjustment.

2. Casual Rates

(a) City and Combination Casuals

Hourly rates for city and combination casuals (CDL required) shall increase by 85% of the general wage increase for regular employees on the dates shown in Section 1 of this

Employee's home domicile. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

(b) Effective April 1, 2003, the Sleeper Team Premium will be a minimum of 2 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

4. Cost of Living Adjustment Clause

All regular employees shall be covered by the provisions of a cost-of-living allowance as set forth in this Article.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series Using 1982-84 Expenditure

Patterns). All Items published by the Bureau of Labor Statistics, U.S. Department of Labor and referred to herein as the Index.

Effective ~~July 1, 2019~~**July 1, 2024**, and every July 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for ~~January, 2018~~**April 2023**, (published ~~February, 2018~~**May 2023**) and the index for ~~January, 2019~~**April 2024** (published ~~February, 2019~~**May 2024**) with a similar calculation for every year thereafter, as follows:

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.5%, there will be a 1 cent increase in the hourly wage rates payable on July 1, ~~2019~~**2024**, and every July 1 thereafter. These

been had it not been revised or discontinued, then the

Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

5. Education and Training

NO CHANGE

ARTICLE 34. GARNISHMENTS

INTENTIONALLY LEFT BLANK

ARTICLE 35.

increases shall only be payable if they equal a minimum of five cents ($.05) in a year. ~~In no case shall the cost of living allowance be more than five (5) cents in any given year.~~**There shall be no cap on the COLA.**

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of- living allowances on the basis of .25 mills per mile for each 1 cent increase in hourly wages.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have

Section 1. Employee's Bail

NO CHANGE

Section 2. Suspension or Revocation of License

NO CHANGE

Section 3. Drug Testing [UPDATE PER DOT MANDATES]

NO CHANGE

Section 4. Alcohol Testing

NO CHANGE

ARTICLE 36. NEW ENTRY (NEW HIRE) RATES

SEE NATIONAL ECONOMIC SETTLEMENT

Full-Time New Hire Wage Progression and Casual Rates

A. **CDL Qualified Driver or Mechanics** Effective ~~April 1, 2013~~**July 1, 2023**, all regular employees hired on or after that date and employees who are in progression shall receive the following hourly and/or mileage rates of pay:

(a) Effective first (1st) day of employment - ninety percent (90%) of

2023 shall continue in progression as provided in the modified progression schedule below. Provided however, that no regular Non-CDL employee in progression shall be paid less than the new hire non-CDL rate provided for in (c) below.

C. Modified Progression Schedule for Non-CDL employees hired June

~~employment ninety percent (90%) of~~ the top rate.

(b) Effective first (1st) day of employment plus one (1) year – one hundred percent (100%) of the top rate.

B. **Non-CDL Qualified Employees** Effective ~~April 1, 2013~~**July 1, 2023**, all non- CDL qualified employees (excluding mechanics) hired will be subject to the following new hire progression:

(a) Effective first (1st) day of employment - seventy percent (70%) of the top rate.
(b) Effective first (1st) day of employment plus one (1) year - seventy five percent (75%) of the top rate.
(c) Effective first (1st) day of employment plus two (2) years - eighty percent (80%) of the top rate.
(d) Effective first (1st) day of employment plus three (3) years – ~~ninety~~**eighty-five** percent (~~90~~**85**%) of the top rate.
(e) Effective first (1st) day of employment plus four (4) years – ~~one hundred~~**ninety** percent (~~100~~**90%**) of the top rate.
(f) Effective first (1st) day of employment plus five (5) years – one hundred percent (100%) of the top rate.

~~The above rates shall not apply to casual employees. The term "top rate" is the applicable hourly and/or mileage rate of pay for the job classification payable under this Agreement.~~

All current (on seniority list June 30, 2023 or earlier) non-CDL regular employees subject to this agreement as of July 1,

~~2013~~ 30, 2023 or earlier:

First day of employment up to two (2) years - 80% of top rate
First day of employment plus three (3) years - 90% of top rate
First day of employment plus four (4) years -100% of top rate

The above rates shall not apply to casual employees. The term "top rate" is the applicable hourly and/or mileage rate of pay for the job classification payable under this Agreement.

D. The parties agree that there are unique high cost of living areas within the Country that may require higher wage rates to attract, hire and retain employees. With the approval of TNFINC, the Employer shall have the ability to increase the applicable wage rate by classification at individual locations if the Employer determines in its discretion that doing so is necessary to attract and retain qualified employees. In the event the Employer decides to exercise this option, it shall provide advance notice to TNFINC in writing.

ARTICLE 37. NON-DISCRIMINATION

NO CHANGE

ARTICLE 38.

difference between eight (8) hours pay

Section 1. Sick Leave

Effective ~~April 1, 2018~~**January 1, 2024** and thereafter, all Supplemental Agreements shall provide for a minimum of ~~five (5~~**seven (7**) days or ~~forty (40~~**fifty-six (56**) hours of sick leave per contract year. The Employer agrees to comply with all Federal, State or Local laws with regards to paid sick leave including exemptions for bargaining agreements.

Sick leave not used by December 31 of any contract year will be paid no later than the third Friday of January at the applicable hourly rate in existence on that date. Each day of sick leave will be paid for on the basis of a minimum of eight (8) hours straight-time pay or whatever the normal daily work schedule is (e.g. 10 hours if the employee is on a 10 hour schedule up to a maximum of ~~forty (40~~**fifty-six (56**) hours at the applicable hourly rate).

Sick leave will be paid to eligible employees beginning on the first (1st) working day of absence.

The accrual and cash out dates for sick leave will **be**~~move from April 1 to~~ January 1 **annually**.

~~The additional sick leave days referred to above shall also be included in those Supplements containing sick leave provisions prior to April 1, 1976. The National Negotiating Committees may develop rules and regulations to apply to sick leave provisions negotiated in the 1976 Agreement and amended in this Agreement uniformly to the Supplements. The Committee shall not establish rules and regulations for sick leave programs in existence on March 31, 1976.~~

Section 2. Jury Duty

Effective ~~April 1, 2003~~**July 1, 2023**, all regular employees called for jury duty will receive the at the applicable hourly wage and actual payment received for jury service for each day of jury duty to a maximum of fifteen (15) days pay for each contract year.

When such employees report for jury service on a scheduled workday, they will not unreasonably be required to report for work that particular day.

Time spent on jury service will be considered time worked for purposes of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements to a maximum of fifteen (15) days for each contract year.

Employees, who have been selected to serve on a jury, including those selected as an alternate jury member and who are scheduled to work shifts beginning after 4:00 p.m., will be given the option of working either the day their jury duty begins or the day following the day their jury duty begins and thereafter shall not be required to work on any day in which the jury is in session.

Section 3. Family and Medical Leave Act

All employees who worked for the Employer for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993 **(FMLA)**.

The Company shall construe the FMLA to apply to all work locations covered by this agreement regardless of the number of employees at such work locations even if the number of employees at any one work location falls below the threshold set forth in the FMLA.

Eligible employees are entitled to up to a total of 12 weeks of unpaid leave

during any twelve (12) month period for the following

reasons:

1. Birth or adoption of a child or the placement of a child for foster care;

2. To care for a spouse, child or parent of the employee due to a serious health condition;

3. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this Section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the twelve (12) week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense. If the second opinion conflicts with the initial certification, a third opinion from a health care provider selected by the first and second opinion health care providers, at the Employer's expense may be sought, which shall be final and binding. Failure to provide certification shall cause any leave will not be required to repay any of the contributions for his/her health insurance during FMLA leave. No employee will be disciplined for requesting or taking FMLA leave under the contract absent fraud, misrepresentation, or dishonesty.

Disputes arising under this provision shall be subject to the grievance procedure.

The provisions of this Section are in response to the federal FMLA and shall not supersede any state or local law which provides for greater employee rights.

The Employer may not force an employee to use pre-scheduled vacation time as FMLA leave, provided the vacation involved was prescheduled in accordance with the applicable supplemental agreement. The Employer may not force an employee to take the last unscheduled week of vacation as FMLA leave.

The Employer may not force an employee who has taken separate hours of unpaid leave for medical reasons to substitute those hours as accrued leave under the FMLA.

The Employer may not force an employee to substitute accrued leave for FMLA leave if the employee is receiving supplemental loss-of- time disability benefits from a benefit plan under the Agreement.

ARTICLE 39. DURATION

Section 1.

This Agreement shall be in full force

taken to be treated as an unexcused absence.

As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must be medically qualified to perform the functions of his/her job. In cases where employees fail to return to work, the provisions of the applicable Supplemental Agreement will apply.

It is specifically understood that an employee

This Agreement shall be in full force and effect from ~~April 1, 2018~~**July 1, 2023** to and including June 30, ~~2023~~**2028**, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

When notice of cancellation or termination is given under this Section, the Employer and

the Union shall continue to observe all terms of this Agreement until impasse is reached in negotiations, or until either the Employer or the Union exercise their rights under Section 3 of this Article.

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to June 30, ~~2023~~**2028** or June 30th of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

The Teamsters National Freight Industry Negotiating Committee, as representative of the Local Unions or the signatory Employer or the authorizing Employer Associations, shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after July 1, ~~2023~~**2028**, unless agreed to the contrary.

Section 4.

Revisions agreed upon or ordered shall be effective as of June 30, ~~2023~~**2028** or June 30th of any subsequent contract year.

Section 5.

NO CHANGE

Section 6.

NO CHANGE

IN WITNESS WHEREOF the parties hereto have set their hands and seals this day of _____,~~2018~~**2023** to be effective ~~April 1, 2018~~**July 1, 2023**, except as to those areas where it has been otherwise agreed between the parties.

TEAMSTERS NATIONAL ABF NEGOTIATING COMMITTEE

Sean M. O'Brien, Chairman John A. Murphy, Co-Chairman

ABF NATIONAL NEGOTIATING COMMITTEE

Tony Nations, Chairman

ADDENDUM A

Work Day/work week

NO CHANGE

ADDENDUM B

Break Time

NO CHANGE

ADDENDUM C

Work Across Classifications

NO CHANGE

ADDENDUM D

(Excerpt from National Economic Settlement)

Health & Welfare and Pension Plans

a. The Company shall continue to contribute to the same Health and Welfare and Pension Funds it was contributing to as of ~~March 1, 2018~~**June 30, 2023** and abide by each Fund's rules and regulations. The Company shall execute all documents and participation

agreements required by each Fund to maintain participation. The Company shall continue to contribute at the rates required as of ~~March 31, 2018~~ **June 30, 2023** ~~as determined by the applicable Fund~~.

a) b. Health and Welfare Contribution Increases: ~~Effective August 1, 2018 and each August 1 thereafter during the life of the agreement, the Company shall increase its contribution by the amount determined by the Funds, as being necessary to maintain benefits and/or comply with legally mandated benefit levels, not to exceed an increase of up to $0.50 per hour (or weekly/monthly equivalent) per year. Once a Fund issues a determination that an increase is reasonably necessary to maintain benefits in a given year, the increase shall become due and owing upon written notice from the Fund to the Company, provided the combined Health and Welfare increase does not exceed $0.50 per hour. The Article 20 approval process is no longer required. If the Company refuses to honor a request for an increase from the applicable Fund, the matter shall proceed directly to the National Grievance Committee for consideration. If the National Grievance Committee deadlocks, the request of the Fund shall prevail and be honored by the Company. Failure to comply within seventy-two (72) hours shall constitute an immediate delinquency.~~ **Effective 2023 (on the date previously established by the parties for payment of**

~~For the following funds, however, the following fixed guaranteed contribution rate increases shall apply:~~

~~Central States Health – Teamcare~~
~~Western Teamsters Welfare Trust (WTWT)~~
~~Central Pennsylvania Health Plan~~
~~Local 710 Health Plan~~
~~Local 705 Health Plan~~
~~Local 179 Health Plan~~
~~Local 673 Health Plan~~

~~August 1, 2018 – increase $0.39 per hour~~
~~August 1, 2019 – increase $0.40 per hour~~
~~August 1, 2020 – increase $0.42 per hour~~
~~August 1, 2021 – increase $0.50 per hour~~
~~August 1, 2022 – increase $0.50 per hour~~

(c) Monthly, daily and/or hourly contributions shall be converted from the hourly contributions in accordance with past practice.

~~The trigger in all Supplements for qualifying for a week's health and welfare contribution will remain three days, except for supplements that have a longer requirement. Those Supplements on an hourly contribution will continue their respective practices. The trigger for the obligation to make health & welfare contributions in Supplements that provide for a monthly based contribution shall remain the same.~~

The trigger in all Supplements for qualifying for a week's health and welfare contribution will remain the same as under the 2018-2023 Agreement. Those Supplements on

increases for the applicable funds but no later than August 1 of each year) the company shall also contribute an additional $0.83 per hour to be split between the applicable health and welfare and pension funds as determined by the Union Supplemental negotiatingcommittee. For 2024 the increase shall be $0.63 per hour; for 2025 the increase shall be $0.80 per hour; for 2026 the increase shall be $0.99 per hour and for 2027 the increase shall be $1.21per hour.

an hourly contribution will continue with their respective practices. The trigger for the obligation to make health and welfare contributions in the Supplements that provide for a monthly based contribution shall remain the same.

The "one-punch" rule for pension contributions in the Chicago area pension

funds shall continue to apply where such rule applied as of March 31, 2023.

If any Pension Fund rejects this agreement because of the Company's level of contributions or otherwise refused to accept the contribution rate and terminates the Company's participation in the Fund, the Company shall make contributions to the Teamsters National 401(k) Savings Plan in the amount of seven dollars and fifty cents ($7.50) per hour on behalf of the employees in the area covered by the Pension Fund.

Such amount shall be immediately 100% vested for the benefit of the employee. If a withdrawal event occurs for any other reason, Article 27's reopener shall apply (including the right to take economic action).

The Company will not seek to withdraw from any Pension Fund to which it contributed to under the 2018-23 ABF NMFA.

c. ~~Pension Funds/Rates: All Pension contribution rates shall be frozen at the Company's participation in the Fund, the Company shall make contributions to the Teamsters National 401(k) Savings Plan in the amount of six dollars ($6.00) per hour on behalf of the employees in the area covered by the Pension Fund. Such amount shall be immediately 100% vested for the benefit of the employee. If a withdrawal event occurs for any other reason, Article 27's reopener provisions shall apply (including the right to take economic action).~~

~~The Company will not seek to withdraw from any Pension Fund to which it contributed under the 2013-18 ABF NMFA.~~

ADDENDUM E

Non-CDL Driving Positions

TNFINC and ABF recognize that the recruitment and retention of CDL- qualified drivers continues to be challenging, even with recent pay rate increases and ongoing recruitment efforts. As a result, the Employer in connection with their local pick-up and delivery

~~contribution rates shall be frozen at those rates required by the applicable Pension Fund as of March 31, 2018 for the duration of this agreement. Neither the Company nor any Pension Fund is permitted to require contributions or payments of any assessments, co-pays, fees or surcharges from any employee or Union entity signatory hereto as a result of the frozen rate.~~

~~The "one-punch" rule for pension contributions in the Chicago area pension funds shall apply where such rule applied prior to the 2013-18 ABF NMFA.~~

~~Reopener: If new pension legislation is enacted during the term of this agreement, Article 27's reopener provisions shall apply.~~

~~If any Pension Fund rejects this agreement because of the company's level of contributions or otherwise refuses to accept the frozen contribution rate and terminates~~

~~local pick up and delivery~~ **operations frequently must rely on local cartage companies and other third parties to pick up and deliver freight. This is the case even though the use of Employer employees to perform this work is strongly preferred.**

Moreover, the non-union local cartage companies and other non-union third-party carriers often do not use CDL-A drivers to perform portions of this work. The Employer and TNFINC realize that this is core bargaining unit work that, if possible, should be performed by bargaining unit personnel.

In recognition of these challenges and in an effort to recapture local pick-up and delivery work that currently is being performed by non- union third parties, the parties agree as follows:

---

1. The Employers may establish non- CDL Driver bids. Non-CDL Drivers may be assigned to operate box trucks (or straight trucks, vans, etc.) in the city operation that do not require the possession of a CDL license, as well as to work the dock and perform other duties as assigned.

2. Non-CDL Drivers will be paid per the applicable supplemental agreement wage scale, including progression rates as provided for in Article 36, Section B.

3. To the extent any non-CDL qualified employee bidding into a non-CDL Driver position is at a rate that is higher than the current non-CDL Driver rate he or she

or her the opportunity to perform work normally handled by non-CDL Drivers, including through the operation of equipment that does not require a CDL license. In the event this occurs, the CDL qualified City or P&D driver shall receive his or her normal rate of pay for the shift.

c. The Employers may not use non-CDL Drivers to avoid filling vacant CDL qualified positions or to avoid utilizing CDL-qualified drivers in the city or P&D operations.

6. Employees in Non-CDL driving positions shall not be

non- CDL Driver rate, he or she shall maintain that higher rate. Existing CDL-qualified employees shall not be eligible to bid on non-CDL Driver positions, except as otherwise provided in this Section or as otherwise mutually agreed.

a. The earliest non-CDL driving bid shall start no earlier than the last peddle run at each service center.

4. Employees in or seeking to obtain a non-CDL Driver position shall be subject to the same motor vehicle record requirements as CDL- qualified drivers.

5. Non-CDL Drivers may not be used to substitute for or otherwise replace available CDL- qualified City or P&D Drivers in the following manner:

a. The Employers may not utilize non-CDL Drivers at any location where there are CDL-qualified City or P&D Drivers on layoff, including daily layoff.

b. The Employers may not deny an available CDL-qualified City or P&D Driver work on a given day without first offering him

subject to random drug/alcohol testing unless required by applicable law.

MOU to ABF NMFA

Profit Sharing Bonus

1. If the Employer achieves a published, annual operating ratio of **93.0**~~96.0~~ or below for any full calendar year during this agreement (**2024**~~2019~~ through **2027**~~2022~~), each employee will receive a bonus based on their individual W-2 earnings (excluding any profit sharing bonuses) for the year in which the qualifying operating ratio was achieved according to the following schedule:

ABF Published Annual Operating Ratio	Bonus Amount
~~95.1 to 96.0~~**91.1 to 93.0**	1%
~~93.1 to 95.0~~**89.1 to 91.0**	2%
~~93.0 and~~ below **87.1 to 89.0**	3%
87.0 and below	**4%**

2. The profit-sharing bonus will be distributed to the employees by separate check within 60 days of the end of the calendar year. An employee must be on the ABF seniority list for the entire calendar year in question to be

~~Period, they will have earned two weeks of vacation time. During the transition period to the restored Vacation Eligibility Schedule under the 2018 to 2023 agreements, these employees will be permitted to take one of the two weeks of vacation time starting immediately upon ratification of~~

calendar year in question to be eligible for such a bonus. Any employee who resigns, retires or otherwise incurs a termination of employment, whether voluntary or involuntary, during the year in question shall not be eligible for a year-end bonus.

3. There shall be no inter-company charges initiated by the employer or changes in accounting assumptions or practices (GAAP), except as required to conform to governmental regulation, for the purpose of defeating the calculation of the annual operating ratio.

~~MOU to ABF NMFA~~

Vacation Transition for Employees hired between April 1, 2013 and March 31, 2018

~~Notwithstanding any other agreements, the parties have agreed to the following understanding of the vacation transition for employees hired between April 1, 2013 and March 31, 2018.~~

~~Under the Summary of General Monetary National and all Supplemental Agreements for the period covering April 1, 2018 through June 30, 2023, the Vacation Eligibility Schedule was restored to the schedule contained in the applicable 2008 to 2013 Supplemental Agreements.~~

~~Under this schedule, regular status seniority employees hired and establishing a Vacation Anniversary Date between April 1, 2013 and March 31, 2018 will begin or have begun accruing vacation under the restored schedule beginning with the first vacation anniversary date on or after April 1, 2018. At the end of that Vacation Anniversary Accrual Starting immediately upon ratification of the ABF NMFA, upon completion of at least one (1) year of employment and otherwise qualifying, including adherence to scheduling of vacation, under the applicable Supplemental Agreement.~~

~~The MOU does not apply to the supplemental contract areas indicated below, due to the vacation language in those supplements. Employees hired in these contract areas, during the time period indicated above, are not impacted by the restoration of the 2008 to 2013 Vacation Eligibility Schedule:~~

1. ~~TEAMSTERS JOINT COUNCIL 40 FREIGHT COUNCIL SUPPLEMENTAL AGREEMENT~~
2. ~~NEW JERSEY-NEW YORK AREA GENERAL TRUCKING SUPPLEMENTAL AGREEMENT~~
3. ~~NEW JERSEY-NEW YORK AREA AND LOCAL 701 SUPPLEMENTAL AGREEMENT~~
4. ~~JOINT COUNCIL NO. 7 BAY AREA LOCAL PICKUP AND DELIVERY SUPPLEMENTAL AGREEMENT~~

Letter of Understanding

Teamsters National Freight Industry Negotiating Committee

And

ABF Freight System, Inc.

The parties support technological advancement, recognizing that innovation is necessary to ensure an expanding economy, promote employer growth and competitiveness.

The Employer and TNFINC agree to establish a National Technology

Committee to review potential technological changes in the freight industry and to discuss the potential impact of technology, training of bargaining unit employees to use new technology and new work opportunities derived from technological change.

The parties agree that for the term of the current bargaining agreement, July 1, 2023 to June 30, 2028, the Employer will not use robots, autonomous vehicles, or vehicles that transport freight without a bargaining unit driver or operator unless the parties mutually agree in writing otherwise and the use of such technology does not result in the layoff of bargaining unit employees or reduces the overall number of bargaining unit positions.

MAS

NATIONAL ECONOMIC SETTLEMENT
ABF National Master Freight Agreement

Article 33. Wages, Benefits and Cost of Living

1. General wage adjustments: All Regular Employees

(a) All regular employees subject to this Agreement will receive the following general wage adjustments.

Effective July 1, 2023:**$3.50** per hour on all hourly rates
+08.75 cents per mile on all mileage rates

Effective July 1, 2024:**+$0.75** per hour on all hourly rates
+01.875 cents per mile on all mileage rates

Effective July 1, 2025:**+$0.75** per hour on all hourly rates
+01.875 cents per mile on all mileage rates

Effective July 1, 2026:**+$0.75** per hour on all hourly rates
+01.875 cents per mile on all mileage rates

Effective July 1, 2027:**+$0.75** per hour on all hourly rates
+01.875 cents per mile on all mileage rates

All regular employees still in the New Hire Progression on the effective dates of this agreement shall receive the appropriate percentage adjustment.

2. Casual Wages

(a) City and Combination Casuals

Hourly rates for city and combination casuals (CDL required) shall increase by 85% of the general wage increase for regular employees on the dates shown in Section 1 of this article.

(b) Dock only Casuals

Effective **July 1, 2023** the hourly rate for dock only casuals will increase to **$17.50 hr.**
Effective **July 1, 2024** the hourly rate for dock only casuals will increase to **$17.75 hr.**
Effective **July 1, 2025** the hourly rate for dock only casuals will increase to **$18.00 hr.**
Effective **July 1, 2026** the hourly rate for dock only casuals will increase to **$18.25 hr.**
Effective **July 1, 2027** the hourly rate for dock only casuals will increase to **$18.50 hr.**

Article 33, Section 3. Utility Employees and Sleeper Team Premiums - No changes,

Article 33, Section 4. Cost of Living Adjustment Clause

All regular employees shall be covered by the provisions of a cost-of-living allowance as set forth in this Article.

The amount of the cost-of-living allowance shall be determined as provided below based on the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised Series Using 1982-84 Expenditure Patterns). All Items published by the Bureau

MAS

of Labor Statistics, U.S. Department of Labor and referred to herein as the Index.

Effective July 1, 2024, and every July 1 thereafter during the life of the Agreement, a cost- of-living allowance will be calculated based on the difference between the Index for **April 2023, (published May 2023)** and the index for **April 2024 (published May 2024)** with a similar calculation for every year thereafter, as follows:

For every 0.2-point increase in the Index over and above the base (prior year's) Index plus 3.5%, there will be a 1 cent increase in the hourly wage rates payable on **July 1, 2024,** and every July 1 thereafter. These increases shall only be payable if they equal a minimum of five cents ($.05) in a year. **There shall be no cap on the COLA.**

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances based on .25 mills per mile for each 1 cent increase in hourly wages.

In the event the appropriate Index figure is not issued before the effective date of the cost- of-living adjustment, the cost-of-living adjustment that is required will be made at the beginning of the first {1st) pay period after the receipt of the Index. If the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

Article 33, Section 5. Education and Training - NO CHANGE

Article 36. New Entry (New Hire) Rates

Full-Time New Hire Wage Progression and Casual Rates

A. CDL Qualified Driver or Mechanics Effective ~~April 1, 2013~~ **July 1, 2023**, all regular employees hired on or after that date and employees who are in progression shall receive the following hourly and/or mileage rates of pay:

(a) Effective first (1st) day of employment - ninety percent (90%) of the top rate.

(b) Effective first (1st) day of employment plus one (1) year- one hundred percent (100%) of the top rate.

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B. Non-CDL Qualified Employees Effective ~~April 1, 2013~~, **July 1, 2023,** all non-CDL qualified employees (excluding mechanics) hired will be subject to the following new hire progression:

(a) Effective first (1st) day of employment - seventy percent {70%) of the top rate.

(b) Effective first (1st) day of employment plus one (1) year - seventy five percent (75%) of the top rate.

(c) Effective first (1st) day of employment plus two (2) years - ~~eighty-five~~ **eighty percent (80%)** of the top rate.

(d) Effective first (1st) day of employment plus three (3) years - ~~ninety~~ **eighty-five percent (85%)** of the top rate.

(e) Effective first (1st) day of employment plus four (4) years - ~~one hundred~~ **ninetypercent (90%)** of the top rate.

(f) Effective first (1st) day of employment plus five (5) years - one hundred percent (100%) of the top rate.

All current (on seniority list June 30, 2023 or earlier) non-CDL regular employees subject to this agreement as of July 1, 2023 shall continue in progression as provided in the modified progression schedule below. Provided however, that no regular Non-CDL employee in progression shall be paid less than the new hire non-CDL rate provided for in (c) below.

C. Modified Progression Schedule for Non-CDL employees hired June 30, 2023 or earlier:

First day of employment up to two (2) years - 80% of top rate
First day of employment plus three (3) years - 90% of top rate
First day of employment plus four (4) years -100% of top rate

The above rates shall not apply to casual employees. The term "top rate" is the applicable hourly and/or mileage rate of pay for the job classification payable under this Agreement.

D. The parties agree that there are unique high cost of living areas within the Country that may require higher wage rates to attract, hire and retain employees. With the approval of TNFINC, the Employer shall have the ability to increase the applicable wage rate by classification at individual locations if the Employer determines in its discretion that doing so is necessary to attract and retain qualified employees. In the event the Employer decides to exercise this option, it shall provide advance notice to TNFINC in writing.

The above rates shall not apply to casual employees. The term "top rate" is the applicable hourly and/or mileage rate of pay for the job classification payable under this Agreement.

MOU to ABF NMFA
Profit-Sharing Bonus

1. If the Employer achieves a published, annual operating ratio of **93.0** ~~96.0~~ or below for any full calendar year during this agreement **(2024** 2019 through **2027**~~2022~~), each employee will receive a bonus based on their individual W-2 earnings (excluding any profit sharing bonuses) for the year in which the qualifying operating ratio was achieved according to the following schedule:

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ABF Published Annual Operating Ratio	Bonus Amount
91.1 to 93.0	1%
89.1 to 91.0	2%
87.1 to 89.0	3%
87.0 or below	4%

2. The profit-sharing bonus will be distributed to the employees by separate check within 60 days of the end of the calendar year. An employee must be on the ABF seniority list for the entire calendar year in question to be eligible for such a bonus. Any employee who resigns, retires or otherwise incurs a termination of employment, whether voluntary or involuntary, during the year in question shall not be eligible for a year-end bonus.

3. There shall be no inter-company charges initiated by the employer or changes in accounting assumptions or practices (GAAP}, except as required to conform to governmental regulation, for the purpose of defeating the calculation of the annual operating ratio.

Health & Welfare and Pension Plans (ADDENDUM)

b) The Company shall continue to contribute to the same Health and Welfare and Pension Funds it was contributing to as of June 30, 2023 and abide by each Fund's rules and regulations. The Company shall execute all documents and participation agreements required by each Fund to maintain participation. The Company shall continue to contribute at the rates in effect as of June 30, 2023.

c) Effective 2023 (on the date previously established by the parties for payment of increases for the applicable funds but no later than August 1 of each year) the company shall also contribute an additional $0.83 per hour to be split between the applicable health and welfare and pension funds as determined by the Union Supplemental negotiating committee. For 2024 the increase shall be $0.63 per hour; for 2025 the increase shall be $0.80 per hour; for 2026 the increase shall be $0.99 per hour and for 2027 the increase shall be $1.21per hour.

d) Monthly, daily and/or hourly contributions shall be converted from the hourly contributions in accordance with past practice.

The trigger in all Supplements for qualifying for a week's health and welfare contribution will remain the same as under the 2018-2023 Agreement. Those Supplements on an hourly contribution will continue with their respective practices. The trigger for the obligation to make health and welfare contributions in the Supplements that provide for a monthly based contribution shall remain the same.

The "one-punch" rule for pension contributions in the Chicago area pension funds shall continue to apply where such rule applied as of March 31, 2023.

If any Pension Fund rejects this agreement because of the Company's level of contributions or otherwise refused to accept the contribution rate and terminates the Company's participation in the Fund, the Company shall make contributions to the Teamsters National 401(k) Savings Plan in the amount of seven dollars and fifty cents ($7.50) per hour on behalf of the employees in the area covered by the Pension Fund.

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Such amount shall be immediately 100% vested for the benefit of the employee. If a withdrawal event occurs for any other reason, Article 27's reopener shall apply {including the right to take economic action).

The Company will not seek to withdraw from any Pension Fund to which it contributed to under the 2018-23 ABF NMFA.

ADDITIONAL HOLIDAYS - The Company accepts the union proposal to add MLK day as an additional paid holiday in all supplements.

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EXHIBIT 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Judy R. McReynolds, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ArcBest Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 3, 2024 /s/ Judy R. McReynolds

Judy R. McReynolds
Chairman, President and Chief Executive Officer and
(Principal Executive Officer Officer)

EXHIBIT 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, J. Matthew Beasley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ArcBest Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 3, 2024 /s/ J. Matthew Beasley

J. Matthew Beasley

Vice President — Chief Financial Officer
and Treasurer (Principal Financial Officer)

EXHIBIT 32

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Report") by ArcBest Corporation (the "Registrant"), each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

ARCBEST CORPORATION
(Registrant)

Date: November 3, 2023 May 3, 2024

/s/ Judy R. McReynolds
Judy R. McReynolds
Chairman, President and Chief Executive Officer
and (Principal Executive Officer Officer)

ARCBEST CORPORATION
(Registrant)

Date: November 3, 2023 May 3, 2024

/s/ J. Matthew Beasley
J. Matthew Beasley
Vice President — Chief Financial Officer
and Treasurer (Principal Financial Officer)

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