AGREEMENT

between

PORTLAND TERMINAL RAILROAD COMPANY

and its Employees Represented by the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

AND TRAINMEN

EFFECTIVE JANUARY 1, 2005

Note: The use of such words as "he", "his", and "him", as they appear within this Agreement, are not intended to restrict the application of the Agreement or a particular rule to a particular sex but are used solely for the purpose of grammatical convenience and clarity.

ARTICLE I: APPLICATION FOR EMPLOYMENT

Section 1. **Probationary Period.** Applications for employment as an engineer will be rejected within sixty (60) calendar days after seniority date is established, or applicant shall be considered accepted. Applications rejected by the Company shall be declined in writing to the applicant.

Section 2. **Seniority Date:** A new employee shall establish seniority on the date of his first actual service as an engineer. If two or more new employees perform first service on same day, they will be placed on the seniority roster in the same order as hired. The date of first hire as a trainee shall be considered only in determining continuous service for length of vacation and similar purposes.

Section 3. **Omission or Falsification of Information.** An employee who has been accepted for employment in accordance with Section 1 of this Article I will not be terminated or disciplined by the Company for furnishing incorrect information in connection with an application for employment or for withholding information therefrom unless the information involved was of such a nature that the employee would not have been hired if the Company had had timely knowledge.

From UTU-S 1986 National Agreement as Reference Only – "Switchmen Promoted to Engine Service."

(a) Subject to the Company's legal obligations, when selecting new applicants for engine service, opportunity shall first be given to employees in the Switchmen craft on the basis of their relative seniority standing, fitness and other qualifications being equal.

(b) If a sufficient number of Switchmen do not make application for engine service to meet the Company's needs, such needs will be met by requiring Switchmen who establish seniority on or after November 1, 1985, to take engine service assignments or forfeit their switchmen seniority and all employment rights arising therefrom.

(c) If the Company's needs for engine service employees are not met during a period when there are not sufficient Switchmen in service with a seniority date on or after November 1, 1985, who must accept promotion to engine service or forfeit seniority, the Company may hire qualified engineers or hire and train others for engine service.

ARTICLE II: BASIS OF PAY

Section 1. **Rates of Pay.** Wage schedule rates of pay for engineers covered by this Agreement as of its effective date are listed in ***Appendix A*** hereof.

Note: A newly hired applicant shall be paid 50% of the current engineer's hourly rate of pay for each hour or portion thereof while training or testing. An applicant promoted from the switchmen's craft shall be paid his current foreman or helper basic hourly rate of pay, at applicable progressive rate, for each hour or portion hereof while training or testing as an engineer.

Section 2. **Weekly Guarantee.** Engineers on assigned runs shall be allowed a minimum day for each day they are assigned to work, with a minimum of five (5) days per week, exclusive of overtime.

Section 3. Rate Progression – Service Scale.

(a) Rates of pay, additives, and other applicable elements of compensation for an employee whose seniority is established on or after July 1, 2004, will be eighty-five percent (85%) of the rate for present employees and will increase in increments of five (5) percentage points for each year of active service until the new employee's rate is equal to that of present employees. A year of active service shall consist of a period of three hundred sixty-five (365) calendar days in which the employee performs a total of eighty (80) or more tours of duty.

(b) Employees who have previously had an employment relationship with the Company as an engineer and are rehired shall be paid at the applicable progressive rates of pay for length of service determined by combination of former service in this craft and current service.

(c) A ground service employee subject to subsection (a) of this Section 3 shall have his position on the rate progression scale adjusted to the next higher level upon promotion to engineer.

(d) The next adjustment to an employee's position on the rate progression scale, after the adjustment specified in subsection (c) of this Section 3, shall be made when such employee completes one year of "active service", as defined in subsection (a) hereof, measured from the date on which that employee would have attained the position on the rate progression scale provided pursuant to subsection (a) of this Section 3.

Section 4. **Certification Allowance.** Each engineer will receive an allowance of five dollars ($5.00) in addition to his basic pay for each tour of duty. This certification allowance shall not be offset by any changes in switching allowances, initial terminal delay, final terminal delay or terminal runaround penalties.

ARTICLE III: RULES & WORKING CONDITIONS AGREEMENT

Rule 1. SCOPE AND CLASSIFICATION.

The rules contained herein shall govern the hours of service, working conditions, pay calculations and other pay of engineers represented by the Brotherhood of Locomotive Engineers and Trainmen. Except as otherwise provided or clearly implied in this or other agreements, the term "engineer" shall be construed to encompass reserve or restricted engineers, particularly insofar as bidding, displacement, vacations, jury duty or similar provisions of this Agreement are concerned.

Rule 2. SENIORITY

(a) The seniority rights of engineers covered by this Agreement will date from the time they first perform compensated service as a qualified locomotive engineer. Ground service seniority will also be established on the same date if employee has not established a switchman's seniority date previously.

(b) Rights to regular service will be governed by seniority. Engineers will have a right to a choice of regular service only when vacancies occur or a new regular service is created, except in cases where a regular service is abolished. The engineers of such abolished service will be entitled to a choice.

(c) Engineers voluntarily leaving the service of the Company will forfeit all seniority and will not be reinstated.

(d) An engineer accepting official position representing the Company (PTRR, BNSF or UPRR) or its engine service employees (BLET) will retain his seniority rights as such.

Rule 3. SENIORITY ROSTERS

(a) Seniority rosters will show the names and seniority dates of engineers and will be brought up-to-date and posted in January and July of each year at places accessible to employees affected, with copies furnished to the Local Chairman and General Chairman.

(b) Prior to posting, seniority rosters will be approved in writing by the Local Chairman and will be open for correction for sixty (60) days from date posted. Upon receipt of error, correction will be made by agreement between the Manager of the Company and the Local Chairman and seniority dates so established will not be subject to further protest.

Rule 4. HOURS OF SERVICE & JOB ASSIGNMENTS

(a) Eight (8) hours or less shall constitute a day's work.

(b) The term "workweek" for all regular or regular relief yard crew assignments shall mean a week beginning on the first day on which the assignment is bulletined to work and shall consist of five (5) consecutive days of work, with a fixed starting time each day, followed by two days of rest. The time for fixing the beginning of assignments is to be calculated from the time fixed for the crew to begin work as a unit without regard to preparatory or individual duties.

(c) Starting time of a regular or regular relief yard crew assignment will not be changed without at least forty-eight (48) hours' advance notice to engineers or assignment re-bulletined per Rule 8(d)(4).

(d) Where three (3) eight-hour shifts are worked in continuous service, the time for the first shift to begin work will be between 6:30 a.m. and 8:00 a.m.; time for the second shift to begin work will be between 2:30 p.m. and 4:00 p.m.; and time for the third shift to begin work will be between 10:30 p.m. and 11:59 p.m.

(e) Where two shifts are worked in continuous service, the first shift may be started during any one of the periods named in (d) of this Rule 4.

(f) Where two shifts are worked not in continuous service, the time for the first shift to begin work will be between the hours of 6:30 a.m. and 10:00 a.m., and the second shift not later than 10:30 p.m.

(g) Where an independent assignment is worked regularly, the starting time will be during one of the periods provided in this rule.

(h) At points where only one (1) yard crew is regularly employed, it can be started at any time, subject to (b) of this rule.

(i) Except in cases of emergency created by storm, flood, fire or wrecks, extra yard crews will be started between the hours of 6:30 a.m. and 8:00 a.m.; 2:30 p.m. and 4:00 p.m.; and 10:30 p.m. and 11:59 p.m.

(j) Exceptions to the starting time of crews may be agreed upon by the Company and the General Chairman to cover local service requirements.

(k) When service is required on rest days of regular assignments, a regular relief assignment may be established. Regular relief assignment shall have five (5) designated consecutive days of work, followed by two (2) rest days, definite starting times on each shift within the time periods specified in the starting time rules and they may on different days have different starting times within the periods specified in the starting time rules.

(l) Where regular relief assignments cannot be established for five (5) consecutive days on the same shift within the time periods specified in the starting time rules, such assignments may be established for five (5) consecutive days with different starting times on different shifts on different days, within the time periods specified in the starting time rules.

(m) In cases where day or days off is to be filled which cannot be made a part of a regular assignment at an outlying or small yard and there are no extra men at the point, by agreement between representatives of the Company and the Organization, such day or days may be filled by using the regular men and be paid for at straight-time rate.

(n) **Non-Consecutive Days Off.** If the representatives of the parties fail to agree upon the establishment of non-consecutive days off at any point, the Company may nevertheless establish non-consecutive days off subject to the right of the engineers to process the dispute as a grievance or claim as provided in Rule 28 of this Agreement.

(o) Any extra engine working five (5) consecutive days on the same shift will be considered regularly assigned and be open to bids, unless, at the time the engine is put on, it is known to be regularly assigned, in which case, it will be advertised the same as any other permanent vacancy.

(p) **Computation of Time.** Where engineers are required to register on and off duty, time required to perform such service shall be construed to mean on duty.

(q) **Point for Beginning and Ending Day.** Yard crews shall have a designated point for going on duty and a designated point for going off duty. The point for going on and off duty will be governed by local conditions. It is not considered that the place to report will be confined to any definite number of feet, but the designation will indicate a definite and recognized location.

(r) When engineers are not to be used on their regular assignments, they will be notified of this fact as soon as possible after it is apparent they will not be needed.

Rule 5. REDUCTION IN FORCE.

(a) When reduction in force is made, engineers will be reduced in reverse seniority order.

(b) Engineers laid off on account of slack business will be given leave of absence subject to call and retain their seniority rights subject to the following understanding:

(1) Engineers under this rule must, by certified mail, keep the Company informed of their current address. If laid off six (6) months or more, must pass the usual examinations, both physical and rules, and be re-certified in accordance with FRA regulations.

(2) When notified by registered or certified letter from Company that he is to report for duty, engineer will reply promptly whether he will report or not, and failure to report within thirty (30) days of the date of the Company's notice will be considered as evidence that he does not desire to return and his name will be taken from the seniority list, except in case of sickness or other causes over which he has no control and which prevent him from reporting for duty, in which event he will within the period named, secure extension of time through the Company.

(3) The time limit and exception in (2) herein will not be considered as relieving the engineer from reporting for duty at the earliest date possible after notice to report has been received.

Rule 6. OVERTIME & OTHER PAY

(a) Except when changing off where it is the practice to work alternately day and nights for certain periods, working through two shifts to change off, or where exercising seniority rights from one assignment to another, or when extra board engineers are required by schedule rules to be used, all time worked in excess of eight (8) hours continuous service in a twenty-four (24) hour period shall be paid for as overtime on the actual minute basis and paid for at time and one-half times the hourly rate, according to class of engine. This rule applies only to service paid on the hourly or daily basis.

(b) Where an extra board engineer commences work on a second shift in a twenty-four (24) hour period, he shall be paid at time and one-half for such second shift except when it is started twenty-two and one-half (22 ½) to twenty-four (24) hours from the

starting time of the first shift. A twenty-four (24) hour period, as referred to in this rule, shall be considered as commencing for the individual engineer at the time he started to work on the last shift on which his basic day was paid for at the pro-rata rate.

(c) An extra board engineer changing to a regular assigned position or an engineer holding a regular assigned position changing to an extra board position shall be paid at the pro-rata rate, not overtime rate, for the first eight (8) hours of work following such change.

(d) For engineers holding a regular assigned position, time worked in excess of five (5) straight-time eight (8) hour shifts or forty (40) hours in a work week shall be paid one and one-half times the basic straight-time rate for such excess work except when changing off where it is the practice to work alternately days and nights for certain periods, when working through two (2) shifts to change off, where exercising seniority rights from one assignment to another, or where paid straight-time rates under existing rules or practices for a second tour of duty in another grade or class of service.

(e) If an engineer moves from one assignment to another and it results in his working more than five (5) days in the period starting with the first day of his old work week and ending with the last day of his new work week, such day or days will be paid at straight-time rate.

(f) In the event an additional day's pay at the straight-time rate is paid to an engineer for other service performed or started during the course of his regular tour of duty, such additional day will not be utilized in computing the five (5) straight-time eight-hour shifts referred to in paragraph (d) of this rule.

(g) **Working on Holiday.** Engineers who qualify, as described in Holiday Rule 32, shall be compensated at the overtime rate when actually working on a recognized holiday.

(h) There shall be no overtime on overtime, neither shall overtime hours paid for, nor time paid for at straight-time rate for work referred to in paragraph (e) of this rule, be utilized in computing the five (5) straight-time eight-hour shifts referred to in this rule, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, inquests, investigations, examinations, deadheading, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours.

(i) **Working Two Shifts.**

(1) When an engineer is required by the Company to work a full shift with a yard crew and again with a different yard crew assigned to a consecutive shift, without regard to whether the additional work precedes or follows the full shift, he will be paid a minimum of four (4) hours at overtime rate for the additional shift and eight (8) hours straight time or overtime, as provided by existing rules, for the full shift.

(2) When for any reason no extra board engineers are available for temporary vacancies, extra crews or doubling, engineers may be called in this order:

(i) Those engineers on off days that are rested for either the vacancy or extra crew and their regular job, if applicable, will be called in seniority order from a list maintained by the Board Clerk of those who have stated their desire to be so used in advance of the calling time of the vacancy or extra crew.

(ii) Engineers on off days that are rested for either the vacancy or extra crew and their regular job, if applicable, that are NOT on the list will be called in seniority order.

(iii) Doubling: Engineers working will be called in seniority order to double over four (4) hours to next shift and engineers marked up to work subsequent shift will be called in seniority order to work last four (4) hours of vacancy or extra.

(iv) Furloughed engineers in ground service that are scheduled to work as switchmen on the same shift in which the vacancy or extra crew is scheduled to work may be moved over to the engineer's position. If situation applicable to more than one furloughed engineer, they will be called in seniority order.

(v) Furloughed engineers in ground service with preference to be given to those on rest days that are rested for either the vacancy or extra crew and their regular switchmen's job. Such furloughed engineers will be called in seniority order.

Note 1: Any trainmen used as an engineer will be paid as an engineer.

Note 2: The intent of this article is not to circumvent the appropriate staffing of the engineers' extra board.

(3) An engineer will not have any claim to a job if he has less than eight (8) hours to work under the Hours of Service Law as of the starting time of the job.

(j) **Hours of Service Act – Working Twelve (12) Hours.** Regular assigned engineers required to work full twelve (12) hours as such will resume their regular assignment when ten (10) hours rest period is up under the law. Compensation will begin at their regular established starting time. If not so used, they shall be paid a minimum day for their regular assignment. Extra board engineers required to work twelve (12) continuous hours will be placed back on the extra board after completion of ten (10) hours rest computed from the time the extra board engineer actually ties up, not from the normal ending time of the job assignment. Under the Hours of Service Laws it is the obligation of the engineer to apprise the yardmaster when he is nearing the completion of twelve (12) hours of continuous service.

(k) **Engineers Entitled to Rest:** An engineer requiring rest must so indicate in writing on the register at the time he registers his arrival, giving the number of hours required, which must be eight (8), ten (10) or twelve (12) hours.

(l) **Held off Regular Assignment and used on Preceding/Succeeding Shift.** A regular assigned engineer held off his regular assignment in an emergency, and used on a yard crew working a preceding or succeeding shift, will be paid a basic day of pay at pro rata rate for his regular job assignment in addition to a basic day of pay at pro rata rate of the position he fills on the preceding or succeeding shift, with overtime pay for any continuous time worked after eight (8) hours.

(m) **Held for Service**. Engineers held for special service will be paid not less than they would have made without overtime had they not been so held.

(n) Except as modified by other provisions of this rule, an extra engineer working one shift in one grade of service and a second shift in another grade of service shall be paid time and one-half for the second shift the same as though both shifts were in the same grade of service, except where there is another engineer available to perform the work at the pro rata rate.

Rule 7. MEAL PERIOD

(a) Yard crews will be allowed twenty (20) minutes for meal periods between four and one-half (4½) and six (6) hours after starting work, without deduction in pay.

(b) The time for fixing the beginning of meal periods is to be calculated from the time fixed for the crew to begin work as a unit without regard to preparatory or individual duties.

(c) Yard crews will not be required to work more than six (6) hours without being allowed twenty (20) minutes for lunch, with no deduction in pay or time therefor.

Rule 8. JOB BULLETINS & VACANCIES

(a) All new or vacant engineer positions, including extra board positions, will be bulletined for three (3) days at the various points where engineers interested are located. Where it can be anticipated sufficiently in advance, new regular service will be bulletined for seniority choice of engineers in order that the senior man bidding may be placed thereon when it is inaugurated.

(b) All job bulletins for vacancies, after being posted for three (3) days, will close at 10:00 a.m. for the second shift jobs and at 4:00 p.m. for the third and first shift jobs. Awards will be posted at the same times, as nearly as practical.

(c) New or vacant service when bulletined will be filled by the senior engineer making application therefor. Applicants will state their choice of jobs when making applications for more than one job on a bulletin.

(d) Permanent Vacancies.

(1) A permanent vacancy is a new position authorized for continuing service or an existing position to which previous incumbent has surrendered his rights. Successful applicant for a permanent vacancy will acquire continuing rights to such position and surrender all previous rights to the position from which transferred.

(2) Vacancies of over ten (10) consecutive workdays, except those created by vacations, will be bulletined as permanent vacancies.

(3) When it is known in advance that an engineer is to be absent for any reason, except as provided in the National Vacation Agreement, for a period of at least ten (10) consecutive workdays, the vacancy to be created by such absence will be bulletined at once for seniority choice as a regular vacancy.

(4) Change in Working Conditions.

(i) When the starting time and/or any rest day of an engineer's assignment is changed, such assignment will be bulletined, in which event, the engineer regularly assigned thereto will remain on same until bulletin closes. If he does not bid in the changed assignment, he may displace any junior engineer.

(ii) Engineers will be given the usual notice of change in working conditions as will enable them to exercise their seniority rights. It is understood that "usual notice" means that engineers involved will be notified prior to, or at the time of, completion of last shift before the change in working conditions is effective.

(iii) An engineer vacating an assignment cannot bid in the assignment he has just vacated, except where he has been displaced through no fault of his own, or his assignment has been changed as per (i) of this rule.

(e) Temporary Vacancies – Not Bulletined.

(1) Vacancies of ten (10) consecutive workdays or less will not be bulletined and will be filled by extra board engineers.

(2) Vacancies of over ten (10) consecutive workdays due to vacations will not be bulletined and will be filled by extra board engineers.

(3) Filling Vacancies - Calling Procedures and Use of Furloughed Engineers. When for any reason no extra board engineers are available for temporary vacancies or extra crews, see Rule 6(i)(2) for calling order of engineers.

(f) No engineer will be allowed to place his name on any bids for bulletined assignments while such engineer is absent for any reason. Only engineers who are actually working or reporting in for work after being absent will be allowed to place their bids on bulletined jobs, or make a displacement.

(g) **Vacating Regular Service:**

(1) An engineer bidding in assignments or exercising displacement rights thereon will be permitted to vacate same only when vacancies occur in other assignments, or when new assignments are established, except as otherwise provided in the following paragraph (2).

(2) An engineer who has been awarded or assigned an assignment for thirty (30) days or more will be permitted, upon written request, to relinquish such assignment and place himself on the extra board, provided there is a junior engineer on said extra board at that time. This privilege is contingent upon the regular engineer remaining on his assignment until it has been bulletined and awarded or assigned, whereupon he may then vacate same and move to the extra board assignment.

Rule 9. SEMI-ANNUAL BULLETINING.

(a) All regular assignments, including extra board positions, will be bulletined for seniority choice on February 1st and August 1st of each year. Bids will close on February 4th and August 4th, and assignments will be effective with first shift on February 10th and August 10th.

(b) Engineers who are absent during the period from the 1st to the 4th or who are not absent but fail to bid will be force assigned.

(c) Engineers, who are absent during the bulletining period and force assigned to a position, may exercise displacement rights upon return to work, as provided in existing rules.

(d) This rule does not change the rules applicable to bulletins or bids on other occasions.

Rule 10. DISPLACEMENTS

(a) An engineer who is absent from the service during the time a position is bulletined and assigned to a junior engineer, or an engineer who is absent from the service at the time a non-bulletined position is filled by application by a junior engineer shall, in either event, have the right to exercise seniority to the position assigned to the junior engineer provided this is done at the time he returns from such absence and before he performs service on some other assignment.

(b) Engineers reporting for work after being off ten (10) consecutive workdays or less, for any reason including vacation, will be permitted to exercise their seniority on positions bulletined and filled by junior men during their absence.

(c) Engineers reporting for duty after being off more than ten (10) consecutive workdays by proper leave of absence (except vacations) may take any assignment to which they may be entitled according to seniority.

(d) Engineers who have been displaced while working a tour of duty, will not be permitted to make displacements until they complete said tour of duty.

(e) An engineer displaced from a regular job on a rest day of such job shall be considered displaced as of the time notified. He will be notified as promptly as possible.

Rule 11. GUARANTEED EXTRA BOARD.

(a) The Company will establish a Guaranteed Extra Board to protect all service requirements on engineer assignments. The Company shall have the unrestricted right to determine the number of engineers that are to be maintained on such extra board. All new or vacant extra board positions will be bulletined in accordance with Rule 8 and will be filled by the senior engineer making application therefor.

(b) **Guarantee Compensation.** The semi-monthly payroll period guarantee compensation shall be an amount equal to the monetary equivalent of fourteen (14) minimum basic days' pay at the pro rata rate, at progressive rates of pay if applicable, subject to the following conditions:

Note: The term "semi-monthly payroll period" as used in this rule shall be understood to mean a period from the first of one month to the fifteenth day of the same month and from the sixteenth day of one month to the last day of the same month.

(c) If an engineer misses a call during any regular calling period or lays off on call, the semi-monthly payroll period guarantee shall be reduced as follows:

First occurrence	The monetary equivalent of two (2) minimum basic days if no other earnings for that day
Second occurrence	The monetary equivalent of four (4) minimum basic days if no other earnings for that day

If an engineer misses a call outside the regular calling period, the semi-monthly payroll period guarantee shall be reduced as follows:

First occurrence	The monetary equivalent of one (1) minimum basic day if no other earnings for that day
Second occurrence	The monetary equivalent of two (2) minimum basic days if no other earnings for that day

If an engineer lays off other than on call:

First occurrence	The monetary equivalent of one (1) minimum basic day if no other earnings for that day

Second occurrence	The monetary equivalent of two (2) minimum basic days if no other earnings for that day
Third occurrence	Elimination of the semi-monthly payroll period guarantee if no other earnings for that day

If an extra board engineer comports himself in such a manner so as to accumulate any three (3) of the activities listed above, the guarantee for the payroll period will be eliminated.

Special Note: The parties recognize that there may be exceptional circumstances that require an engineer to lay off on call, e.g., a sudden death or serious illness in the family, or a serious accident. In such a case, with documentation provided to Company as verification when requested, the on-call penalty shall not apply.

(d) The above offsets, other than those associated with laying off on call, shall not apply to absences account jury duty, vacation, bereavement, rules classes, duty at the direction of the Company, paid personal leave days, or when Local Chairman, Legislative Representative, Secretary-Treasurer, or Division President is required to be off for union business.

(e) The foregoing reductions are only applicable to the calendar day of the occurrence and shall constitute the full reduction for that calendar day only. Engineers shall be reduced one (1) additional minimum basic day for each calendar day, or portion thereof, that he is not available from the board.

(f) If an extra board engineer is suspended or is displaced by another engineer through the application of seniority, assignment and displacement rules during a payroll period, he shall receive what he actually earned but not less than the proportional guarantee amount derived by multiplying the dividend derived by dividing the number of full calendar days actually available from (or working off of) the extra board by the number of days in the payroll period, by the full guarantee amount, less the reductions identified above.

(g) An extra man may book rest per existing rules but if such act causes him actually to lose a shift which he otherwise would have worked, a deduction shall be in order as follows (this does not apply to mandatory rest under the Hours of Service Act):

(i) If an extra board engineer books twelve (12) hours undisturbed rest and he loses a shift that he would otherwise stand for, a deduction of one (1) day will be made from the current semi-monthly guarantee.

(ii) If the Company attempts to run an extra job and no engineer to fill the assignment and an extra board engineer is not available due to booking twelve (12) hours rest, a deduction of one (1) day will be made from the current semi-monthly guarantee.

(iii) When an extra board engineer does book undisturbed rest, the time is computed from the time the engineer actually ties up and is not computed from the normal ending time of the job assignment. It is mandatory that actual tie-up time be recorded on the Daily Timeslip and on the FRA Hours of Service Records.

(h) An engineer force assigned to the extra board shall be considered as having been available to the extra board for the full calendar day. An engineer exercising seniority to the extra board shall not be considered as being available to the board for the full calendar day unless he was available for the full twenty-four (24) hour period. If the engineer is not considered as being available to the board for the full twenty-four (24) hour period, earnings for that calendar day, if any, shall not be used to offset guarantee.

(i) An engineer reduced or displaced from the extra board, regardless of the time of day, shall be considered as having been available on the extra board for the full calendar day.

(j) An engineer exercising seniority from the extra board shall not be considered as being available to the board for the full calendar day, unless he was available for the full twenty-four (24) hour period.

(k) The guarantee provided in this rule shall not apply and shall be reduced on days when no service is performed for the Company because of strike, washouts, landslides, snow blockades, earthquakes, or other emergency situations beyond the control of the Company.

(l) There shall be no duplication or pyramiding of benefits to any engineers under this rule and/or other agreements or rules.

Rule 12. EXTRA BOARD SERVICE REQUIREMENTS

(a) Extra board engineers shall be run first in, first out, except when held for needed rest.

(b) In calling extra board engineers for service, the man standing first out will be called for the first job going on duty. If there are two (2) jobs with same starting time, then first out extra engineer will be called for the job with the lowest number.

(c) When extra board engineers are called, they will be called two (2) hours, as near as practicable, before time required to report for duty. They will be notified, when called, the point at which they are required to report for duty.

(d) If an extra board engineer is called to work, engine not used, and he is released from duty within four (4) hours, such engineer shall receive a minimum of four (4) hours' pay at basic rate and stand first out on the board.

(e) If an extra board engineer is called to work, engine is moved from designated track but engine not used for service, and he is released from duty after four (4) hours, such engineer shall receive one (1) day's pay at basic rate and stand last out on the board.

(f) **Missing Call**. An extra board engineer who misses a call will be marked up two (2) minutes after the starting time of the last job on the shift for which call was missed.

(g) **Calling Times**. Extra board engineers should protect all assignments from two (2) hours before the starting time of the first shift until the last assignment goes to work on each shift. Any calls made to the extra board engineers other than this two (2) hour period would not be considered as missing a call and the engineer would retain his position on the extra board.

(h) **Runaround.** Except as otherwise provided within this Agreement, an extra board engineer standing first out and not called in turn, through no fault of his own, will be allowed four (4) hours' pay at the basic rate and hold his turn. However, if not called in turn and loses the entire calendar day, through no fault of his own, he will be allowed one (1) basic day's pay and hold his turn.

(i) Extra board engineers, at the completion of shift worked, will be marked up in the same relative order as they commenced work that shift except when time in excess of eight (8) hours is worked, in which case, actual tie-up time will govern, providing all involved will have completed an eight (8) hour shift at the tie-up time. When two (2) or more extra board engineers tie up at the same time, they will register in relative order in which they stood before commencement of jobs. Register will govern in all cases.

Rule 13. LAYING OFF – MARKING UP

(a) A regular assigned engineer desiring to lay off must obtain permission from a Company officer or designated representative not less than two and one-half (2½) hours in advance of the time he is due to report for duty.

(b) Regular and extra board engineers must, immediately prior to any absence, including vacations, notify the board clerk. Such notification must also be made and permission obtained, when extension of any authorized absence is desired.

(c) Regular engineers laying off for any reason will be required to report available for duty at least two and one-half (2½) hours before the starting time of the shift for which reporting. See (e) of this rule for exceptions.

(d) An extra board engineer who lays off cannot again mark up for service until eight (8) hours have elapsed from the time he laid off at which time he shall be marked at the bottom of the board behind all extra men completing the prior shift. Extra board engineers will not be placed on the extra board between 6:30 a.m. and 8:00 a.m., 2:30 p.m. and 4:00 p.m., and 10:30 p.m. and 12:00 Midnight.

(e) Regular and extra board engineers absent for any reason, including weekly vacations, must report in before returning to service, with the exception that mark up will be automatic at the expiration of approved time of leave for paid personal leave and single day vacations.

(f) Whether or not an engineer will be permitted to be absent will depend on the requirements of the service and the need for such absence, which shall be for a stated period. Special consideration will be given for such reasons as illness, death in the family, or urgent personal business, with satisfactory evidence afforded.

Rule 14. LEAVE OF ABSENCE

(a) When request is made, Committeemen will be granted leave of absence to serve their Organization.

(b) An engineer desiring to be absent from service must obtain permission from a Company Officer or an officer's designated representative.

(c) Leaves of seven (7) consecutive days or less may be obtained from a Company Officer's designated representative, leaves of eight (8) to twenty-nine (29) days must be obtained from a Company Officer, and leaves of thirty (30) or more days must be obtained from the Company's Manager.

(d) An engineer who fails to report for duty at the end of his authorized absence will be considered in violation of the rules, except when the failure to report on time is the result of unavoidable delay, such as sickness or circumstances beyond the engineer's control. In such cases the absence or leave will be extended to include such delay and the engineer will make every reasonable effort to notify the Company as soon as possible. Requests for medical leave of absence account sickness or injury in excess of five (5) consecutive calendar days must be made in writing to the Company's Manager or his designated representative and properly documented and supported by a statement from the engineer's physician, which includes the specific reason therefor and the expected duration of the engineer's absence.

(e) An engineer who is elected or appointed to a federal, state or local office (excluding positions subject to civil service or similar arrangements) shall be granted a leave of absence to cover the period and duration of his term of office or appointment.

(f) **Unauthorized Leave**: Subject to conditions of other rules, agreements, practices or understandings, engineers absent for any reason without authority and/or failing to report for duty upon expiration of an authorized leave or authorized extension thereof, may be served with a twenty-one (21) day written notice from the Company by Certified Mail, with restricted delivery to addressee and a copy to the Local Chairman. If the engineer fails to return to service within twenty-one (21) days of attempted delivery of the notice, this will result in forfeiture of all seniority rights and such rights shall not be restored except by written agreement between the PTRR Manager and the BLET General Chairman.

Special Note: Company will give consideration to bona fide conditions, situations or circumstances beyond an employee's control that may prevent the employee from responding and/or reporting for service following a leave of absence as specified within this rule. Each such case will be judged on its own merits.

Rule 15. PERSONAL LEAVE

(a) Each January 1st engineers shall be provided with eleven (11) personal leave days and shall be paid one basic day at the rate of service last performed for each personal leave day taken.

(b) Personal leave days shall be scheduled with the approval of the proper Company officer upon forty-eight (48) hours advance notice from the engineer. The Company shall grant requests for personal leave unless it can be shown that granting the request will result in an inability to fill any vacancy and operate the Company in the usual manner.

(c) Engineers may elect to accumulate up to sixty (60) personal leave days as a "bank" to protect against extended personal or family illnesses or personal or family emergency. The parties recognize that this "banking" of personal leave is for specific purposes and when used, the engineer will be required to provide verifiable documentation of the illness or personal emergency for which "banked" days will be used toward.

(d) Any personal leave days not taken during a previous calendar year shall be automatically "banked" on January 1st of the subsequent year. In the event personal leave days cannot be "banked" because the engineer has already accumulated sixty (60) "banked" personal leave days, the unused personal days shall be claimed by the engineer and paid for at the rate specified herein on the last payroll period of the applicable year.

(e) Engineers may upon request receive payment of any "banked" personal leave days at the applicable basic daily rate.

(f) The parties specifically recognize that the spirit and intent of this rule is to grant personal leave days and that the provision under this section providing for the payment thereof, should be rarely, if ever, used.

(g) There shall be no duplicating or pyramiding of benefits as far as personal leave days, as a result of the provisions of this Agreement and any other agreements.

(h) Under October 15, 2004 Agreement the parties agreed to suspend Article XII, Section 2(c) of the June 1, 1997 Agreement requiring engineers to use personal leave days when laying off or absent more than one day during a calendar month. In the event that absenteeism becomes an issue as a result of this change, Company reserves the right to revert back to the provisions of Article XII, Section 2(c) following a ten (10) day written notice to the Union. It is agreed the parties will meet within the ten (10) day period following the notice in an effort to resolve any issue that may have caused the issuance of the ten (10) day notice to reinstate this article. If the parties fail to arrive at a mutually acceptable method to resolve this issue, the Company reserves the right to un-suspend this article.

Rule 16. BEREAVEMENT LEAVE

Bereavement leave will be allowed in case of death of an employee's brother, sister, half brother, half sister, parent, child, spouse or spouse's parent. The engineer on bereavement leave will be allowed a basic day at pro rata rate of his assigned position for each work day lost (including rest days) during bereavement leave, with a maximum of three (3) days' pay per incident. The engineer involved will make provisions for taking bereavement leave with a Company Officer and documented verification of death may be required. (*Note: The intent of this provision is that an engineer must be off in order to collect bereavement pay.)*

Rule 17. ATTENDING COURT

Engineers attending court or other business (other than attending investigations) on behalf of the Company will be paid as follows together with necessary expenses:

(a) Regular assigned engineers will receive what they would have earned had they remained on assignment, and if used on layover, will receive a minimum day's pay.

(b) Extra engineers will be allowed one (1) day's pay of eight (8) hours at the minimum yard rate for each day held.

(c) If an extra board engineer is held from a regular assignment, he will be entitled to what he would have earned on the assignment for such time as he is eligible to hold it. In case the extra board engineer could not hold a regular assignment during the full period of time he is on Company business, he would, therefore, be entitled to only a minimum day's pay at minimum rate for the days on which he could not hold a regular assignment.

Rule 18. RULES EXAMINATION CLASS

An engineer who, while working as such, is ordered by the Company to attend rules examination classes or be re-examined on the operating, air brake and/or mechanical rules during his off duty hours, shall be paid the actual time consumed in taking such examinations or attending such rules examination classes, with a minimum allowance of four (4) hours at the basic rate of the last service performed, provided no payment shall be made to such employee who takes re-examinations voluntarily. This rule shall not apply to persons taking rules examination as a condition for employment as an engineer with the Company.

Rule 19. PHYSICAL EXAMINATIONS

No compensation will be paid or claim presented for time lost in taking periodical physical examinations or additional scheduled examinations as may be prescribed in connection with physical deficiencies requiring observation or treatment between the usual periodical examinations, but engineers required to submit to physical examinations other than periodical examinations or scheduled examinations as above described will be reimbursed for time lost, if any, and if examination is conducted on layover day, they will be paid a minimum day at the rate of service in which they are engaged at time required to take the examinations.

Rule 20. JURY DUTY

(a) **Regular Engineer.** A regular engineer who is summoned for jury duty service and is required to lose time from his assignment as a result thereof, shall be allowed the pay difference between the basic daily rate of his regular assigned position and the amount allowed him for jury duty service for each day that his assignment works while on jury duty service.

(b) **Extra Board Engineer.** An extra board employee who is summoned for jury duty service and is required to lose time as a result there shall be allowed the pay difference between the basic daily rate of pay applicable to the rate of the last service performed and the amount allowed him for jury duty service for each day for each day engineer service is lost.

(c) All court fees paid to an engineer for jury duty service, excepting allowances for meals, lodging, and transportation shall be made known to the Company on filing claims for any allowances under this rule.

(d) It shall not be considered that an engineer is summoned for jury duty service within the contemplation of this rule where an engineer fails to exercise his right to secure exemption from the summons and/or jury service under administrative, federal, state, or municipal regulations.

Rule 21. ENGINE SERVICE, SUPPLY AND OTHER FUNCTIONS

(a) When required by specific or general instruction from the Company for an engineer to supply his engine with drinking water, ice, flagging equipment, fuel, sand, cooling water and/or to clean cabs or windows, during the engineer's tour of duty, such engineer will be paid an arbitrary allowance of $14.64 in addition to all other time paid for the tour of duty.

(b) The duties and functions set forth in (a) of this rule as well as any or all of the functions previously performed by hostlers, including, but not necessarily limited to operating, towing or otherwise moving engines not directly involved in the switching of cars at the time, adjusting controls and other appurtenances, and coupling or uncoupling engines, including all necessary or desired connections, shall not be construed or considered as reserved exclusively to engineers and the Company maintains the right to instruct other persons not necessarily in engine service to perform these duties and functions without penalty.

(c) The Company will designate which engineers will be authorized to perform the duties and functions set forth in (a) of this rule by a circular notice.

(d) If a subsequent engineer, other than those required by Company's circular notice, finds it necessary to perform the duties and functions set forth in (a) of this rule, that engineer must first obtain authorization from a Company officer or supervisor to perform those duties or functions. When authorized by a Company officer or supervisor, the engineer will be entitled to the arbitrary allowance.

(e) All engineers will list on their trip reports the authority for claiming the arbitrary allowance. This notation will include either the Company's circular notice number, name of the Company officer or supervisor, other specific instructions to perform the duties or functions set forth in (a) of this rule, and the time the authorization was received. For those engineers required by circular notice to perform those duties or functions listed in (a) of this rule, the time will be their on-duty time.

(f) An engineer will not be entitled to the arbitrary allowance if authorization is not first obtained, even though the engineer actually performs the duties or functions set forth in (a) of this rule.

(g) Nothing within this rule shall release engineers from the responsibility of knowing that engines are properly equipped.

(h) Nothing within this rule shall be construed or interpreted as to prevent other employees from moving engines a sufficient distance over engine service tracks and yard tracks in order for engines to clear switches leading from one engine service track to another and the purpose of this rule is to keep other employees, such as machinists, etc., from operating on any tracks except as described within this paragraph (h).

(i) Engineers, except as otherwise provided in this rule, need not be employed or used to handle, assist in the handling of engines and/or to accompany engines being moved, serviced, supplied and handled within the engine house territory, or on engine service tracks, provided, however, engineers will be used to operate engines moving on main or yard tracks which are outside of the engine house territory or designated engine service tracks.

(j) Nothing within this rule shall be construed or interpreted as removing from the scope of duties of road and/or yard crews the movement and handling of their own engines from the train to the engine house or other designated engine service tracks or vice versa and/or the movement, handling and turning of their own engines around the wye or balloon tracks and/or the towing, handling and movement by yard crews of other engines in normal yard and switching operations.

Rule 22. INCIDENTAL WORK *(Section 3, Article VIII, April 15, 1986 Award of Arbitration Board No. 458)*

Road and yard employees in engine service and qualified ground service employees may perform the following items of work in connection with their own assignments without additional compensation. Nothing in this rule is intended to restrict any of the existing right of the Company.

(a) Handle switches

(b) Move, turn, spot and fuel locomotive

(c) Supply locomotives except for heavy equipment and supplies generally placed on locomotives by employees of other crafts

(d) Inspect locomotives

(e) Start or shutdown locomotives

(f) Make head-end air tests

(g) Prepare reports while under pay

(h) Use communication devices, copy and handle train orders, clearances and/or other messages

(i) Any duties formerly performed by firemen

Rule 23. WORK OUTSIDE SWITCHING LIMITS *(Section 2, Article VIII, April 15,1986 Award of Arbitration Board No. 458)*

(a) Yard crews may perform the following work outside of switching limits without additional compensation except as provided below:

(i) Bring in disabled train or trains whose crews have tied up under the Hours of Service Law from locations up to twenty-five (25) miles outside of switching limits.

(ii) Complete the work that would normally be handled by the train crews that have been disabled or tied up under the Hours of Service Law and are being brought into the terminal by those yard crews. This paragraph does not apply to work trains or wrecking service.

(iii) Perform service to customers up to twenty (20) miles outside switching limits provided such service does not result in the elimination of a road crew or crews in the territory. The use of a yard crew in accordance with this paragraph will not be construed as giving yard crews exclusive right to such work. This paragraph does not contemplate the use of yard crews to perform work train or wrecking service outside switching limits.

(iv) For performing the service provided in (i), (ii) and (iii) above, engineers with a seniority date prior to November 1, 1985 shall be paid for all time consumed outside of the switching limits at the rate of $14.64 per each hour or fraction thereof, with a minimum of one (1) hour's pay of $14.64. This allowance shall be in addition to the regular yard pay and without any deduction therefrom for the time consumed outside of switching limits.

(v) Nothing in this rule will serve to prevent or affect in any way a carrier's right to extend switching limits in accordance with applicable agreements. However, the distances prescribed in this rule shall continue to be measured from switching limits as they existed as of July 26, 1978, except by mutual agreement.

(b) Engineers may be required to use other than their own locomotive for the purpose of yarding trains.

(c) Yard crews may perform hostling work without additional payment or penalty.

Rule 24. USE OF RADIOS AND OTHER COMMUNICATION

It is recognized that the use of radios or comparable equipment is part of the engineer's duties. However, his duties and responsibilities shall be pursuant to the operating rules, orders and special or other written instructions of the individual carrier. Company shall require strict compliance by other Company personnel or employees involved in the use of radio or other equipment, with the operating and safety rules of the Company and applicable Federal and State regulations.

Rule 25. EFFICIENCY TESTS

When efficiency tests are made, they shall not be conducted under conditions that are hazardous to the engineers.

Rule 26. ENGINEER INSTRUCTOR

While performing his usual duties, an engineer may have a trainee assigned to him during his tour of duty. The engineer instructor will thereupon indoctrinate the trainee in the functions and responsibilities of engineers under actual working conditions as follows:

(a) The engineer-instructor will permit a trainee to operate his locomotive and perform other engineer duties.

(b) The engineer-instructor will not be held responsible for broken knuckles, damaged draw bars or rough handling while the locomotive is operated by a trainee, however, the engineer will be responsible for the safe movement of his locomotive and train.

(c) The engineer-instructor will prepare a report on the trainee as directed. Incompetence, lack of judgment, poor attitude and other detrimental traits will be reported.

(d) An engineer-instructor will be allowed one (1) hour of pay at basic straight time rate for each tour of duty during which he instructs an engineer trainee to operate the engine. The one-hour allowance will not be paid for a tour of duty during which the trainee only observes the work of an engineer and does not operate the engine.

Rule 27. INVESTIGATIONS AND DISCIPLINE

(a) No engineer will be disciplined or dismissed from service of the Company or have notations made against his record without responsibility being established by the holding of a fair and impartial investigation, except as provided in paragraphs (1) through (2) hereof. They may, however, be held out of service pending investigation, but it is not intended that an engineer be held out of service for other than major offenses.

(1) **Waiver Method:** When, in the judgment of a designated officer of the Company an occurrence arises which warrants assessment of discipline, same may be assessed without a formal hearing provided the engineer is given written notice of the amount of discipline proposed and the engineer waives his right to a formal hearing by accepting in writing the discipline proposed by the designated officer within forty-eight (48) hours of receipt of the officer's proposal.

(2) When the Waiver Method is used, the signed waiver shall be placed on the employee's personal record and copy thereof retained by the engineer and the discipline assessed shall not be subject to challenge thereafter. The officer's proposal shall not be considered as evidence of prejudgment and if not accepted shall not thereafter be used in argument by either party.

(b) An employee directed to attend a hearing to determine responsibility, if any, in connection with an incident shall be notified in writing by certified mail, return receipt requested, to the last known address within ten (10) days from the date of occurrence. When an occurrence is not immediately known to the Company, the employee shall be notified, as provided above, within ten (10) days from the time Company has knowledge of the occurrence upon which the charge is based. Investigation will be initially scheduled within ten (10) days after charges have been made. All principals and representatives shall be present throughout the entire investigation unless excused by consent of all parties concerned. Notice will be in writing and shall specify the charges against the engineer and the time, date and place for the hearing. A copy of notice will be provided to the Local Chairman and the General Chairman.

(c) The accused engineer may have, not to exceed two (2) representatives of his choice present at the investigation and hearing to assist him in presenting his case. The accused and his representative/s may remain throughout the entire hearing, hear the testimony of all witnesses and interrogate them if desired. In case of conflicting testimony, witnesses giving same will be brought together.

(d) All papers pertaining to the hearing will be open to those concerned at all times and in all cases for the purpose of investigation.

(e) When a transcript of an investigation is taken, all questions, answers, statements, objections, exceptions, or other data, and a mention of all exhibits introduces, shall be included. In the event a record of the transcript is made or discipline is assessed, the General Chairman and/or Local Chairman will be furnished a copy upon request. Decision assessing discipline must be rendered within twenty (20) days after completion of the investigation and engineer involved will be notified of such decision in writing.

(f) **Appeal:** If it is decided by the engineer that he has been unjustly disciplined or discharged, he can, individually or through his Chairman or his representative, meet with the proper officials and they will investigate and give prompt decision.

(g) **Reinstatement, Time Lost, Removal of Discipline:** If it is found that the accused engineer has been unjustly discharged or suspended, he will be reinstated and paid for time lost. In cases where discipline assessed against the record of an engineer is found to be unwarranted, such discipline will be removed and expunged from his personal record, and he will be paid for time lost.

(h) When fixing the hours in which a hearing shall be held, due consideration for rest of the engineer will be given. Hearing will ordinarily be held immediately prior to going on duty or immediately after going off duty with a view of giving maximum time possible off duty.

(i) **Past Record.** Before an engineer is dismissed from the service, consideration will be given to his service record and the length and character of his service. When appeal is taken in any case of discipline or discharge, a copy of discipline and service record of the engineer involved will, upon request, be furnished committee.

(j) An engineer entering the service will be given an opportunity to correct any misstatement he may have made in filling out applications for employment. If such corrections are not satisfactorily made, the man will not be dismissed without an investigation if he so desires. He may have a representative present.

(k) When engineers who are not at fault are required by the Company to attend investigations either at or away from home terminal, they shall be compensated as follows:

(1) If investigation is conducted continuous with completion of the working shift, or is begun not to exceed two (2) hours after completion of the shift, or is begun not to exceed two (2) hours in advance of the starting time of the shift, work and time in attendance at investigation shall be combined and paid for as continuous time.

(2) If investigation is conducted during the working shift, no additional payment will be made for attending investigation.

(3) If attendance at investigation necessitates engineers losing time on their assignments or extra board, they shall be paid for the time lost. Engineers, who are compensated for time lost in accordance with this paragraph (3), will not receive additional compensation under any other paragraph of this rule.

(4) If attendance at investigation is conducted during an engineer's off duty hours on his designated day or days off, he will be paid one (1) basic day's pay at one and one-half times the straight time daily rate of pay.

(5) If investigation is not conducted in accordance with paragraphs (1), (2), or (3) of this rule, a minimum basic day's pay at straight time rate will be allowed.

(6) Necessary and reasonable away-from-home expenses will be allowed for attendance away from home terminal in addition to the compensation provided for in this rule.

(7) Extra board engineers when released from investigation will be marked up in turn on extra board corresponding with tie-up time on previous day's work. If this is not possible, due to other extra board engineers who tied up subsequent to them having been called for duty, they will be marked at bottom of board and allowed a day's pay for each twenty-four (24) hours or fraction thereof held off the board, computed from two (2) hours previous to the time extra engineer who went out in his turn reported for duty; such allowance to be based on the class of service and engine on which last service was performed.

(l) In matters pertaining to discipline, or other questions not affecting changes in engineers' contract, the officials of the Company reserve the right to meet any of their employees either individually or collectively.

Rule 28. CLAIMS, GRIEVANCES & APPEAL PROCESS

(a) All claims or grievances must be presented in writing by or on behalf of the employee involved, to the officer of the Company authorized to receive same, within sixty (60) days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the Company shall, within sixty (60) days from the date same is filed, notify the employee and/or his representative of the reasons for such disallowance in writing. If not so notified, the claim or grievance shall be considered valid and settled accordingly, but this shall not be considered as a precedent or waiver of the contentions of the Company as to other similar claims or grievances.

(b) If a disallowed claim or grievance is to be appealed, such appeal must be taken within sixty (60) days from receipt of notice of disallowance, and the representative of the Company shall be notified in writing of the rejection of his decision. Failing to comply with this provision, the matter shall be closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other claims or grievances.

(c) The procedure outlined in paragraphs (a) and (b) of this rule shall govern in appeals taken to each succeeding officer. Decision by the highest officer designated to handle claims and grievances shall be final and binding unless within sixty (60) days after written notice of the decision of said highest designated officer he is notified in writing that his decision is not accepted. All claims or grievances involved in a decision of the highest designated officer shall be barred unless within six (6) months from the date of said officer's decision following the conference held pursuant to the Railway Labor Act, as amended, proceedings are instituted by the employee or his duly authorized representative before a tribunal having jurisdiction pursuant to law or agreement of the claim or grievance involved. It is understood however, that the parties may by agreement in any particular case extend the six (6) month period herein referred to.

(d) All rights of a claimant involved in continuing alleged violations of agreement shall under this rule be fully protected by continuing to file a claim or grievance for each occurrence (or tour of duty) up to the time when such claim or grievance is disallowed by the first officer of the Company. With respect to claims and grievances involving an engineer held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

(e) This rule recognizes the right of representatives of the Organization party hereto to file and prosecute claims and grievances for and on behalf of the employees they represent.

(f) This rule shall not apply to requests for leniency.

Rule 29. CLAIM PAYMENTS – TIME SHORTAGES

(a) When time or pay is not allowed, engineers will be promptly notified giving reasons therefor.

(b) For the purpose of computing pay, any service takes date on which required to report for duty.

(c) For all established shortages or on claims adjusted by the committee, amounting to one (1) basic day of pay or more, time checks will be issued. Pay amounts less than one basic day's pay will be carried on next succeeding payroll.

(d) When time claims are settled between the Company and the Local Committee, Company will notify employee/s to whom payments are to be made, stating the amount, reasons for allowance and whether it is being paid by time check or being carried on regular payroll, sending a copy of such notification to the Local Chairman. When claims are settled by the General Committee, copy of notification of payment will be furnished to General Chairman. If amounts are carried on regular payroll, statement of notification will state period of payroll.

Rule 30. REPRESENTATION

(a) The General Committee of Adjustment, Brotherhood of Locomotive Engineers and Trainmen, will represent all locomotive engineers, reserve engineers, and restricted engineers in the making of contracts, rates, rules, working agreements, and interpretations thereof.

(b) The Brotherhood of Locomotive Engineers and Trainmen shall have the exclusive right to represent all locomotive engineers in company-level grievance and disciplinary proceedings.

(c) All controversies affecting locomotive engineers will be handled in accordance with the interpretation of the Engineers' Agreement as agreed upon between the Committee of the BLET and the Company's management.

Rule 31. VACATIONS *(See **Appendix "B"** – Synthesis of Operating Vacation Agreement, as Amended.)*

(a) **Eligibility.** Engineers shall be granted vacations with pay or payment in lieu thereof whose eligibility has been established in accordance with the provisions of the National Vacation Agreement of April 29, 1949, as amended.

(b) Eligible engineers having laid off for any reason a sufficient number of days to cover a vacation period may designate same as their vacation period, subject to the approval of the company.

(c) **Weekly Vacation Periods.**

(1) It is intended that an equal number of engineers be on vacation each period January 1 to December 31 of each year, subject to service requirements.

(2) Vacation bids will be made available in November and shall be available not less than ten (10) days prior to the closing date which shall be between December 1 and 5. Vacation period assignments for the subsequent year will be made between December 5 and 15.

(3) An engineer may start his vacation on any calendar day provided the majority number of days of vacation must be within the period bid on or assigned.

(4) In cases where, at the time vacations are bid and assigned, an engineer has not yet qualified for a vacation in the following year and the parties are in accord that he should reasonable expect to qualify, he shall be assigned a vacation period according to seniority, subject to having his vacation denied should he fail to qualify.

(5) In cases where an engineer has not qualified by assignment date and either party considers that he reasonable may not qualify, he will not be assigned a vacation period, subject to be granted an open period of his choice should he be found to qualify. An "open period" is where less than the maximum number of assignments have been made under paragraph (1) of this rule.

(6) If insufficient vacation bids are received to fill the quota, then the junior engineer will be assigned to the unassigned vacation periods in reverse seniority order if they can be spared without detriment to the service.

(d) **Single Vacation Day/s.** An employee may take up to one week of his annual vacation in single day increments, provided, however, that such employee shall be automatically marked up for service upon the expiration of any single day vacation.

(e) It is recognized that the exigencies of the Company's service create practical difficulties in providing vacations in all instances. Due regard, consistent with requirements of the service, shall be given to the preference of the employees in seniority order when granting vacations. Representatives of the Company and of the Organization will cooperate in arranging vacation periods, administering vacations and releasing employees when requirements of the service will permit.

Rule 32. HOLIDAYS

(a) The following enumerated holidays are observed by the Company:

New Year's Day	Fourth of July	Christmas Eve
President's Birthday	Labor Day	Christmas Day
Good Friday	Thanksgiving Day	New Year's Eve
Memorial Day	Day After Thanksgiving	

(b) When any of the above listed holidays fall on Sunday, the day observed by the State or Nation shall be considered the holiday.

(c) Engineers who qualify, as described below, shall be compensated at the overtime rate when working on a holiday, otherwise they will be paid at straight time rate.

(i) A regular assigned engineer shall qualify for overtime pay when working on the holiday if he fulfills service on his assignment on the workdays immediately preceding and following the holiday.

(ii) An extra board engineer shall qualify for overtime pay when working on the holiday if he is available for service on the full calendar day preceding the holiday and full calendar day following the holiday, or performs service on either day and available for service the other day or performs service on both days.

(d) If a regularly assigned engineer has his job annulled on a holiday, that engineer will be paid a basic day's pay at the straight time rate for the annulment.

(e) All provisions that provided for payment of a basic day account holiday were eliminated January 1, 1998.

Rule 33. SERVICE LETTERS

Engineers who have been in service thirty (30) days or more and who leave the service will, upon request, be promptly furnished a service letter stating time, character of service, and cause of leaving, which they must sign.

ARTICLE IV: EMPLOYEE BENEFITS *(See National Agreements and Appendix "A", for additional coverages, amendments, and supplements)*

Section 1. Health Care.

(1) Refer to separate booklet entitled *"The Health and Welfare Plan of the Nation's Railroads and the Railway Labor Organizations"*, amended through January 1, 1998, and as amended subsequent thereto.

(2) Refer to separate booklet entitled *"Railroad Employees National Early Retirement Major Medical Benefit Plan GA-46000"*, amended through January 1, 1995, and as amended subsequent thereto.

(3) Refer to separate booklet entitled *"Group Health Insurance Plans for Furloughed and Retired Railroad Employees and their Dependents"*, Group Policy Number GA 23111, amended January 1, 1998, and as amended subsequent thereto.

Section 2. **Dental Care**. Refer to separate booklet entitled *"Railroad Employees National Dental Plan"*, amended through January 1, 1999, and as amended subsequent thereto.

Section 3. **Vision Care**. Effective January 1, 1999, the *"Railroad Employees National Vision Plan"*, Group Policy of Vision Service Plan (VSP), and as amended thereafter.

Section 4. **Off-Track Vehicle Accident Benefits**.

Section 5. **Life Insurance.** Refer to separate booklet entitled *"Life Insurance Benefits for U.S. Employees and Retirees and Accidental Death and Dismemberment Insurance benefits for U.S. employees Under The Health and Welfare Plan of the Nation's Railroads and the Railway Labor Organizations"* dated January 1997, and as amended subsequent thereto.

Section 6. **401(k) Retirement Plan.** Each engineer of the Company who has established seniority under the collective bargaining agreement between the company and the Brotherhood of Locomotive Engineers and Trainmen, and who has had an employment relationship with the Company for a minimum of one (1) full calendar year, and who is a dues paying member of the Brotherhood of Locomotive Engineers and Trainmen, shall be eligible to enroll in the Portland Terminal Railroad Company 401(k) Retirement Plan. It is additionally understood and agreed that the Plan is not contributory with respect to the Company and there shall be no pyramiding of employee's contribution percentage by virtue of employment under an agreement with another organization.

Section 7. **Short Term Disability.** Refer to "BLET's STD Plan as provided in Article I, Section 5(b) and Article IV, Part A, Section 5 of the December 31, 2003 National Agreement, as amended subsequent thereto.

ARTICLE V: TERMS OF AGREEMENT

Section 1. This Agreement shall become effective January 1, 2005, on the Portland Terminal Railroad Company and continue in effect hereafter until changed in accordance with the provisions of the Railway Labor Act, as amended, and shall supersede the preceding April 1, 1961 Agreement between the parties hereto.

Section 2. Should either of the parties to this Agreement desire to revise or modify these rules, thirty (30) days' written notice containing the proposed changes shall be given, and conference shall be held immediately on the expiration of said notice, unless another date is mutually agreed upon.

Section 3. National agreements, special agreements and/or understandings now in effect including those reproduced subsequent hereto, and not in conflict with this Agreement, shall remain in full force and effect until changed or cancelled in accordance with the provisions contained in each, and/or the Railway Labor Act, as amended.

Section 4. The Company shall have copies of this Agreement printed and shall provide a copy to each covered employee.

For: **BROTHERHOOD OF LOCOMOTIVE ENGINEERS & TRAINMEN**

Timothy J. Donnigan Date: 111505

Timothy J. Donnigan, General Chairman

For: **PORTLAND TERMINAL RAILROAD COMPANY**

Robert F. Stephan Date: 11/17/05

Robert F. Stephan, Manager

For: **BNSF RAILWAY COMPANY**

R L Luther Date: 11/30/05

Randy L. Luther, Director Labor Relations

APPENDIX "A"

MEDIATION AGREEMENT – CASE NO. A-13252

THIS AGREEMENT, made this 16th day of December, 2003 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - Longevity Bonus

(a) Not later than three months after the date of this Agreement each employee who qualifies under subsection (b) shall be paid a Longevity Bonus of $1,200. Such Bonus shall be paid in a separate check and shall be subject to withholdings for applicable Federal, State and Local taxes.

(b) To qualify for the Longevity Bonus an employee must:

(1) have an employment relationship with the carrier as a locomotive engineer on December 1, 2003;

(2) have established seniority in train or engine service with a carrier signatory to this Agreement on or before October 31, 1985; and

(3) (i) have received compensation for active service performed during the period October 1, 2003 through November 30, 2003, or

(ii) have been on authorized leave for such entire period for personal illness, on-duty injury, or pursuant to the Family and Medical Leave Act, and return to active service not later than (April 1, 2004), or

(iii) have been out of service for such entire period due to carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.

(c) There shall be no duplication of the Longevity Bonus by virtue of employment under another agreement, nor will such payment be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 2 - Lump Sum Payment

(a) Each employee who qualifies under subsection (b) shall be paid a Lump Sum of $774.00. Such Lump Sum shall be paid at the same time that the retroactive portion of the general wage increases provided for in Sections 3 and 4 of this Article are paid.

(b) To qualify for the Lump Sum an employee must:

(1) have an employment relationship with the carrier as a locomotive engineer on December 1, 2003; and

(2) (i) have received compensation for active service performed during the period October 1, 2003 through November 30, 2003, or

(ii) have been on authorized leave for such entire period for personal illness, on-duty injury, or pursuant to the Family and Medical Leave Act, and return to active service not later than April 1, 2004, or

(iii) have been out of service for such entire period due to carrier disciplinary action that is subsequently rescinded or overturned with pay for all time lost.

(c) There shall be no duplication of the Lump Sum by virtue of employment under another agreement, nor will such payment be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 3 - First General Wage Increase

(a) Effective July 1, 2002, all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 2002 shall be increased by four (4) percent.

(b) In computing the increase under paragraph (a) above, four (4) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	- 600,000 and less than 650,000 pounds
Freight	- 950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	- Less than 500,000 pounds
Yard Firemen	- Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)

Section 4 - Second General Wage Increase

Effective July 1, 2003, all standard basic daily rates of pay in effect on June 30, 2003 for employees represented by the Brotherhood of Locomotive Engineers shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 3(b) above.

Section 5 - Third General Wage Increase

(a) Effective July 1, 2004, all standard basic daily rates of pay in effect on June 30, 2004 for employees represented by the Brotherhood of Locomotive Engineers shall be increased by two-and-one-half (2-1/2) percent, computed and applied in the same manner prescribed in Section 3(b) above.

(b) Effective July 1, 2004, in lieu of an additional general wage increase of one-half (1/2) percent, the carriers shall remit a $40.00 payment per month with respect to eligible employees to be used to defray the cost of the BLE's insured short-term disability plan, as provided in Article IV, Part A, Section 5(a) of this Agreement.

Section 6 - Standard Rates

The standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in Appendix 1, which is a part of this Agreement.

Section 7- Application of Wage Increases

(a) The adjustments provided for in this Article (i) will apply to mileage rates of pay for overmiles, and (ii) will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money.

(b) Miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted under this Agreement in the same manner as heretofore increased under previous wage agreements.

(c) In determining new hourly rates, fractions of a cent will be disposed of by applying the next higher quarter of a cent.

(d) Daily earnings minima shall be changed by the amount of the respective daily adjustments.

(e) Existing money differentials above existing standard daily rates shall be maintained.

(f) In local freight service, the same differential in excess of through freight rates shall be maintained.

(g) Where applicable, the differential of $4.00 and/or $6.00 per basic day in freight, passenger and yard service, and 4¢ and/or 6¢ per mile for miles in excess of the number of miles encompassed in the basic day in freight and passenger service, will be maintained for engineers working without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required. Such differential will continue to be applied in the same manner as the local freight differential.

(h) In computing the first increase in rates of pay effective under Section 3 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number comprising a basic day, which are therefore paid on a daily basis without a mileage component, whose rates had been increased by "an additional $.40" effective July 1, 1968, the four (4) percent increase shall be applied to daily rates in effect on the day preceding the effective date of the general wage increase provided for in Section 3, exclusive of local freight differentials and any other money differential above existing standard daily rates. For firemen, the rates applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be utilized in computing the amount of increase. The same procedure shall be followed in computing the increases effective July 1, 2003 and July 1, 2004. The rates produced by application of the standard local freight differentials and the above-referred-to special increase of "an additional $.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(i) Other than standard rates:

(i) Existing basic daily rates of pay other than standard shall be changed, effective as of the dates specified in Sections 3, 4 and 5 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) Where applicable, the differential of $4.00 and/or $6.00 per basic day in freight, passenger and yard service, and 4¢ and/or 6¢ per mile for miles in excess of the number encompassed in the basic day in freight and passenger service, will be maintained for engineers working without firemen on locomotives on which under the former National Diesel Agreement of 1950 firemen would have been required. Such differential will continue to be applied in the same manner as the local freight differential.

(iii) Daily rates of pay, other than standard, of firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of miles equal to or less than the number encompassed in the basic day, which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 3, 4, and 5 hereof by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (i)(i) above.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier, at its discretion, may offer employees alternative compensation arrangements in lieu of the general wage increases provided in Article I (in whole or part). Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans.

Section 2

(a) The following conditions shall govern implementation of alternative compensation arrangements pursuant to this Article:

(1) Carrier shall notify the appropriate organization representative(s) regarding its proposed alternative compensation arrangement(s). The parties shall meet promptly on such proposal and use their best efforts to reach agreement on implementation;

(2) The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate organization representative(s);

(3) The proposed arrangement(s) must be made available to the smallest employee grouping that can be reasonably administered.

(b) Nothing herein shall be construed to bar the parties from reaching mutual agreement on different terms or conditions pertaining to implementation of this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Part A - Cost-of-Living Payments Under May 31, 1996 Agreement

Section 1

Article II, Part C, of the May 31, 1996 Agreement, shall be eliminated effective on the date of this Agreement. On June 30, 2002, the forty-eight (48) cent cost-of-living allowance pursuant to such provision in effect on that date shall be rolled in to basic rates of pay.

Section 2

Any local counterpart to the above-referenced Article II, Part C that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

Part B - Cost-of-Living Allowance and Adjustments Thereto After January 1, 2005

Section 1 - Cost-of-Living Allowance and Effective Dates of Adjustments

(a) A cost-of-living allowance shall be payable in the manner set forth in and subject to the provisions of this Part, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the CPI. The first such cost-of-living allowance shall be payable effective July 1, 2005 based, subject to paragraph (b), on the CPI for March 2005 as compared with the CPI for September 2004. Such allowance, and further cost-of-living adjustments thereto which shall become effective as described below, shall be based on the change in the CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph (b)(iii), according to the formula set forth in paragraph (c).

Measurement Periods		
Base Month	Measurement Month	Effective Date of Adjustment
September 2004	March 2005	July 1, 2005
March 2005	September 2005	January 1, 2006

Measurement Periods and Effective Dates conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(b)(i) Cap. In calculations under paragraph (c), the maximum increase in the CPI that shall be taken into account shall be as follows:

Effective Date of Adjustment	Maximum CPI Increase That May Be Taken Into Account
July 1, 2005	3% of September 2004 CPI
January 1, 2006	6% of September 2004 CPI less the increase from September 2004 to March 2005

Effective Dates of Adjustment and Maximum CPI Increases conforming to the above schedule shall be applicable to periods subsequent to those specified above during which this Article is in effect.

(ii) Limitation. In calculations under paragraph (c), only fifty (50) percent of the increase in the CPI in any measurement period shall be considered.

(iii) If the increase in the CPI from the base month of September 2004 to the measurement month of March 2005 exceeds 3% of the September 2004 base index, the measurement period that shall be used for determining the cost-of-living adjustment to be effective the following January shall be the 12-month period from such base month of September; the increase in the index that shall be taken into account shall be limited to that portion of the increase that is in excess of 3% of such September base index; and the maximum increase in that portion of the index that may be taken into account shall be 6% of such September base index less the 3% mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (c) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2005 during such measurement period.

(iv) Any increase in the CPI from the base month of September 2004 to the measurement month of September 2005 in excess of 6% of the September 2004 base index shall not be taken into account in the determination of subsequent cost-of-living adjustments.

(v) The procedure specified in subparagraphs (iii) and (iv) shall be applicable to all subsequent periods during which this Article is in effect.

(c) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (b), shall be converted into cents on the basis of one cent equals 0.3 full points. (By "0.3 full points" it is intended that any remainder of 0.1 point or 0.2 point of change after the conversion shall not be counted.)

The cost-of-living allowance effective January 1, 2006 shall be the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (b), in the CPI during the applicable measurement period. Any residual tenths of a point resulting from such division shall be dropped. The result of such division shall be rolled in to basic rates of pay in effect on December 31, 2005 if the CPI shall have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index shall have been lower at the end than at the beginning of the measurement period, but in no event shall basic rates of pay be reduced below the levels in effect on June 30, 2005. If the result of such division requires a subtraction from basic rates of pay in effect on December 31, 2005, the employee cost-sharing contribution amount in effect on that date pursuant to Article IV, Part B, Section 1(e) of this Agreement shall be adjusted effective January 1, 2006 as appropriate to reflect such subtraction. The same procedure shall be followed in applying subsequent adjustments.

(d) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly BLS Consumer Price Index (CPI-W) calculated on the same basis as such Index, except that, if the Bureau of Labor Statistics, U.S. Department of Labor should, during the effective period of this Article, revise or change the methods or basic data used in calculating such Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W during a measurement

period, then that Bureau shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W during such measurement period.

Section 2 - Payment of Cost-of-Living Allowances

(a) The cost-of-living allowance payable to each employee effective July 1, 2005 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(b) The cost-of-living allowance payable to each employee effective January 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(c) The cost-of-living allowance payable to each employee effective July 1, 2006 pursuant to Section 1 of this Part shall be rolled in to basic rates of pay on that date.

(d) The procedure specified in paragraphs (b) and (c) shall be followed with respect to computation of the cost-of-living allowances payable in subsequent years during which this Article is in effect.

Section 3 - Application of Cost-of-Living Allowances

Each one cent per hour of cost-of-living allowance that is payable pursuant to this Part shall be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Article I. The cost–of-living allowance will otherwise be applied in keeping with the provisions of Section 7 of Article I.

Section 4 - Continuation of Part B

The arrangements set forth in Part B of this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.

ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan ("the Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 - Plan Benefit Changes

(a) The Plan's Comprehensive Health Care Benefit ("CHCB") is amended to include one routine physical examination (including diagnostic testing and immunizations in connection with such examination) each calendar year for covered employees and their eligible dependents.

Such CHCB benefit shall cover 100% of the Eligible Expenses involved up to $150, and 75% of such Eligible Expenses in excess of $150.

(b) Routine childhood (up to age 18) immunizations, including boosters, for Diphtheria, Pertussis or Tetanus (DPT), measles, mumps, rubella, and polio shall be provided under the CHCB. This benefit is subject to the applicable deductible and percentage of Eligible Expenses payable.

(c) In addition to the Plan's existing coverage for speech therapy, such therapy will be a Covered Health Service under the CHCB and the Plan's Managed Medical Care Program ("MMCP"), when given to children under three years of age as part of a treatment for infantile autism, development delay, cerebral palsy, hearing impairment, or major congenital anomalies that affect speech.

(d) Phenylketonurial blood tests ("PKU") will be a Covered Health Service under the MMCP and the CHCB when given to infants under the age of one in a hospital or on an out-patient basis.

(e) The MMCP will continue to require a co-payment with respect to the first office visit by a participant or beneficiary to her obstetrician or gynecologist for treatment of a pregnancy but will not require a co-payment with respect to any subsequent visit to that obstetrician or gynecologist for treatment of the same pregnancy.

(f) The MMCP will not require a co-payment on behalf of a participant or beneficiary with respect to any visit to a physician's office solely for the administration of an allergy shot.

(g) A Hearing Benefit will be provided. Such arrangement shall provide a Maximum Benefit of $600.00 annually for each covered person for covered expenses. Covered expenses shall consist of charges for medically necessary tests and examinations to establish whether and to what extent there is a hearing loss and charges for a permanent hearing aid that is medically necessary to restore lost hearing or help impaired hearing. Such Benefit may, at the carriers' option, be administered through the Plan or as a separate arrangement administered by the National Carriers' Conference Committee, and will include standard limitations, conditions and exclusions.

(h) The Plan life insurance benefit for active employees shall be increased to $20,000, and the Plan's maximum accidental death and dismemberment benefit for active employees shall be increased to $16,000.

(i) All of the benefits as changed herein will be subject to the Plan's generally applicable limitations, conditions, and exclusions. Existing Plan provisions not specifically amended by this Article shall continue in effect without change.

(j) Each of the changes contained in this Section shall be implemented as soon as practicable.

Section 3 - Vision Care

The benefits provided under the Vision Care Plan shall be changed from the Select to the Standard arrangement as soon as practicable.

Section 4 - Plan Design Changes To Contain Costs

(a) The parties will promptly solicit bids from interested companies to provide those services to the Plan involving the Managed Medical Care Program ("MMCP") that are currently provided by Aetna U.S. Healthcare. The parties will evaluate the bids received and the capabilities of the companies making those bids and will accept such of them (or enter into negotiations with the bidding company or companies) as the parties deem appropriate.

(b) The parties will promptly research the existence, costs, benefits and services provided, outcomes and other relevant statistics of regional health maintenance organizations, and shall make participation in such of those organizations as the parties deem appropriate available as an option to individuals covered by the Plan.

(c) With respect to geographic areas where the Plan's MMCP is not currently available but where companies capable of administering the MMCP provide such services, the parties will solicit proposals from such companies to administer the MMCP, and will evaluate the proposals they receive and accept such of them (or enter into negotiations with the proposing company or companies) as the parties deem appropriate.

(d) The parties will solicit proposals from pharmacy benefit managers who specialize in filling prescriptions for injectable medications and will accept one or more of such proposals (or enter into negotiations with the proposing company or companies) as the parties deem appropriate.

(e) With respect to Plan participants and their beneficiaries who live in an area where they may choose between CHCB and MMCP coverage, such Plan's participants and their beneficiaries shall no longer have a choice but shall be enrolled in the MMCP.

(f) The Individual and Family Out-of-Network Deductibles under the Plan's MMCP will be increased to $200 and $600, respectively.

(g) During a prescribed election period preceding the first day of April, 2004, and preceding each January 1 thereafter, employees may certify to the Plan or its designee in writing that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health insurance policy that they identify by name and, where applicable, by group number, and for that reason they elect to forego coverage for foreign-to-occupation health benefits for themselves and their dependents under the Plan and under any Hospital Association plan in which they participate. Such election

is hereafter referred to as an "Opt-Out Election" and, where exercised, will eliminate an employer's obligation to make a contribution to the Plan and/or dues offset payment to a Hospital Association for foreign-to-occupation health benefits for the employee and his dependents.

Each employee who makes an Opt-Out Election will be paid by his employer $100 for each month that his employer is required to make a contribution to the Plan on his behalf for life insurance and accidental death and dismemberment benefits as a result of compensated service rendered, or vacation pay received, by the employee during the prior month; provided, however, that the employee's Opt-Out Election is in effect for the entire month.

If an event described below in the final paragraph of this subsection (g) occurs subsequent to an employee's Opt-Out Election, the employee may, upon providing the Plan or its designee with proof satisfactory to it of the occurrence of such event, revoke his or her Opt-Out Election. An employee may also revoke his or her Opt-Out Election by providing the Plan or its designee with proof satisfactory to it that, after the employee made the Opt-Out Election, a person became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. An employee who revokes an Opt-Out Election will, along with his or her dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or his dependents would have been covered but for the Opt-Out Election the employee had previously made) for foreign-to-occupation health benefits under the Plan or, in the case of an employee who is a member of a Hospital Association, by the Plan (for dependent coverage) and by the Hospital Association (for employee coverage). See Side Letter No. 6.

The following events are the events referred to in the immediately preceding paragraph:

(1) the employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or

(2) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

(h) The Plan's Prescription Drug Card Program co-payments per prescription are revised as follows: (i) Generic Drug - $5.00; (ii) Brand Name Drug - $10.00. The Plan's Mail Order Prescription Drug Program co-payment is revised as follows: (i) Generic Drug - $10.00; (ii) Brand Name Drug - $15.00.

(i) Each of the Plan design changes contained in this Section shall be implemented as soon as practicable except as otherwise provided.

Section 5 - Short-Term Disability

(a) During each month beginning with the month of July, 2004, the carrier shall remit to the BLE's insured short-term disability plan ("STD Plan") the sum of $40.00 (as provided in Article I, Section 5(b)) on a pre-tax basis with respect to each employee covered by this Agreement for whom the carrier is required to make a payment to the Railroad Employees National Health and Welfare Plan or to the new health and welfare plan described in Part C of this Article during the same month for foreign-to-occupation health care benefits.

(b) For carriers not covered by Article I, Section 5(b), carrier payment arrangements (if any) with respect to the STD Plan shall be governed by such terms as may be agreed to by the parties.

Part B - Employee Cost Sharing of Plan Cost Increases

Section 1 - Employee Cost-Sharing Contributions

(a) Effective July 1, 2001, each employee covered by this Agreement shall contribute $33.39 per month to the Plan for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents.

(b) Effective July 1, 2002, the per month employee cost-sharing contribution amount set forth in subsection (a) shall be changed to $81.18.

(c) Effective July 1, 2003, the per month employee cost-sharing contribution amount set forth in subsection (b) shall be changed to $79.74.

(d) Effective July 1, 2004, the per month employee cost-sharing contribution amount set forth in subsection (c) shall be increased by the lesser of (x) thirty (30) percent of the increase, if any, in the carriers' 2004 monthly payment rate over such payment rate for 2003, and (y) $20.26.

(e) Effective July 1, 2005, the per month employee cost-sharing contribution amount set forth in subsection (d) shall be increased by the lesser of (x) one-half of the increase, if any, in the carriers' 2005 monthly payment rate over such payment rate for 2004, and (y) one-half of the cost-of-living allowance effective July 1, 2005 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the average straight-time equivalent hours ("ASTE Hours") for calendar year 2003.

(f) Effective January 1, 2006, the per month employee cost-sharing contribution amount in effect on December 31, 2005 shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in the carriers' 2006 monthly payment rate over such payment rate for 2005, plus (ii) the amount (if any) by which the number described in part (x) of subsection (e) of this Section exceeds the product described in part (y) of such subsection (e), and (y) one-half

of the cost-of-living allowance effective January 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(g) Effective July 1, 2006, the per month employee cost-sharing contribution amount in effect on June 30, 2006 shall be increased by the lesser of (x) the amount (if any) by which the number described in part (x) of subsection (f) of this Section exceeds the product described in part (y) of such subsection (f), and (y) one-half of the cost-of-living allowance effective July 1, 2006 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2004.

(h) Effective January 1, 2007, the per month employee cost-sharing contribution amount in effect on December 31, 2006 shall be increased by the lesser of (x) the sum of (i) one-half of the increase, if any, in the carriers' 2007 monthly payment rate over such payment rate for 2006, plus (ii) the amount (if any) by which the number described in part (x) of subsection (g) of this Section exceeds the product described in part (y) of such subsection (g), and (y) one-half of the cost-of-living allowance effective January 1, 2007 pursuant to Article III, Part B, Section 1(a), multiplied by one-twelfth of the ASTE Hours for calendar year 2005.

(i) The pattern specified in subsections (g), and (h) above shall be followed with respect to computation of adjustments to the amount of the employee cost sharing contribution in subsequent periods during which this Part is in effect.

(j) For purposes of subsections (d) through (i) above and subsection (l) below, the carriers' payment rate for any year shall mean twelve times the sum of what the carriers' payments to the Plan would have been, in the absence of any employee contributions to the Plan, for foreign-to-occupation health benefits under the Plan per month (in such year) per employee. The carriers' monthly payment rate for any year shall mean the carriers' payment rate for that year divided by 12. An "employee" for these purposes shall include any employee who has elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which he participates (except for employees who opt-out pursuant to item no. 2 of Side Letter No. 5).

Carrier payments to the Plan for these purposes shall be deemed to include amounts paid pursuant to Section 4(g) of Part A of this Article IV to employees who elected to opt-out of foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which they participate, but shall not be deemed to include the amounts per such employee per month (in such year) taken from the Special Account, or from any other special account, fund or trust maintained in connection with the Plan, to pay or provide for current Plan benefits, or any amounts paid by remaining carriers to make up the unpaid contributions of terminating carriers pursuant to Article III, Part A, Section 1 of the November 7, 1991 Implementing Document between the organization signatory hereto and the carriers represented by the National Carriers' Conference Committee.

(k) For the purpose of this Section, the ASTE Hours to be used shall be based on all such hours for individuals in operating crafts and classes represented by the Brotherhood of

Locomotive Engineers and who are employed by Class One carriers that are participating in national bargaining in the round of negotiations that commenced January 1, 2000.

(l) If the per month employee cost-sharing contribution amount ("cost-sharing amount") is increased for the period July 2005 through December 2005 or any subsequent periods and if a lower payment rate is established for the calendar year that immediately follows, then the cost-sharing amount shall be adjusted as appropriate to reflect such decreased benefit costs. Such adjustment shall be made effective January 1 of the calendar year for which such payment rate decrease is applicable and in no event shall take into account any portion of a payment rate below the payment rate level established for calendar year 2004. The cost-sharing amount shall also be subject to adjustment as provided in Article III, Part B, Section 1(c) of this Agreement.

(m) For purposes of this Section 1, all references to the "Plan" (whether express or implied) mean, on or after its effective date, the new health and welfare plan described in Part C of this Article, except for such references that appear in the definition of the carriers' payment rate in subsection (j). On and after the effective date of the new plan described in Part C of this Article, those references mean both such new plan and The Railroad Employees National Health and Welfare Plan.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be on a pre-tax basis, and in that connection a Section 125 cafeteria plan will be established pursuant to this Agreement.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after July 1, 2001 shall be offset against any payments applicable to the employee under Article I of this Agreement.

Section 4 - Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, at the employer's election, employee cost-sharing contributions may be made for the employee by the employee's employer. If that election is exercised, the employer shall then deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

Part C – Creation of New Health and Welfare Plan

Section 1 – Initial Terms

As soon hereafter as practicable, the parties shall establish and maintain a new health and welfare plan to be known as The National Railway Carriers and Brotherhood of Locomotive Engineers Health and Welfare Plan (the "NRC/BLE Plan") and to be governed by a Joint Governing

Committee ("JGC") with respect to which the carriers party hereto and the organization party hereto will have equal representation. The benefits, limitations, terms, conditions and exclusions provided for under the NRC/BLE Plan will be substantially the same as those provided for under The Railroad Employees National Health and Welfare Plan ("National Plan") that are described in the booklet entitled, "The Railroad Employees National Health and Welfare Plan," effective January 1, 2003, subject to the modifications of such benefits, limitations, terms, conditions and exclusions provided for in this Article.

Section 2 – Participation

Upon the date on which the NRC/BLE Plan becomes effective, (i) the BLE shall cease participation in the National Plan and begin participation in the NRC/BLE Plan, (ii) employees of the carrier parties hereto who are represented by the BLE shall be eligible for coverage under the NRC/BLE Plan, and (iii) no employee covered for employee and/or dependent benefits under the NRC/BLE Plan during any month shall be covered for employee and/or dependent benefits during such month under the National Plan or under the NRC/UTU Plan.

Section 3 - Additional Employee Vendor Options

Blue Cross Blue Shield programs chosen by the JGC will be made available, as soon as practicable, for selection by employees choosing coverage under the MMCP in all areas where the MMCP is made available under the NRC/BLE Plan and throughout the United States for selection by employees choosing coverage under the CHCB.

Section 4 - Flexible Spending Accounts

Cafeteria plan arrangements shall be effectuated, as soon as practicable, in connection with the NRC/BLE Plan that satisfy the requirements of Section 125 of the Internal Revenue Code and all other pertinent provisions of applicable law and that permit an employee to choose on a pre-tax basis (to the extent allowable under the Internal

Revenue Code) between receiving his/her wages in full or receiving less than such full wages and applying such wage deduction to medical expense reimbursements (in an amount no greater than $3600.00 per year), dependent care assistance benefits (in an amount per month that is no greater than that permitted under Section 129 of the Internal Revenue Code), and/or benefits under the BLE's insured short-term disability plan (in an amount no greater than $30.00 per month).

ARTICLE V - PAY SYSTEM SIMPLIFICATION

PART A - GENERAL

Section 1 - General

The parties have agreed that the current pay system should be simplified. In agreeing upon a new pay system the following principles shall apply:

(a) The new pay system will neither create nor result in additional pay-related costs for a carrier, nor gains for its employees, nor losses for pre October 31, 1985 employees, except insofar as those employees acquiring seniority in train or engine service subsequent to October 31, 1985 who, coincident with the establishment of Trip Rates pursuant to this Article, will have their Trip Rates calculated based upon elements of pay for which they were not eligible prior to the date of this Agreement. Except as otherwise provided herein, pay elements not specifically identified in Part B, Section 5 will continue to be covered by existing rules and will not be impacted by this Article.

(b) The provisions of the new pay system will have no effect on work rules except where a pay element is incorporated in a Trip Rate.

(c) Any pay element incorporated in a Trip Rate established hereunder will not be used to support a claim for that pay element relating to that trip, and carrier shall not be required to respond to any such claim.

Section 2 - Mutual Cooperation

The parties recognize that successful implementation of this Article is dependent upon the mutual cooperation of all involved. Therefore, a Joint Committee shall be established on each carrier party to this Agreement consisting of an equal number of organization and management participants. To the extent possible, the Committee shall consist of representatives from that property who participated in the negotiations leading to this Agreement. The initial responsibility of the Committee shall be to explain the intent of this Article to the affected employees and managers so that there will be a clear and consistent understanding as to the Article's purpose and intent.

PART B - THROUGH FREIGHT SERVICE

Section 1 - General

A new pay system shall be implemented as provided in this Part for all employees covered by this Agreement working in through freight (assigned and unassigned) service.

Section 2 - Trip Rates

(a) Each carrier shall develop Trip Rates for Starts in through freight service runs/pools. The Trip Rates shall incorporate the pay elements specified in Section 5 except as otherwise agreed by the parties or determined by the Disputes Committee established in Section 6 hereof. Once Trip Rates become effective for runs/pools, pay elements incorporated in such Trip Rates will not be used to support any claims for those pay elements relating to that trip. Pay elements not included in Trip Rates will continue to be covered by existing rules.

(b) A Trip Rate shall be developed for each separate run/pool except as otherwise provided in Section 9.

Section 3 - Computation of Trip Rates

(a) Trip Rates for through freight service runs/pools shall be derived as follows:

(1) add together all earnings attributable to the elements of pay to be incorporated in the Trip Rate actually paid to the employees (including extra employees) whose seniority in train service was established on or before October 31, 1985 ("Pre-85 Employees") for all through freight Starts involving service performed on such runs/pools during the Test Period;

(2) divide the earnings derived from the calculation in (1) above by the total through freight Starts made during the Test Period by the Pre-85 Employees (including extra employees) who performed service;

(3) the Trip Rate for each Start on such run/pool for all employees (including extra employees) shall be the dollar amount derived by the calculation set forth in (2);

(4) the earnings described in paragraph (1) above shall include all compensation attributable to the Starts described in paragraph (2) above and subsection (b) below.

(b) For purposes solely of this Article, the term "Start" shall mean a fully compensated trip performed by the pool/run (including extra employees), including other trips such as deadhead, hours of service relief, and turnaround service directly related to and performed by the pool/run.

(c) Test Period. The parties agree that the differences in the prevailing operating conditions on each Carrier signatory to this Agreement warrant the establishment of Test Periods being developed on an individual railroad basis, pool/run by pool/run. The objective in developing Test Periods will be to establish a measurement which reflects a 12-month period of "normalized operations." Normalized operations as defined and used herein will mean an operating pattern which is not adversely affected by the implementation of a major transaction such as an acquisition, control or merger involving two or more Carriers or any other unusual or extenuating circumstances. The Carrier will bear by a preponderance of the evidence the burden of substantiating its reasons for selecting the Test Periods proposed for runs/pools.

Section 4 - Computation and Application Adjustments

(a) In the computation and application of the Trip Rates described in Section 3 above, the adjustments set forth in subsection (b) and (c) shall be made, where appropriate:

(b) Computation Adjustments:

(1) If and to the extent that General Wage Increases and Cost of Living Adjustments (except as to pay elements which are not currently subject to wage adjustments) become effective during a Test Period, appropriate computation adjustments shall be made, but there shall be no duplication or pyramiding;

(2) Trip Rates shall be subject to adjustment for General Wage Increases and Cost of Living Adjustments (except as to pay elements which are not currently subject to wage adjustments) that become effective during the period from close of the Test Period to the effective date of the Trip Rate, but there shall be no duplication or pyramiding.

(c) Application Adjustments:

(1) General Wage Increases and Cost of Living Adjustments (except as to pay elements which are not currently subject to wage adjustments) that become effective on or after the effective date of a Trip Rate shall be applied, but there shall be no duplication or pyramiding.

(2) Trip Rates applicable to employees covered by rules adjusting compensation based on the employee's length of service with the carrier (such as Article IV, Section 5 of the November 7, 1991 BLE Implementing Document) shall be adjusted by such rules.

(d) Each Trip Rate established pursuant to this Article shall be used solely to compensate employees for a Start in the involved run/pool. The Trip Rate shall not modify existing rules governing payment for personal leave, vacation, etc.

Section 5 - National Pay Elements

(a) The following pay elements shall be incorporated in each Trip Rate except as otherwise agreed by the parties or determined by the Disputes Panel established in Section 6 of this Part:

(1) payments attributable to mileage or time;

(2) payments attributable to terminal/departure/yard runarounds;

(3) payments attributable to conversion of the employee's assignment to local freight rates;

(4) payments made, pursuant to agreement, to employees in lieu of being afforded meal periods, and penalty payments made to employees attributable to violations of rules relating to employees eating en route in through freight service (this does not apply to non-taxable meal allowances);

(5) payments made to an employee resulting from being required, in accordance with existing agreements, to "step up" in the employee's pool, which for this purpose shall mean taking a turn in such pool earlier than would otherwise be the case due to other sources of supply being exhausted.

(6) payments attributable to initial terminal delay;

(7) payments attributable to final terminal delay;

(8) payments attributable to deadheading;

(9) payments attributable to terminal switching (initial, intermediate and final).

(b) In the establishment of Trip Rates for runs/pools pursuant to this Article, the parties may mutually agree to modify the National Pay Elements specified above, and/or to include additional pay elements, with respect to such Trip Rates. Pay elements not expressly included in Trip Rates will continue to be covered by existing rules.

Section 6 - National Disputes Committee

A National Disputes Committee ("Disputes Committee") is established for the purpose of resolving any disputes that may arise under this Article. Such Committee shall consist of the President of the BLE and the Chairman of the NCCC, and a neutral Chairman selected by the parties or, absent agreement, appointed by the National Mediation Board. Each partisan member may select others to serve on the Committee at his discretion. If the partisan members of the Committee are unable to agree on resolution of any dispute within ten (10) days after convening, the matter will be referred to the neutral Chairman for resolution. The neutral Chairman will resolve the dispute within ten (10) days after referral of the matter. Each party shall bear its own costs and shall equally share the fees and expenses of the neutral. Any resolution by the Committee or by the neutral shall be final and binding and shall be enforceable and reviewable under Section 3 of the Railway Labor Act.

Section 7 - New Runs/Pools

Trip Rates for new runs/pools that existing agreements permit to be established may be so established based on Trip Rates for comparable runs/pools. Any dispute regarding such matters may be referred by either party to the Disputes Committee.

Section 8 - Material Changes

Trip Rates established pursuant to this Article shall be established in such a manner as to make them stable. If subsequent material changes occur that significantly affect a run/pool, the Trip Rate for such run/pool shall be adjusted to fairly reflect the changed circumstances occasioned by the material change. If the parties cannot agree on such adjustment, the matter may be

referred by either party to the Disputes Committee. The burden of proof by a preponderance of the evidence shall rest on the party that contends that a material change that significantly affects a run/pool has occurred.

Section 9 - Implementation

(a) Runs/Pools. Trip Rates for runs/pools shall be implemented as follows:

Carrier will serve notice on the authorized Organization representative(s) that will include the following information:

(1) Identification of runs/pools involved;

(2) Test Period Proposed (consistent with Section 3(c));

(3) Proposed Trip Rate(s) for the runs/pools, together with a summary of the underlying data supporting computation, based solely on incorporation of National Pay Elements set forth in Section 5 above;

(4) Any proposed modifications to the National Pay Elements and/or additional pay elements to be incorporated with respect to the proposed Trip Rate(s) for the runs/pools, and a summary of the underlying data supporting computation of such Trip Rate(s).

(b) The parties shall meet within thirty (30) days after service of the carrier notice to discuss the carrier proposal and any related proposals made by the Organization. At the request of the Organization, carrier will provide opportunity to review all relevant carrier data supporting the proposed Trip Rate computations.

(c) Trip Rates for the runs/pools shall become effective as follows:

(1) On the date agreed to by the parties;

(2) Absent agreement or a written referral to the Disputes Committee, thirty (30) days after service of the Carrier notice, where Trip Rate is based solely on incorporation of the National Pay Elements; or

(3) Where the matter has been referred to the Disputes Committee, on the effective date of such Committee's resolution of the dispute.

(d) If the parties are unable, despite best efforts, to reach agreement on implementation of a Trip Rate for a run/pool, either party may refer the dispute to the Disputes Committee. The burden of proof by a preponderance of the evidence shall rest on the party that proposes implementation.

(e) If either party concludes that implementing a Trip Rate for a run/pool is inappropriate, it shall promptly notify the other party of its conclusion. The parties shall meet and make a reasonable effort to resolve the matter after review and discussion of all relevant information. If the parties are unable to resolve the matter despite their best efforts, either side may refer the matter to the Disputes Committee. The burden of proof by a preponderance of the evidence shall rest on the party that proposes not to implement a Trip Rate with respect to the run/pool involved.

(f) The parties mutually intend to work diligently with the ultimate objective of developing Trip Rates for through freight runs/pools. If either party believes that the rate of progress in developing Trip Rates is insufficient, it may refer the matter to the Disputes Committee, and it shall bear the burden of proof by a preponderance of the evidence.

(g) Trip Rates for runs/pools should be implemented as expeditiously as possible, but in any event, all of them shall be implemented no later than thirty (30) months after the date of this Agreement, unless the parties otherwise agree or the Dispute Committee otherwise decides.

(h) In the event that Trip Rates are not implemented for runs/pools on a carrier by the date specified in subsection (g) above, effective the next day thereafter, the dual basis of pay shall be eliminated with respect to post October 31, 1985 employees on such runs/pools (including extra employees) and such employees will be paid on the same basis as Pre-85 Employees represented by BLE with respect to the national pay elements identified in Section 5 of this Part, provided, however, that where the carrier has taken all actions required in this Part to implement Trip Rates with respect to the above-referenced runs/pools as described in this Section and the trip rate issue(s) is/are in the dispute resolution process described in this Article, such runs/pools will be governed solely by the outcome of such dispute resolution process.

PART C - OTHER CLASSES OF SERVICE

Trip rates will be established for other classes of road service (road switchers, local freight, etc.) consistent with the terms, conditions, principles and guidelines as currently established in this Article and consistent with each class of service.

ARTICLE VI - SERVICE SCALE

Section 1

Any employee who is subject, on June 30, 2004, to Article IV, Section 5 of the November 7, 1991 BLE Implementing Document shall be compensated, on and after July 1, 2004, at the full rate of the position when working as a locomotive engineer.

Section 2

Local rules that adjust compensation for employees based on length of service on carriers that are not covered by the aforementioned Article IV, Section 5 are hereby amended in the same manner as provided in Section 1.

Section 3

Each carrier covered by this Article shall establish a Service Scale that shall be applicable to all employees whose seniority in engine or train service is established on or after July 1, 2004. Such Service Scale shall conform to the rules in effect on such carrier on June 30, 2004 that adjust employee compensation based on length of service (including the aforementioned Article IV, Section 5 where and to the extent applicable). The carrier shall make arrangements with the applicable organization representative(s) for a process to review such preexisting rules prior to establishment of the Service Scale.

ARTICLE VII - ENHANCED MANPOWER UTILIZATION

Section 1

(a) A carrier may propose implementation of a rule providing for the automatic mark up of employees for service after the expiration of any period of authorized or approved time off, in accordance with the procedures set forth herein.

(b) The carrier shall serve written notice of its proposal on the appropriate organization representative(s). Such proposal shall include a synopsis of the proposed rule, which shall be consistent with validated current scientific data and findings regarding employee rest and fatigue abatement. An initial conference on the proposal will be held within thirty (30) days after the postmarked date of the notice. If the parties fail to resolve the matter within sixty (60) days after the date of the initial conference, the carrier may submit the matter to final and binding party-paid arbitration at any time thereafter.

(c) The arbitrator's jurisdiction shall be limited to a determination of the terms and conditions for an automatic mark-up rule in light of all relevant circumstances involved. The arbitrator's decision shall be in writing and shall be issued not later than thirty (30) days after conclusion of the hearing.

ARTICLE VIII - NATIONAL WAGE AND RULES PANEL

The parties mutually recognize that the National Wage and Rules Panel has provided a non-confrontational setting and meaningful opportunity to obtain and share information, analyze problems and develop options to deal with issues of common concern. Continuation of the Panel's efforts will, in the parties' judgment, continue to build trust, avert conflict and improve administration of their labor agreements.

Section 1 - Continuation of Panel

The National Wage and Rules Panel established pursuant to Article XI of the May 31, 1996 BLE Agreement shall continue as provided therein, except as otherwise specified in this Article.

Section 2 - Amendments to Article XI

(a) Article XI, Section 1 is amended to read as follows:

"(a) The parties, realizing the complexities of the changing rail industry and environment, and to alleviate any adversarial relationships emanating from such, agree to establish a non-binding joint review Panel to study and examine those unresolved subjects. The National Wage and Rules Panel (Panel) shall consist of three (3) members representing the Brotherhood of Locomotive Engineers and three (3) members representing the carriers. The President of BLE and the Chairman of the National Carriers' Conference Committee (NCCC) shall be ex officio members of the Panel.

(b) The parties will assume the compensation and expenses of their respective members. Any incidental expenses incurred in connection with Panel meetings shall be shared equally by the parties."

(b) The list of subjects set forth in Article XI, Section 2 is amended to add the following issues, and the parties hereby commit to use their best efforts to resolve such matters:

- employee protective arrangements
- employee availability
- vacation scheduling
- daily mark up (preference) rules in yard service technology issues

(c) Article XI, Section 4(a) is amended to read as follows:

"While the Panel's recommendations shall not be considered final and binding, the parties shall exert good faith efforts to utilize those recommendations as a basis for settlement of the issues involved. Notwithstanding any provision to the contrary, the Panel may be dissolved at any time by majority vote of the members."

ARTICLE IX - OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article IV(b) of the March 10, 1969 BLE Agreement, as amended by Article X of the July 26, 1978 BLE Agreement, is further amended as follows effective on the date of this Agreement.

Section 1 - Paragraph(b)(1) - Accidental Death or Dismemberment of the above-referenced Agreement provisions is amended to read as follows:

"(1) Accidental Death or Dismemberment

The carrier will provide for loss of life or dismemberment occurring within 120 days after date of an accident covered in paragraph (a):

Loss of Life	$300,000
Loss of Both Hands	$300,000
Loss of Both Feet	$300,000
Loss of Sight of Both Eyes	$300,000
Loss of One Hand and One Foot	$300,000
Loss of One Hand and Sight of One Eye	$300,000
Loss of One Foot and Sight of One Eye	$300,000
Loss of One Hand or One Foot or Sight of One Eye	$150,000

"Loss" shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

No more than $300,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident."

Section 2 - Paragraph (b)(3) - Time Loss of the above-referenced Agreement provisions is amended to read as follows:

"(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) commencing within 30 days after such accident 80% of the employee's basic full-time weekly compensation from the carrier for time actually lost, subject to a maximum payment of $1,000.00 per week for time lost during a period of 156 continuous weeks following such accident provided, however, that such weekly payment shall be reduced by such amounts as the employee is entitled to receive as sickness benefits under provisions of the Railroad Unemployment Insurance Act."

Section 3 - Paragraph(b)(4) - Aggregate Limit of the above-referenced Agreement provisions is amended by raising such limit to $10,000,000.

ARTICLE X – GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to fix the general level of compensation during the period of the Agreement and is in settlement of the dispute growing out of the notices dated November 1, 1999 served by and on behalf of the carriers listed in Exhibit A upon the

organization signatory hereto, and the notices dated on or subsequent to November 1, 1999 served by the organization upon such carriers.

(b) This Agreement shall be construed as a separate agreement by and on behalf of each of said carriers and their employees represented by the organization signatory hereto, and shall remain in effect through December 31, 2004 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Agreement shall not serve nor progress prior to November 1, 2004 (not to become effective before January 1, 2005) any notice or proposal for changing any matter contained in:

(1) This Agreement,

(2) the proposals of the parties identified in Section 2(a) of this Article, and

(3) Section 2(c) (3) of Article VIII of the National Agreement of March 6, 1975,

and any pending notices which propose such matters are hereby withdrawn.

(d) The parties to this Agreement shall not serve nor progress prior to November 1, 2004 (not to become effective before January 1, 2005) any notice or proposal.

(e) This Article will not bar management and committees on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT WASHINGTON, D.C. THIS 16TH DAY OF DECEMBER, 2003.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE:

FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS:

(Signatures applying to this agreement are not here reproduced)

Letter #1 - December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to the general wage increases provided for in Article I, Sections 3 and 4 of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increases as soon as possible and no later than sixty (60) days after the date of this Agreement.

If a carrier finds it impossible to make such payments by that date, such carrier shall notify you in writing explaining why such payments have not been made and indicating when the payments will be made.

Very truly yours, Robert F. Allen

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Letter #2 - December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to the general wage increases provided for in Article I, Sections 3 and 4 of the Agreement of this date.

It is understood that the retroactive portion of those wage increases shall be applied only to employees who have an employment relationship with a carrier on the date of this Agreement or who retired or died subsequent to June 30, 2002.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #3 - December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to Article III, Part A of the Agreement of this date.

Any cost-of-living amount payments made to employees pursuant to Article II, Part C of the May 31, 1996 Agreement on and after July 1, 2002 shall be recovered from any retroactive wage increase payments made under Article I.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen I agree: Don M. Hahs

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Letter #4 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This will confirm our understanding with respect to the Agreement of this date (Agreement).

The provisions of Article IV, Part A, Section 4(g) (Opt-Outs) and Part B (Employee Cost Sharing of Plan Cost Increases) are not applicable to employees covered by the Agreement who reside in Canada.

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly, Robert F. Allen I agree: Don M. Hahs

Letter #5 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

Article IV, Part A, Section 4(g) of the Agreement of this date (Agreement) provides employees with an option to opt out of coverage for foreign-to-occupation health benefits for themselves and their dependents under the Railroad Employees National Health and Welfare Plan ("National Plan") (or, after its effective date, the new NRC/BLE Plan) and under any Hospital Association plan in which they participate. This will confirm our understanding with respect to the intended application of that provision.

1. An employee who opts out will be opting out of FO health coverage only and (if he otherwise satisfies eligibility and coverage requirements) will continue to have on-duty injury coverage, coverage under the Dental and Vision Plans, and life and AD&D insurance coverage.

2. If, prior to the effective date of the new NRC/BLE Plan, a husband and wife are each covered by the National Plan (or the NRC/UTU Plan or a Hospital Association), or if, on or after the effective date of the new NRC/BLE Plan, a husband and wife are each covered by it (or by the National Plan, the NRC/UTU Plan or a Hospital Association), in each case by virtue of railroad employment and either or both hold positions covered by this Agreement, a BLE-represented spouse may elect to opt out as provided in Section 4(g). If that election is made (and provided the other spouse remains so covered), (i) such BLE-represented spouse shall not receive the $100/month payment provided in Section 4(g) and shall not be required to make the employee cost-sharing contributions required under Article IV, Part B, and (ii) the coordination of benefits rules in effect on the date of this Agreement that are applied when a husband and wife are covered under the National Plan both as an Eligible Employee and as an Eligible Dependent shall continue to be applicable.

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly, Robert F. Allen

I agree: Don M. Hahs

Letter #6 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to the opt-out provision, Article IV, Part A, Section 4(g) of our Agreement of this date.

It is understood that for purposes of Section 9801(f) of the Internal Revenue Code, (i) any opt-out election shall be treated as a declination of coverage, or a failure to enroll, for foreign-to-occupation health benefits under the Plan and under any Hospital Association plan in which the employee making the election may participate, (ii) that the provisions of Section 9801(f) and the regulations thereunder shall govern how any individual covered by an election to opt-out may nonetheless become covered for foreign-to-occupation health benefits under the Plan or any Hospital Association plan prior to the next regular opt-out election period, (iii) that the terms of Article IV, Part A, Section 4(g) of our Agreement shall be interpreted and applied so as to be in compliance with Section 9801(f), and (iv) that the employer's payment of $100 per month to an employee who has elected to opt-out shall cease immediately upon the employee and/or his dependents or any one of his dependents becoming covered, pursuant to Section 9801(f), for foreign-to-occupation health benefits under the Plan or any Hospital Association plan.

Furthermore, and notwithstanding the above, the parties recognize that an employee may lose coverage under the health plan or health insurance policy that he or she relied upon in electing to forego coverage for foreign-to-occupation health benefits under the Plan, and that such loss of coverage may be attributable to an event that is not listed in Section 9801(f) of the Internal Revenue Code and is beyond the control of the employee or of any member of his or her family. In such a case, and only to the extent permissible under Section 125 of the Internal Revenue Code: (a) the employee may ask his/her employer that his or her opt-out election be revoked; (b) the employer involved may in its discretion grant the request in the interest of fairness and equity; and (c) if the request is granted, the employee's opt-out election shall be treated as revoked as of the day the employer received the request.

For purposes of this letter, the term "Plan" when used herein means, prior to the effective date of the new NRC/BLE Plan, the Railroad Employees National Health and Welfare Plan and on and after such effective date means the new NRC/BLE Plan.

Please acknowledge your agreement by signing your name in the space provided below.

Yours very truly, Robert F. Allen

I agree: Don M Hahs

Letter # 7 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

The Union Pacific Railroad Employees Health Systems ("UPREHS") will be afforded the opportunity to bid to provide services to the new NRC/BLE Plan involving (i) the MMCP in all areas served by UPREHS where the MMCP is made available, and (ii) the CHCB in all areas served by UPREHS. It is understood that in each case and with respect to each geographical area, UPREHS and its programs would be required, as reasonably determined by the JGC, to meet (and maintain compliance with) all qualifications, criteria, and standards that are applicable to vendors with respect to the Railroad Employees National Health and Welfare Plan or that are agreed to by the parties to this Agreement.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #8 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to the effect generally of the new health and welfare plan established pursuant to our Mediation Agreement of this date upon various provisions of collective bargaining agreements between us that refer to Policy Contract GA-23000 or to The Railroad Employees National Health and Welfare Plan.

It is understood that, on and after the effective date of our new health and welfare plan, such references will be read to include it either in substitution for, or in addition to, Policy Contract GA-23000 or The Railroad Employees National Health and Welfare Plan, as the context may indicate, it being our purpose and intention that those provisions be read to reflect that the new health and welfare plan is designed to replace The Railroad Employees National Health and Welfare Plan with respect to health care services rendered or deaths or dismemberments occurring on or after the new plan's effective date.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #9 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to the Agreement of this date.

A Local Official's obligation for (i) retroactive cost-sharing contributions for periods on or after July 1, 2001 pursuant to Article IV, Part B, Section 3, plus (ii) repayment of cost-of-living amounts received on and after July 1, 2002 pursuant to Side Letter #3, shall in no event exceed the total amount payable to such individual under Article I, Sections 1 and 2 plus the retroactive portion of the General Wage Increases provided under Article I, Sections 3 and 4.

For the purpose of this letter, the term "Local Official" shall mean employees represented by the organization who hold positions as working General Chairmen, Local Chairmen, and State Legislative Board Chairmen.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #10 –December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

Beginning with the first full calendar month immediately following the date of this Agreement in which an active employee receives his or her FO healthcare benefits from a Hospital Association and not from the National Health & Welfare Plan (or, after its effective date, from the NRC/BLE Plan) and makes a prospective contribution to either of those Plans pursuant to Article IV, Part B, Section 4, then, at the carrier's option, either:

(1) Such employee's monthly "cost-sharing contribution amount" referred to in Article IV, Part B, Section 1 shall be reduced by the Reduction Factor; or

(2) The carrier shall pay the Hospital Association each month an amount equal to the Reduction Factor, provided that the Hospital Association that receives such payment has agreed to decrease the employee's dues by the same amount.

For purposes of this Side Letter, the term "Reduction Factor" means with respect to any given month, the smallest of:

(i) the monthly dues amount in effect on January 1, 2003 that was established by the Hospital Association for payment by an active employee,

(ii) the "cost-sharing contribution amount" for the month referred to in Article IV, Part B, Section 1, or

(iii) the monthly dues amount established by the Hospital Association for payment by an active employee in that month.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #11 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to our Agreement of this date.

The parties will meet at mutually agreeable times to discuss and explore design changes and other matters related to the NRC/BLE Plan that involve employee options that will help to contain the costs of its maintenance and operation in a manner consistent with the quality of health care made available by it to its participants and their families.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #12 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to Article V - Pay System Simplification of our Agreement of this date.

Article V, Part B, Section 4(d) provides in pertinent part that a Trip Rate "shall be used solely to compensate employees for a Start in the involved run/pool." Section 3(b) of that Part B defines "Start" to include "other trips such as deadhead directly related to and performed by the pool/run. The answer to Q-17 of the agreed-upon Questions and Answers concerning Article V states that "[w]here Trip Rates are implemented, employees will receive the Trip Rate for both the deadhead and the working trip.

Article VI - Deadheading , Section 2(b), of the Appendix B to the Award of Arbitration Board No. 458 dated May 19, 1986 provides, in the case of employees whose earliest seniority date in engine or train service is established on or after November 1, 1985 ("Post-85 Employee"), for payment of a minimum of a basic day for certain deadhead trips made separate from service. Such Section 2(b) further provides that "[n]on-service payments such as held-away-from-home terminal allowance will count toward" such minimum basic day.

During our negotiations, the BLE requested that the carriers concur with its interpretation that the Article VI adjustment described above does not apply to a Trip Rate paid to a Post-85 employee under circumstances related to deadheading and the payment of held-away-from-home terminal ("HAFHT") allowance. The carriers refused, asserting that the BLE interpretation was erroneous and that the proper interpretation of those provisions was that such an adjustment should be made under those circumstances.

Solely in the interest of concluding a final agreement with the Organization, and without prejudice to their position concerning the appropriate interpretation and application of the provisions cited above, the carriers have agreed not to apply the Article VI adjustment to a Trip Rate paid to a Post-85 employee under circumstances related to deadheading and the payment of HAFHT allowance.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen

I agree: Don M. Hahs

Letter #13 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to Article VIII - National Wage and Rules Panel ("Panel"), of our Agreement of this date.

During our negotiations we have discussed technology issues. In mutual recognition of the complexity and importance of this subject to both sides, the parties have agreed to refer the matter to the Panel as one of the topics within its purview. Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen I agree: Don M. Hahs

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Letter #14 – December 16, 2003

Mr. Don M. Hahs, President
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, Ohio 44113-1702

Dear Mr. Hahs:

This confirms our understanding with respect to our Agreement of this date. During our negotiations the Organization expressed concern that engineers who expire under the Hours of Service Act be transported in a timely manner to the destination terminal.

The parties recognize the interests of the railroads and their engineers are best served when a train reaches the destination terminal within the hours of service set by law. This will confirm the advice given to you that when an engineer ties up under the Hours of Service Act before reaching the destination terminal, the carriers will make reasonable efforts to relieve and expeditiously transport such engineer to the tie-up point. In the event the Organization finds that this commitment is not being fulfilled at a particular location, the appropriate BLE General Chairman shall promptly contact the appropriate Director of Labor Relations ("DLR"), in writing, stating the reasons or circumstances involved. The DLR will promptly schedule a conference between the parties to discuss the matter and seek a resolution. The conference will include the appropriate representatives of the Organization and the carrier. Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours, Robert F. Allen I agree: Don M. Hahs

Exhibit A – BLE

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE:

The Belt Railway Company of Chicago
The Burlington Northern and Santa Fe Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.
    Baltimore & Ohio Chicago Terminal Railroad Company
    Gainesville Midland Railraod Company
    Richmond, Fredericksburg & Potomac Railway Company
Duluth, Missabe & Iron Range Railway Company
Elgin, Joliet and Eastern Railway Company
The Kansas City Southern Railway Company
Longview Switching Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA)
Portland Terminal Railroad Company
Union Pacific Railroad Company
Utah Railway Company
Winston Salem Southbound Railway Company

FOR THE CARRIERS:

ROBERT F. ALLEN

FOR THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS:

DON M. HAHS

(Signatures applying to this agreement are not here reproduced)

APPENDIX "B"

SYNTHESIS OF OPERATING VACATION AGREEMENTS

The following represents a synthesis in one document for the convenience of the parties, of the National Vacation Agreement of April 29, 1949 between certain carriers represented by the National Carriers' Conference Committee and their employees represented by the Brotherhood of Locomotive Engineers and Trainmen (formerly the Brotherhood of Locomotive Engineers) and the United Transportation Union (formerly the Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors and Brakemen, Brotherhood of Railroad Trainmen and Switchmen's Union of North America), and the several amendments made thereto in various national agreements up to the Award of Arbitration Board No. 559 dated May 8, 1996 and the 1996 BLE Core National Agreement.

This is intended as a guide and is not to be construed as constituting a separate agreement between the parties. If any dispute arises as to the proper interpretation or application of any vacation provision, the terms of the appropriate vacation agreement on the property involved shall govern.

Section 1 (a) – Effective January 1, 1997, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, will be qualified for an annual vacation of one (1) week with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for, as provided in individual schedules.

Beginning with the year 1997, in the application of this Section 1(a) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacations. (This is the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service.) This qualifying condition and multiplying factor pertains only to service performed by yard and road employees in the preceding calendar year so as to determine qualification for vacation on that basis only. (See NOTE below.)

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 21, 1950, May 25, 1951 or May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section 1(a) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.3 days, and each basic day in all other services shall be computed as 1.1 days, for purposes of determining qualifications for vacations. (This is the equivalent of 120 qualifying days in a calendar year in yard service and 144 qualifying days in a calendar year in road service.) (See NOTE below.)

Beginning with the year 1960 on all other carriers, in the application of this Section 1(a) each basic day in all classes of service shall be computed as 1.1 days for purposes of determining qualifications for vacation. (This is the equivalent of 144 qualifying days.) (See NOTE below.)

(b) – Effective January 1, 1997, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having two (2) or more years of continuous service with employing carrier will be qualified for an annual vacation of two (2) weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for, as provided in individual schedules, and during the said two (2) or more years of continuous service renders service of not less than three hundred twenty (320) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the year 1997, in the application of this Section 1(b) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacations. (This is the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service.) This qualifying condition and multiplying factor pertains only to service performed by yard and road employees in the preceding calendar year so as to determine qualification for vacation on that basis only. (See NOTE below.)

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 21, 1950, May 25, 1951 or May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section 1(b) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.4 days, and each basic day in all other services shall be computed as 1.2 days, for purposes of determining qualifications for vacations. (This is the equivalent of 110 qualifying days in a calendar year in yard service and 132 qualifying days in a calendar year in road service.) (See NOTE below.)

Beginning with the year 1960 on all other carriers, in the application of this Section 1(b) each basic day in all classes of service shall be computed as 1.2 days for purposes of determining qualifications for vacation. (This is the equivalent of 132 qualifying days.) (See NOTE below.)

(c) – Effective January 1, 1997, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having eight (8) or more years of continuous service with employing carrier will be qualified for an annual vacation of three (3) weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for, as provided in individual schedules, and during the said eight (8) or more years of continuous service renders service of not less than one thousand two hundred and eighty (1,280) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the year 1997, in the application of this Section 1(c) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacations. (This is the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a

calendar year in road service.) This qualifying condition and multiplying factor pertains only to service performed by yard and road employees in the preceding calendar year so as to determine qualification for vacation on that basis only. (See NOTE below.)

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 21, 1950, May 25, 1951 or May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section 1(c) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualifications for vacations. (This is the equivalent of 100 qualifying days in a calendar year in yard service and 120 qualifying days in a calendar year in road service.) (See NOTE below.)

Beginning with the year 1960 on all other carriers, in the application of this Section 1(c) each basic day in all classes of service shall be computed as 1.3 days for purposes of determining qualifications for vacation. (This is the equivalent of 120 qualifying days.) (See NOTE below.)

(d) – Effective January 1, 1997, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having seventeen (17) or more years of continuous service with employing carrier will be qualified for an annual vacation of four (4) weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for, as provided in individual schedules, and during the said seventeen (17) or more years of continuous service renders service of not less than two thousand seven hundred and twenty (2,720) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the year 1997, in the application of this Section 1(d) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacations. (This is the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service.) This qualifying condition and multiplying factor pertains only to service performed by yard and road employees in the preceding calendar year so as to determine qualification for vacation on that basis only. (See NOTE below.)

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 21, 1950, May 25, 1951 or May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section 1(d) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualifications for vacations. (This is the equivalent of 100 qualifying days in a calendar year in yard service and 120 qualifying days in a calendar year in road service.) (See NOTE below.)

Beginning with the year 1960 on all other carriers, in the application of this Section 1(d) each basic day in all classes of service shall be computed as 1.3 days for purposes of determining qualifications for vacation. (This is the equivalent of 120 qualifying days.) (See NOTE below.)

(e) – Effective January 1, 1997, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty-five (25) or more years of continuous service with employing carrier will be qualified for an annual vacation of five (5) weeks with pay, or pay in lieu thereof, if during the preceding calendar year the employee renders service under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement amounting to two hundred forty (240) basic days in miles or hours paid for, as provided in individual schedules, and during the said twenty-five (25) or more years of continuous service renders service of not less than four thousand (4,000) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the year 1997, in the application of this Section 1(e) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualification for vacations. (This is the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service.) This qualifying condition and multiplying factor pertains only to service performed by yard and road employees in the preceding calendar year so as to determine qualification for vacation on that basis only. (See NOTE below.)

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 21, 1950, May 25, 1951 or May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section 1(e) each basic day in yard service performed by a yard service employee or by an employee having interchangeable road and yard rights shall be computed as 1.6 days, and each basic day in all other services shall be computed as 1.3 days, for purposes of determining qualifications for vacations. (This is the equivalent of 100 qualifying days in a calendar year in yard service and 120 qualifying days in a calendar year in road service.) (See NOTE below.)

Beginning with the year 1960 on all other carriers, in the application of this Section 1(e) each basic day in all classes of service shall be computed as 1.3 days for purposes of determining qualifications for vacation. (This is the equivalent of 120 qualifying days.) (See NOTE below.)

> NOTE: In the application of Section 1(a), (b), (c), (d) and (e), qualifying years accumulated, also qualifying requirements for years accumulated, prior to the effective date of the respective provisions hereof, for extended vacations shall not be changed.

(f) - In dining car service, for service performed on and after July 1, 1949 each 7 ½ hours paid for shall be considered the equivalent of one basic day in the application of Section 1(a), (b) (c), (d) and (e).

(g) – Calendar days on which an employee assigned to an extra list is available for service and on which days he performs no service, not exceeding ninety (90) such days, will be included in the determination of qualification for vacation; also, calendar days, not in excess of forty-five (45), on which an employee is absent from and unable to perform service because of injury received on duty will be included. The 90 and 45 calendar days referred to in this Section 1(g) shall not be subject to the 1.1, 1.2, 1.3, 1.4 and 1.6 computations provided for in Section 1(a), (b), (c), (d) and (e), respectively.

(h) – Where an employee is discharged from service and thereafter restored to service during the same calendar year with seniority unimpaired, service performed prior to discharge and subsequent to reinstatement during that year shall be included in the determination of qualification for vacation during the following year.

Where an employee is discharged from service and thereafter restored to service with seniority unimpaired, service before and after such discharge and restoration shall be included in computing three hundred twenty (320) basic days under Section 1(b), one thousand two hundred and eighty (1,280) basic days under Section 1(c), two thousand seven hundred and twenty (2,720) basic days under Section 1(d), and four thousand (4,000) basic days under Section 1(e).

(i) – Only service performed on one railroad may be combined in determining the qualifications provided for in this Section 1, except that service of an employee on his home road may be combined with service performed on other roads when the latter service is performed at the direction of the management of his home road or by virtue of the employee's seniority on his home road. Such service will not operate to relieve the home road of its responsibility under this agreement.

(j) – In instances where employees who have become members of the Armed Forces of the United States return to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, the time spent by such employees in the Armed Forces subsequent to their employment by the employing carrier will be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the employing carrier.

(k) – In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year preceding his return to railroad service had rendered no compensated service or had rendered compensated service on fewer days than are required to qualify for a vacation in the calendar year of his return to railroad service, but could qualify for a vacation in the calendar year of his return to railroad service if he had combined for qualifying purposes days on which he was in railroad service in such preceding calendar year with days in such year on which he was in the Armed Forces, he will be granted, in the calendar year of his return to railroad service, a vacation of such length as he could so qualify for under Section 1(a), (b), (c), (d) or (e) and (j) hereof.

(l) - In instances where an employee who has become a member of the Armed Forces of the United States returns to the service of the employing carrier in accordance with the Military Selective Service Act of 1967, as amended, and in the calendar year of his return to railroad service renders compensated service on fewer days than are required to qualify for a vacation in the following calendar year, but could qualify for a vacation in such following calendar year if he had combined for qualifying purposes days on which he was in railroad service in the year of his return with days in such year on which he was in the Armed Forces, he will be granted, in such following calendar year, a vacation of such length as he could so qualify for under Section 1(a), (b), (c), (d) or (e) and (j) hereof.

(m) – Calendar days on which an employee is compensated while attending training and rules classes at the direction of the carrier will be included in the determination of qualification for vacation. Such calendar days shall not be subject to the 1.1, 1.2, 1.3, 1.4 and 1.6 computations provided for in Section 1(a), (b), (c), (d) and (e), respectively.

(n) – During a calendar year in which an employee's vacation entitlement will increase on the anniversary date, such employee shall be permitted to schedule the additional vacation time to which entitled on the anniversary date at any time during that calendar year.

(o) – An employee may make up to two splits in his annual vacation in any calendar year.

(p) – An employee may take up to one week of his annual vacation in single day increments, provided, however, that such employee shall be automatically marked up for service upon the expiration of any single day vacation.

Section 2 - Employees qualified under Section 1 hereof shall be paid for their vacations as follows:

(a) – An employee receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52nd of the compensation earned by such employee under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, on the carrier on which he qualified under Section 1 (or carriers in case he qualified on more than one carrier under Section 1(i)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay for each week of vacation be less than six (6) minimum basic days' pay at the rate of the last service rendered, except as provided in subparagraph (b) hereof.

(b) – Beginning on the date Agreement "A" dated September 21, 1950, May 25, 1951 or May 23, 1952, became or becomes effective on any carrier, the following shall apply insofar as yard service employees and employees having interchangeable yard and road rights covered by said agreement are concerned:

(1) YARD SERVICE – An employee receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52nd of the compensation earned by such employee under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, on the carrier on which he qualified under Section 1 (or carriers in case he qualified on more than one carrier under Section 1(i)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay for each week of vacation be less than five (5) minimum basic days' pay at the rate of the last service rendered.

(2) COMBINATION OF YARD AND ROAD SERVICE - An employee having interchangeable yard and road rights receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52nd of the compensation earned by such employee under schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, on the carrier on which he qualified under Section 1 (or carriers in case he qualified on more than one carrier under Section 1(i)) during the calendar year preceding the year in which the vacation is taken; provided that, if the vacation is taken during the time

such employee is working in road service such pay for each week of vacation shall be not less than six (6) minimum basic days' pay at the rate of the last road service rendered, and if the vacation is taken during the time such employee is working in yard service such pay for each week of vacation shall not be less than five (5) minimum basic days' pay at the rate of the last yard service rendered.

NOTE: Section 2(b) applicable to yard service shall apply to yard, belt line and transfer service and combinations thereof, and to hostling service.

Section 3 – Vacations, or allowances therefor, under two or more schedules held by different organizations on the same carrier shall not be combined to create a vacation of more than the maximum number of days provided for in any of such schedules.

Section 4 – Time off on account of vacation will not be considered as time off account employee's own accord under any guarantee rules and will not be considered as breaking such guarantees.

Section 5 – The absence of an employee on vacation with pay, as provided in this agreement, will not be considered as a vacancy, temporary or otherwise, in applying the bulletin rules of schedule agreements.

Section 6 – Vacations shall be taken between January 1st and December 31st; however, it is recognized that the exigencies of the service create practical difficulties in providing vacations in all instances. Due regard, consistent with requirements of the service, shall be given to the preference of the employee in his seniority order in the class of service in which engaged when granting vacations. Representatives of the carriers and of the employees will cooperate in arranging vacation periods, administering vacations and releasing employees when requirements of the service will permit. It is understood and agreed that vacationing employees will be paid their vacation allowances by the carriers as soon as possible after the vacation period but the parties recognize that there may be some delay in such payments. It is understood that in any event such employee will be paid his vacation allowance no later than the second succeeding payroll period following the date claim for vacation allowance is filed.

Section 7 (a) – Vacations shall not be accumulated or carried over from one vacation year to another. However, to avoid loss of time by the employee at end of his vacation period, the number of vacation days at the request of the employee may be reduced in one year and adjusted in the next year.

(b) – After the vacation begins layover days during the vacation period shall be counted as a part of the vacation.

Section 8 – The vacation provided for in this agreement shall be considered to have been earned when the employee has qualified under Section 1 hereof. If an employee's employment status is terminated for any reason whatsoever, including but not limited to retirement, resignation, discharge, noncompliance with a union shop agreement, or failure to return after furlough, he shall, at the time of such termination, be granted full vacation pay earned up to the time he leaves the service, including pay for vacation earned in the preceding year or years and not yet granted, and the vacation for the succeeding year if the employee has qualified therefor under Section 1.

If an employee thus entitled to vacation or vacation pay shall die, the vacation pay earned and not received shall be paid to such beneficiary as may have been designated, or in the absence of such designation, the surviving spouse or children or his estate, in that order of preference.

Section 9 – The terms of this agreement shall not be construed to deprive any employee of such additional vacation days as he may be entitled to receive under any existing rule, understanding or custom, which additional vacation days shall be accorded under and in accordance with the terms of such existing rule, understand or custom.

Beginning on the date Agreement "A" dated September 21, 1950, May 25, 1951, or May 23, 1952 became or becomes effective on any carrier, such additional vacation days shall be reduced by $1/6^{th}$ with respect to yard service employees, and with respect to any yard service employee having interchangeable yard and road rights who receives a vacation in yard service.

Section 10 – Any dispute of controversy arising out of the interpretation or application of any of the provisions of this agreement will be handled on the property in the same manner as other disputes. If the dispute or controversy is not settled on the property, either party may submit the dispute or controversy to arbitration in accordance with the procedures of Section 3 of the Railway Labor Act.

Section 11 – This vacation agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto, and its railroad employees represented by the respective organizations signatory hereto, and effective July 1, 1949, supersedes the Consolidated Uniform Vacation Agreement dated June 6, 1945, insofar as said agreement applies to and defines the rights and obligations of the carriers parties to this agreement and the employees of such carriers represented by the Brotherhood of Locomotive Engineers and Trainmen and the United Transportation Union.

Section 12 – This vacation agreement shall continue in effect until changed or modified in accordance with provisions of the Railway Labor Act, as amended.

Section 13 – This agreement is subject to approval of courts with respect to carrier in hands of receivers or trustees.

Section 14 – The parties hereto having in mind conditions which exist or may arise on individual carriers in making provisions for vacations with pay, agree that the duly authorized representative (General Chairman) of the employees, party to this agreement, and the officer designated by the carrier, may enter into additional written understandings to implement the purposes of this agreement, provided that such understandings shall not be inconsistent with this agreement.

(Signatures Omitted)

APPENDIX "C"

SWITCHING & INTERCHANGE AGREEMENTS

Memorandum of Agreement by and between The Northern Pacific Terminal Company of Oregon and its employees, as represented by employee representatives, signatory hereto, acting for and/or in behalf of such employees, relative to the following arrangement for the Spokane, Portland and Seattle Railway Company employees and The Northern Pacific Terminal Company of Oregon employees to perform service for their respective companies in the territory between Wilson Street and up to, but not, except as otherwise hereinafter provided, beyond Kittridge Avenue, Portland, Oregon.

It is understood and agreed that:

(A) There is attached hereto and made a part hereof, as Exhibit A, a Spokane, Portland and Seattle Railway Company engineer's map to hereinafter locate and describe Kittridge Avenue and Wilson Street, Portland, Oregon.

(B) That henceforth a dividing line will be drawn from the point where the two (2) Main Line Tracks across Northern Pacific Engineer's Station 7455 plus 60 (Kittridge Avenue), paralleling the said Kittridge Avenue and extending on through to Willamette River, and that all of the industries now existing, and any new industries that may be established later, eastward (by time-table direction) of said line, shall, except as otherwise hereinafter provided, be served by Spokane, Portland and Seattle Railway Company employees.

(C) That Spokane, Portland and Seattle Railway Company employees shall hereafter handle the business of the Spokane, Portland and Seattle Railway Company (which at present includes the Great Northern Railway Company) in the plants of the Gunderson Brothers Engineering Corporation, Kern & Kibbe Company and Oregon Electric Steel Rolling Mills; except that hereafter the Northern Pacific Terminal Company employees may handle business which at present includes business of the Northern Pacific, Southern Pacific and Union Pacific Railroad Companies in these same three (3) industries.

(D) That all of the industries now located on the river side of the Main Line Tracks between Northern Pacific Engineer's Station 7584 plus 68.8 H.B. SP&S-NPT Crossover (Wilson Street) and the dividing line at Station 7455 plus 60 (Kittridge Avenue) as described in Paragraph (A) hereof, that are now served by the aforesaid employees of the Spokane, Portland and Seattle Railway Company, or the employees of The Northern Pacific Terminal Company, as the case may be, shall continue to be served by the aforesaid employees of the Company that is performing the service as of the date of this agreement, and such employees shall have a continuing right to perform the service in such industries. The employees of the Spokane, Portland and Seattle Railway Company and The Northern Pacific Terminal Company of Oregon may perform the business of their respective companies in any new industries established on the River side of the Main Line Tracks between Station 7584 plus 68.8 (Wilson Street and the dividing line at Station 7455 plus 60 (Kittridge Avenue).

This Memorandum of Agreement shall become effective March 23, 1945 and shall remain in effect until either party desiring to change same shall have given to the other party thirty (30) days' notice in writing of such desire, or this Memorandum Agreement may be cancelled or changed at any time by mutual agreement between the signatory parties.

For The Northern Pacific Terminal Company of Oregon:
H. D. Mudgett, Manager
For the Employees:
E. Hollister, Acting Assistant Grand Chief Engineer--B of L E
M.H. Barney, Representing B of L F & E
G.D. Houser, Deputy President--B of RT
Homer C. Watson, General Chairman, B of L E
Sam B. Seward, General Chairman--B of L F & E
C.W. Stevens, General Chairman-- B of RT

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MEMORANDUM OF AGREEMENT between THE NORTHERN PACIFIC TERMINAL and Its Employees Represented By THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Whereas a joint agreement between the Northern Pacific Terminal Company of Oregon and its employees represented by the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Enginemen, and the Switchmen's Union of North America has recently been signed, and a like agreement between the Spokane, Portland and Seattle Railway Company and its employees represented by certain so-called Operating Brotherhoods has also been signed, providing for the equal division between the two companies and their respective employees of the switching at the new Waterways Terminal in the Guilds Lake area, and,

Whereas it is clearly to the best interests of the parties hereto to be able to deliver cars to the Spokane, Portland and Seattle Railway Company in the Willbridge area which is located beyond the present Terminal Company switching-limit marker now placed at N. W. Kittridge Avenue;

Now, therefore, it is hereby agreed by and between the parties hereto that effective February 13 1959, it will be permissible and proper for Terminal Company yard crews to go beyond said Terminal Company switching-limit marker, located at N.W. Kittridge Avenue, to deliver cars to the S.P.&S. in the Willbridge area; and that such movements beyond said marker for that purpose will not be deemed a violation of any of the provisions of any existing agreements between the parties hereto; and, further, that any provisions of said agreements which may in conflict with the provisions hereof are hereby amended to conform hereto.

Signed at Portland, Oregon, October 21, 1958.
For the Northern Pacific Terminal Co. of Oregon:/s/ J. H. Jones, Manager
For The Brotherhood of Locomotive Engineers/s/ Homer C. Watson

MEMORANDUM OF AGREEMENT
between
THE NORTHERN PACIFIC TERMINAL COMPANY OF OREGON
and its employees represented by
THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS
THE BROTHERHOOD OF LOCOMOTIVE FIREMAN AND
ENGINEMEN, AND THE SWITCHMEN'S UNION OF NORTH AMERICA

WHEREAS, a new industrial plant known as Waterways Terminal is being constructed between the Willamette River and the main line tracks along N.W. Front Avenue in the Guilds Lake area in Portland, which plant will have both waterfront and rail loading and/or unloading facilities, and,

WHEREAS, to provide rail facilities, two spur tracks diverge from the Kittridge Avenue lead with headblocks located at Engineer's Station 7502 + 37 and 7505 + 66, respectively, and,

WHEREAS, the parties signatory hereto entered into a Memorandum of Agreement dated March 23, 1945, the terms of which allocated industry switching between Engineer's Stations 7584 + 68.8 (Wilson Avenue) and 7455 + 6O (Kittridge Avenue);

NOW, THEREFORE, recognizing that certain provisions of the March 23, 1945 Memorandum of Agreement would prevent satisfactory separate servicing of Waterways Terminal, it is hereby mutually agreed that said Memorandum of Agreement of March 23, 1945, is hereby amended to permit the equal division of the switching at Waterways Terminal on the following basis:

1. Effective with the date said Waterways Terminal plant starts operation, and for a one-year period thereafter, crews of the Northern Pacific Terminal Company of Oregon (hereinafter referred to as the Terminal Company) will perform all switching at said industry for both the Terminal Company and the Spokane, Portland and Seattle Railway Company (hereinafter referred to as the Portland Company any and during each alternate one-year period thereafter.

2. Effective upon the completion of the first one-year period, the Portland Company crews will perform all switching for both of said companies for the ensuing one-year period and during each alternate one-year period thereafter.

3. Except as specifically amended herein to cover switching at Waterways Terminal, the aforesaid: Memorandum of Agreement dated March 23, 1945, between the parties hereto, remains in full force and effect.

Signed at Portland, Oregon, October 28, 1958.
For The Northern Pacific Terminal Co. of Oregon:/s/ J. H. Jones, Manager
For the Employees:/s/ Homer C. Watson, General Chairman, B. of L.E.
/s/ Joseph W. Marsh, General Chairman, B. of L.F. & E.
/s/ E. J. Mayfield, General Chairman S U of N A
NOTE: This became effective February 23, 1959

MEMORANDUM OF AGREEMENT
between
PORTLAND TERMINAL RAILROAD COMPANY
and its employees represented by
BROTHERHOOD OF LOCOMOTIVE ENGINEERS
BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN
SWITCHMEN'S UNION OF NORTH AMERICA

A.

1. It is agreed by and between the parties hereto that when a track or tracks are built or added to in the general area near N.W. 35th and Yeon Avenue and near the new Terminal Transfer Warehouse, said track or tracks may be used for the joint interchange (pick up and delivery) of cars. Delivery by P.T.R.R. crews shall be restricted to cars destined to the general industrial area on and between N.W. 12th Avenue, Yeon Avenue, and along St. Helens Road.

2. Crews of either carrier may use such track or tracks for such switching purposes as they may find necessary.

B. Effective with the date of this Agreement, the Carrier will furnish to the proper representative of each of the affected organizations signatory hereto, a copy of the following documents:

1. Citations to appear for hearings.

2. Notices advising employees that discipline was or was not assessed.

3. General Yardmaster's and Master Mechanic's bulletins addressed to switchmen and enginemen, respectively together with copies of Manager's Bulletins clearly affecting the work of these employees as distinguished from other employees, including those presently in effect.

This Agreement shall become effective March 1, 1966, and shall continue in effect until canceled upon 30 days written notice by Carrier or by the Employees acting jointly.
For the Portland Terminal Railroad Company:
J.H. Jones, Manager
For the Brotherhood of Locomotive Engineers:
Homer C. Watson, General Chairman
For the Brotherhood of Locomotive Firemen & Enginemen:
J.W. Marsh, General Chairman
For the Switchmen's Union of North America:
JOHN L. Green, General Chairman

SWITCHING SERVICE FOR NEW AND OTHER INDUSTRIES
(From May 13, 1971 Agreement)

Article 6 of the Agreement of May 23, 1952, is hereby amended to read as follows:

(a) Where, after the effective date of the May 23, 1952 Agreement, an industry locates outside of switching limits at points where yard crews are employed, the carrier may provide switching service to such industries with either roadmen or yardmen, or both, without additional compensation or penalties therefor to yard or road men, provided the switches governing movements from the main track to the track or tracks serving such industries are located at a point not to exceed four (4) miles from the switching limits. Other industries located between the switching limits and such new industries may also be served by either road or yard men without additional compensation or penalties therefor to road or yard men. Where rules require that yard limits and switching limits be the same, the yard limit board may be moved for operating purposes but Switching limits shall remain unchanged unless and until changed in accordance with rules governing changes in switching limits.

(b) When service is performed outside of switching limits by yard men under the above provisions, the yard engineer or yard engineers involved shall keep account of and report to the carrier daily on form provided the actual time consumed by the yard crew or crews outside of the switching limits in serving the industries in accordance with this rule, and a statement of such time shall be furnished the BLE General Chairman or General Chairmen representing yard and road engineers by the carrier each month. The BLE General Chairman or General Chairmen involved may at periodic intervals of not less that three months designate a plan for apportionment of time whereby road engineers from the seniority district on which the industries are located may work in yard service under yard rules and conditions to offset the time consumed by yard crews outside the switching limits. Failing to arrange for the apportionment at the indicated periods they will be understood to have waived rights to apportionment for previous periods. Failure on the part of employee representatives to designate an apportionment, the carrier will be under no obligation to do so and will not be subject to claims.

(c) This rule shall in no way affect the servicing of industries outside yard or switching limits at points where no yard crews are employed.

(d) The foregoing is not intended to amend or change existing agreements involving full time switching service performed solely by road crews at industrial parks located within the 4-mile limit referred to in paragraph (a) herein that have been negotiated on individual properties since the national agreement of 1952.

(e) This rule shall become effective September 1, 1971, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before August 1, 1971.

SWITCHING LIMITS
(Article 11 of May 13, 1971 Agreement)

Article 7 - Changing switching limits of the May 23, 1952 Agreement is hereby amended to read as follows:

(a) Where an individual carrier not now having the right to change existing switching limits where yard crews are employed, considers it advisable to change the same, it shall give notice in writing to the General Chairman or General Chairman of such intention, specifying the changes it proposes and the conditions, if any, it proposes shall apply in event of such change. The carrier and the General Chairman or General Chairmen shall, within 30 days, endeavor to negotiate an understanding.

In the event the carrier and the General Chairman or General Chairmen cannot so agree on the matter, the dispute shall be submitted to arbitration as provided for in the Railway Labor Act, as amended, within sixty days following the date of the last conference. The carrier shall designate the exact questions or conditions it desires to submit to arbitration and the General Chairman or General Chairmen shall designate the exact questions or conditions such General Chairman or General Chairmen desire to submit to arbitration. Such questions or conditions shall constitute the questions to be submitted to arbitration. The decision of the Arbitration Board will be made within 30 days after the Board is created, unless the parties agree at anytime upon an extension of this period. The award of the Board shall be final and binding on the parties and shall become effective thereafter upon 7 days notice by the carrier.

(b) This rule shall in no affect the changing of yard or switching limits at points where no yard crews are employed.

(c) This rule shall become effective September 1, 1971, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before August 1, 1971.

****

INTERCHANGE SERVICE : YARD, BELTLINE AND TRANSFER CREWS
(Article IV of May 13, 1971 Agreement)

1. Where a carrier has the right to make interchange movements with yard, belt line or transfer engine crews, such crews may be required to handle interchange movements to and from a connecting carrier without being required to run light in either direction.

Note: This provision does not preclude the carrier from making interchange movements on tracks over which it may acquire rights to operate in the future, nor does it preclude the employees from opposing the granting of such rights.)

2. Work equities between carriers previously established by agreement, decision, or practice, will

be maintained with the understanding that such equity arrangements will not prevent carriers from requiring crews to handle cars in both directions when making interchange movements. Where carriers not now using yard and transfer crews to transfer cars in both directions desire to do so, they may commence such service and notify the General Committees of the railroad involved thereof to provide an opportunity to the General Committees to resolve any work equities between the employees of the carriers involved. Resolution of work equities shall not interfere with the operations of the carriers or create additional expense to the carriers. It is agreed, however, that the carriers will cooperate in providing the commit-tees involved with data and other information that will assist in resolution of work equities.

3. Where a carrier does not now have the right to designate additional interchange tracks it may designate such additional track or tracks as the carrier deems necessary providing such additional track or tracks are in close proximity. Bulletins designating additional interchange tracks hereunder will be furnished the General Chairman or General Chairmen involved prior to the effective date.

4. If the number of cars being delivered to or received from interchange tracks of a connecting carrier exceeds the capacity of the first track used, it will not be necessary that any one interchange track be filled to capacity before use is made of an additional track or tracks provided, however, the minimum number of tracks necessary to hold the interchange will be used.

5. The foregoing provisions are not intended to impose restrictions with respect to interchange operations where restrictions did not exist prior to the date of this Agreement.

6. Every employee deprived of employment as the direct or indirect application of the foregoing provisions shall be entitled to the schedule of allowances set forth in section 7(a) of the Washington Agreement of May 21, 1936, except that the 60% of the average monthly compensation will be changed to 100% (less earnings in outside employment) and be extended to provide periods of payment equivalent to length of service not to exceed 5 years, and to provide further that allowances in Section 7 (a) be increased by subsequent general wage increases.

If any protective benefits greater than those provided in this Article are available under existing agreements, such greater benefits shall apply subject to the terms and obligations of both the carrier and employee under such agreements, in lieu of the benefits provided in this Article.

7. This rule shall become effective September 1, 1971, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before August 1,1971.

APPENDIX "D"

ITEM A. UNION SHOP AGREEMENT

This Agreement is entered into this 15th day of January 1955, by and between The Northern Pacific Terminal Company of Oregon (hereinafter referred to as the "Carrier") and its employees represented by the Brotherhood of Locomotive Engineers (hereinafter referred to as the "Brotherhood"). IT IS HEREBY AGREED:

Section 1. In accordance with and subject to the terms and conditions hereinafter set forth, all employees of the Carrier now or hereafter subject to the rules and working conditions agreement between the parties hereto, except as hereinafter provided, shall, as a condition of their continued employment subject to such agreement, become members of the Brotherhood within sixty (60) calendar days of the date they first perform compensated service as such employees after the effective date of this Union Shop Agreement, and thereafter shall maintain membership in the Brotherhood, except that such membership shall not be required of any individual until he has performed compensated service on thirty (30) calendar days within a period of twelve (12) consecutive calendar months. Nothing in this Agreement shall alter, enlarge or otherwise change the coverage of the present or future rules and working condition agreements.

Section 2. The requirements of membership provided for in Section 1 of this Agreement shall be satisfied if any employee shall hold or acquire membership in any one of the labor organizations, national in scope, organized in accordance with the Railway Labor Act and admitting to membership employees of a craft or class in engine and/or hostling service, train, or yard service; provided, however, that nothing contained in this Agreement shall prevent any employee from changing membership from one organization to another organization admitting to membership employees of a craft or class in any of such services.

Section 3. **(a)** Employees who retain seniority under the rules and working conditions agreement between the parties hereto, and who are assigned or transferred for a period of thirty (30) calendar days to employment not covered by such agreement, or who, for a period of thirty (30) days or more, are (1) furloughed on account of force reduction, (2) on leave of absence, (3) suspended from service, or (4) absent on account of sickness or disability, will not be required to maintain membership as provided in Section 1 of this Agreement so long as they remain in such other employment, or are furloughed or suspended or absent as herein provided, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreement and continue therein thirty (30) calendar days or more, irrespective of the number of days actually worked during that period, they shall, as a condition of their continued employment, be required within thirty-five (35) calendar days from date of their return to such service to comply with the provisions of Sections 1 and 2 of this Agreement.

(b) The seniority status and rights of employees furloughed to serve in the Armed Forces or granted leaves of absence to engage in studies under an educational aid program sponsored by the federal government or a state government for the benefit of ex-servicemen shall not be terminated by reason of any of the provisions of this Agreement but such employees shall, upon resumption of employment in any service covered by the aforesaid rules and working conditions agreement, be considered as new employees for the purposes of applying this Agreement.

(c) Employees who retain seniority under the rules and working conditions agreement governing their class or craft and who, for reasons other than those specified in subsections (a) and (b) of this Section, are not in service covered by such agreement, or leave such service, will not be required to maintain membership as provided in Section 1 of this Agreement so long as they are not in service covered by such agreement, but they may do so at their option. Should such employees return to any service covered by the said rules and working conditions agreement they shall, as a condition of their continued employment, be required, from the date of return to such service, to become and remain members in the organization representing their class or craft.

(d) Employees who retain seniority under the rules and working conditions agreement of their class or craft, who are members of an organization signatory hereto representing that class or craft and who in accordance with the rules and working conditions agreement of that class or craft temporarily perform work in another class of service shall not be required to be members of another organization party hereto whose agreement covers the other class of service until the date the employees hold regularly assigned positions within the scope of the agreement covering such other class of service.

Section 4. Nothing in this Agreement shall require an employee to become or to remain a member of the Brotherhood if such membership is not available to such employee upon the same terms and conditions as are generally applicable to any other member, or if the membership of such employee is denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership. For purposes of this Agreement, dues, fees, and assessments, shall be deemed to be "uniformly required" if they are required of all employees in the same status at the same time.

Section 5. **(a)** Each employee covered by the provisions of this Agreement shall be considered by the Carrier to have met the requirements of the Agreement unless and until the Carrier is advised to the contrary in writing by the Brotherhood. The Brotherhood through its General Chairman or his designated representative will notify the Carrier through its Manager or his designated representative, in writing by Registered or Certified Mail, Return Receipt Requested, or by personal delivery evidenced by receipt, of any employee who it is alleged has failed to

comply with the terms of this Agreement and who the Brotherhood therefore claims is not entitled to continue in employment subject to the rules and working conditions agreement. The form of notice to be used shall be agreed upon by the Carrier and the Brotherhood and the form shall make provisions for specifying the reasons for the allegation of noncompliance.

(b) Upon receipt of such notification, the Carrier will, within ten (10) calendar days of such receipt, notify the employee concerned in writing by Registered or Certified Mail, Return Receipt Requested, addressed to his last known address, or by receipted personal delivery that he is charged with failure to comply with the terms of this Agreement. Copy of such notice shall be given the General Chairman of the Brotherhood.

(c) Any employee so notified who disputes the allegation that he has failed to comply with the terms of this Agreement, shall within a period of ten (10) calendar days from the date of mailing or receipted personal delivery of such notice, request the Carrier in writing by Registered or Certified Mail, Return Receipt Requested, to accord him a hearing. Upon receipt of such request, the Carrier shall set a date for hearing which shall be held within ten (10) calendar days of the date of receipt of request therefor.

(d) Notice of the date for hearing shall promptly be given the employee in writing with copy to the Brotherhood, by Registered or Certified Mail, Return Receipt Requested, or by personal delivery, evidenced by receipt. A representative of the Brotherhood shall attend and participate in the hearing.

(e) The receipt by the Carrier of a request for a hearing shall operate to stay action on the request of the Brotherhood for termination of employment until the hearing is held and the final decision of the Carrier is rendered on the property.

(f) In the event the employee concerned fails to request a hearing as provided herein, or fails to appear at such hearing if one is requested and scheduled, the Carrier shall terminate his seniority within a period of ten (10) calendar days after expiration of the period for requesting a hearing provided for in Paragraph (c) of this Section, or within ten (10) calendar days after the date scheduled for hearing, as the case may be, unless the Carrier and the Brotherhood agree otherwise in writing.

(g) The Carrier shall determine on the basis of the evidence produced at the hearing whether or not the employee has complied with the terms of this Agreement and shall render a decision within twenty (20) calendar days from the date that the hearing is closed, and the employee and the Brotherhood shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

(h) If the decision is that the employee has not complied with the terms of this Agreement, his employment and seniority under the rules and working conditions agreement shall be terminated within ten (10) calendar days of the date of mailing said decision (if it is not in the interim withdrawn), except in the case of an employee for whom replacement is not available or cannot be made available, in which case, the employee referred to may be continued in service until he can be relieved.

(i) The decision of the Carrier shall be final and binding, unless within ten (10) calendar days of such date of mailing the Carrier is notified by the employee or the Brotherhood in writing by Registered Mail, Return Receipt Requested, that said decision is unsatisfactory.

(j) If the decision of the Carrier is not satisfactory to the employee or the Brotherhood, and the Carrier is properly notified in accordance with (i) above, the dispute may be submitted to a neutral person who will act as sole arbitrator of same, provided that such action is taken with thirty (30) days from date of mailing to the Carrier of notice of such dissatisfaction. Such neutral person shall be selected by the Manager of the Carrier or his designated representative, the General Chairman of the Brotherhood or his designated representative, and the employee or his designated representative. If the three parties are unable to agree upon the selection of the neutral person, any one of said parties may request the Chairman of the National Mediation Board in writing to appoint such neutral. The Carrier, the employee involved, and the Brotherhood shall have the right to appear and present evidence at a hearing before such neutral arbitrator.

Any decision by said neutral arbitrator shall be made within twenty (20) calendar days from date hearing on the dispute is completed, and such decision shall be final and binding upon the parties. The Carrier, the employee and the Brotherhood shall be promptly advised thereof in writing by Registered or Certified Mail, Return Receipt Requested.

(k) If the position of the employee is sustained, the fees, salary and expenses of the neutral arbitrator, which shall be limited to the amount regularly established by the National Mediation Board for such service, shall be borne in equal shares by the Carrier and the Brotherhood. If the employee's position is not sustained, such fees, salary and expenses shall be borne in equal shares by the Carrier, the employee and the Brotherhood.

(l) The time periods specified in this Section may be extended in individual cases by written agreement between the Carrier and the Brotherhood.

(m) In computing the time periods specified in this Section, the date on which a notice is received or a decision is rendered shall not be counted.

Section 6. Provisions of investigation (hearing) and discipline rules contained in the rules and working conditions agreement between the Carrier and the Brotherhood will not apply to cases arising under this Agreement.

Section 7. **(a)** Neither this Agreement nor any provision contained herein shall be used as a basis for a grievance or time or money claim against the Carrier, nor shall any provision of any other agreement between the parties hereto be relied upon by the Brotherhood, the employee whose employment is in question, or any other employee, in support of any claim that may arise as the result of the operation and application of this Agreement.

(b) If the final determination under Section 5 of this Agreement is that an employee's seniority and employment in a craft or class referred to in Section 1 of this Agreement shall be terminated, no liability against the Carrier in favor of the Brotherhood or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement shall arise or accrue while such determination may be stayed by a court, or while a discharged employee may be restored to service pursuant to judicial determination. During such periods, no provision of any other agreement between the parties hereto shall be used as the basis for a grievance or time or money claim by or on behalf of any employee against the Carrier predicated upon any action taken by the Carrier in applying or complying with this Agreement or upon an alleged violation, misapplication or noncompliance with any provision of this Agreement. If the final determination under Section 5 of this Agreement is that an employee's employment and seniority shall not be terminated, his continuance in service shall give rise to no liability against the Carrier in favor of the Brotherhood or other employees based upon an alleged violation, misapplication or non-compliance with any part of this Agreement.

Section 8. In the event that seniority and employment under the rules and working conditions agreement is terminated by the Carrier under the provisions of this Agreement, and such termination of seniority and employment is subsequently determined to be improper, unlawful, or unenforceable, the Brotherhood shall indemnify and save harmless the Carrier against any and all liability arising as the result of such improper, unlawful, or unenforceable termination of seniority and employment; provided, however, that this Section shall not apply to any case in which the Carrier involved is the plaintiff or the moving party in the action in which the aforesaid determination is made or in which case such Carrier acts in collusion with any employee; provided further, that the aforementioned liability shall not extend to the expense to the Carrier in defending suits by employees whose seniority and employment are terminated by the Carrier under the provisions of this Agreement.

Section 9. An employee whose seniority and employment is terminated because of alleged non-compliance with the provisions of this Agreement and such termination of seniority and employment is subsequently determined to be improper, unlawful or

unenforceable, the employee shall be returned to service with seniority rights unimpaired.

Section 10. An employee whose employment is terminated as a result of non-compliance with the provisions of this Agreement shall be regarded as having terminated his employee relationship for all, including vacation, purposes.

Section 11. (Superseded by "Dues Check-Off Agreement". See C of this Appendix)

Section 12. This Union Shop Agreement is in full and final settlement of the dispute growing out of the notice served on behalf of the employees represented by the Brotherhood, party hereto, on July 8, 1953, shall become effective January 15, 1955, and shall remain in effect until revised or cancelled in accordance with the procedure prescribed by the Railway Labor Act, as amended. (Note) Registered mail includes certified mail.

For Northern Pacific Terminal Company of Oregon:(Original Signed by) J. H. Jones, Manager
For the Brotherhood of Locomotive Engineers: (Original Signed by) Homer C. Watson, G.C.
Portland, Oregon, January 15, 1955.

ITEM B. MEMORANDUM AGREEMENT TO UNION SHOP AGREEMENT

It is agreed that in the application of the Union Shop Agreement signed this date at Portland, Oregon, that any employee in service on the date of this Agreement who is not a member of the union representing his craft or class and will make affidavit he was a member of a bona fide and recognized religious group, on the date of this Agreement, having scruples against joining a union, will, if he would otherwise be required to join a union under the Union Shop Agreement, be deemed to have met the requirements of said Union Shop Agreement if he agrees to and does pay initiation fees, periodic dues, and assessments to the organization representing his craft or class.

Signed at Portland, Oregon, this 15th day of January , 1955.

For Northern Pacific Terminal Company of Oregon:(Original Signed by) J. H. Jones, Manager
For the Brotherhood of Locomotive Engineers: (Original Signed by) Homer C. Watson, G.C.

ITEM C. DUES CHECK-OFF AGREEMENT

This Agreement made at Portland, Oregon, this 17th day of May 1956, by and between The Northern Pacific Terminal Company of Oregon, hereinafter referred to as the Company, and the Brotherhood of Locomotive Engineers, hereinafter referred to as the Brotherhood.

IT IS HEREBY AGREED:

Section 1. **(a)** Subject to the terms and conditions of this Agreement, the Company shall deduct sums for periodic dues, initiation fees, assessments, and insurance (not including fines and penalties) payable to the Brotherhood by members thereof from wages earned in any of the services or capacities covered in Section (3), First (h) of the Railway Labor Act defining the jurisdictional scope of the First Division, National Railroad Adjustment Board, upon the written and unrevoked authorization of a member in the form agreed upon by the parties hereto, copy of which is attached as Attachment "A" and made a part hereof.

(b) The signed authorization may, in accordance with its terms, be revoked in writing at any time after the expiration of one (1) year from the date of its execution, or upon the termination of this Agreement, or upon the termination of the rules and working conditions agreement between the parties, whichever occurs sooner. Revocation of the authorization shall be in the form agreed upon by the parties, copy of which is attached as Attachment "B" and made a part hereof.

(c) Both the authorization forms and the revocation of authorization forms shall be reproduced and furnished as necessary by the Brotherhood without cost to the Company. The Brotherhood shall assume full responsibility for the procurement and execution of the forms by employees and for the delivery of such forms to the Company.

Section 2. Deductions as provided for herein shall be made by the Company in accordance with certified deduction lists furnished to the Company by the BLET Division Secretary-Treasurer of which the employee is a member. Such lists, together with assignment and revocation of assignment forms, shall be furnished to the Company on or before the 5th day of each month in which the deduction or termination of deduction is to become effective as hereinafter provided. The original lists furnished shall show the employee's name, employee account number, and the amount to be deducted in the form approved by the Company. Thereafter, two lists shall be furnished each month by the BLET Division Secretary-Treasurer to the Company as follows:

(a) A list showing any changes in the amounts to be deducted from the wages of employees with respect to whom deductions are already being made. Such list shall show both the amounts previously authorized to be deducted and the new amounts to be deducted; also the names of employees from whose wages no further deductions are to be made which shall be accompanied by revocation of assignment forms signed by each employee so listed. Where no changes are to be made the list shall so state.

(b) A list showing additional employees from whose wages the Company shall make deductions as herein provided, together with an assignment authorization form signed by each employee so listed. Where there are no such additional employees the list shall so state.

Section 3. Deductions as provided for herein will be made monthly by the Company from wages due employees for the first period in each calendar month, and the Company will, subject to the provisions of Section 4 hereof, remit to the Brotherhood, the total amount of such deductions, less sums withheld in accordance with Section 5, on or before the 15th day of the month following the month in which such deductions are made. With such remittance the Company will furnish to the BLET GCA Secretary-Treasurer a statement showing employees from whom deductions were made and amount of deductions.

Section 4. **(a)** In the event earnings of an employee are insufficient to permit the full amount of deduction, no deduction will be made and responsibility for collection shall rest entirely with the Brotherhood.

(b) The following payroll deductions shall have priority over deductions covered by this Agreement:

- Final settlement drafts and non-negotiable wage payment errors
- Payroll taxes required by law
- Railroad Retirement Board
- Garnishes and wage assignments, percent required by law
- Insurance

(c) In cases where no deduction is made from the wages of an employee due to insufficient earnings, or for other reasons, the amounts not deducted shall not be added to deduction lists for the employee for any subsequent payroll period.

Section 5. Responsibility of the Company under this Agreement shall be limited to remitting the amounts actually deducted from the wages of employees pursuant to this Agreement and the Company shall not be responsible financially or otherwise for failure to make deductions or for making improper or inaccurate deductions. Any question arising as to the correctness of the amount deducted shall be handled between the employee involved and the Brotherhood.

Section 6. The Brotherhood shall indemnify, defend and save harmless the Company from any and all claims, demands, liability, losses or damage resulting from the entering into or complying with the provisions of this Agreement.

Section 7. This Agreement shall become effective June 1, 1956.

Signed at Portland, Oregon, this 17th day of May 1956.

For Northern Pacific Terminal Company of Oregon:(Original Signed by) J. H. Jones, Manager
For the Brotherhood of Locomotive Engineers: (Original Signed by) Homer C. Watson, G.C.

ATTACHMENT "A"

WAGE ASSIGNMENT AUTHORIZATION

I hereby assign to the Brotherhood of Locomotive Engineers and Trainmen that part of my wages necessary to pay my monthly union dues, fees, assessments, initiation fees, and insurance premiums (not including fines and penalties) as reported to the "Company" by the Brotherhood of Locomotive Engineers and Trainmen's Secretary-Treasurer in monthly statements, certified by him, as provided under the Deduction Agreement entered into by and between the Brotherhood and the Company; and I hereby authorize the "Company" to deduct from my wages all such sums and to pay them over to the Brotherhood's Secretary-Treasurer.

This authorization may be revoked by the undersigned in writing, after the expiration of one (1) year or upon the termination date of the aforesaid deduction agreement, or upon the termination of the Rules and Working Conditions Agreement, whichever occurs sooner.

Employee Identification No._____

Department Presently Assigned_____

Employee'sName_____
(Print) Last First Middle Initial

Employee's Home Address_____
Street & No.

_____
City State Zip Code

Date_____ Signature_____ Local No._____

* "Company" – The Burlington Northern Santa Fe Payroll Department in Topeka, Kansas, acting on behalf of the Portland Terminal Railroad Company.

ATTACHMENT "B"

WAGE ASSIGNMENT REVOCATION

Effective _____, I hereby revoke the Wage Assignment Authorization now in effect assigning to the Brotherhood of Locomotive Engineers and Trainmen that part of my wages necessary to pay my monthly dues, assessments, initiation fees, and insurance premiums now being withheld pursuant to the Deduction Agreement between the Brotherhood and the Company, and I hereby cancel the authorization now in effect authorizing the "Company" to deduct such month union dues, assessments, initiation fees and insurance premiums from my wages.

Employee Identification No._____

Department Presently Assigned_____

Employee'sName_____
(Print) Last First Middle Initial

Employee's Home Address_____
Street & No.

_____
City State Zip Code

Date_____ Signature_____ Local No._____

* "Company" – The Burlington Northern Santa Fe Payroll Department in Topeka, Kansas, acting on behalf of the Portland Terminal Railroad Company.

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