2007 – 1944- NATIONAL AGREEMENTS

2007 – NATIONAL AGREEMENT

2003 - NATIONAL AGREEMENT

1996 - NATIONAL AGREEMENT

1996 - SYSTEM AGREEMENT

1991 - NATIONAL AGREEMENT

1986 - NATIONAL AGREEMENT

1982 - NATIONAL AGREEMENT

1978 - NATIONAL AGREEMENT

1975 - NATIONAL AGREEMENT

1973 – NATIONAL AGREEMENT

1971 – NATIONAL AGREEMENT

1969 - NATIONAL AGREEMENT

1967 – NATIONAL AGREEMENT

1964 - NATIONAL AGREEMENT

1952 - NATIONAL AGREEMENT

1949 - VACATION AGREEMENT

1944 – NATIONAL AGREEMENT

2007 NATIONAL AGREEMENT

ARTICLE I - WAGES
ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM
ARTICLE III - COST-OF-LIVING PAYMENTS
ARTICLE IV - HEALTH AND WELFARE
ARTICLE V - GENERAL PROVISIONS

2003 NATIONAL AGREEMENT

(Case No. A-13252)

ARTICLE I – WAGES - - Q AND A's

ARTICLE II – OPTIONAL ALTERNATE CONPENSATION PROGAM -- Q AND A's

ARTICLE III – CONST-OF-LIVING PAYMENTS -- Q AND A's

ARTICLE IV – HEALTH AND WELFARE -- NO Q AND A's

ARTICLE V - PAY SIMPLIFICATION - TRIP RATES -- Q AND A's

ARTICLE VI – SERVICE SCALE -- Q AND A's

ARTICLE VII – ENHANCHED MANPOWER ULTIZATION -- Q AND A's

ARTICLE VIII – NATIONAL WAGE AND RULES PANEL -- Q AND A's

ARTICLE IX – OFF TRACK VEHICLE ACCIDENT BENEFIT -- Q AND A's

ARTICLE X – GENERAL PROVISIONS -- Q AND A's

2003 - SIDE LETTERS:

#1 – PAYMENT OF RETROACTIVE PAY

#2 – ELIGIBILITY OF RETROACTIVE PAY

#3 – COLA PAYMENTS

#4 – CANADA EXCLUSION

#5 – HEALTH AND WELFARE OPT- OUT

#6 – OPT-OUT: DECLINATIN OF COVERAGE

#7 – UPREHS – OPPORTUNITY TO BID

#8 – SUBSTITUTION FOR, IN ADDITION TO HEALTH COVERAGE

#9 – LOCAL OFFICIALS OBLIGATION IN RETRO COST SHARING

#10 – FO HEALTH CARE BENEFITS

#11 – EXPLORE DESIGN CHANGES FO NPC/BLE PLAN

#12 – UNDERSTANDING – ARTICLE V – PAY SIMPLIFICATION

#13 – TECNOLOGY ISSUES REFFERRED TO PANEL

#14 – HOS – RELIEVE AND EXPEDIOUSLY TRANSPORT TO DESTINATION

1996 NATIONAL AGREEMENT

ARTICLE 1 - WAGES / Q AND A's

ARTICLE II - COST-OF LIVING PAYMENTS

ARTICLE III - DENTAL BENEFITS

ARTICLE IV - VISION CARE

ARTICLE V - BENEFITS ELIGIBILITY / Q AND A's – Sec. 1 / Q AND A's – Sec. 2

ARTICLE VI - PERSONAL LEAVE / Q AND A's

ARTICLE VII – ENHANCED EMPLOYMENT OPPORTUNITIES / Q AND A's

ARTICLE VIII – RATE PROGRESSION ADJUSTMENT FOR PROMOTION / Q AND A's

ARTICLE IX - ENHANCED CUSTOMER SERVICE / Q AND A's

ARTICLE X – DISPLACEMENT / Q AND A's

ARTICLE XI - NATIONAL WAGE AND RULES PANEL / Q AND A's

ARTICLE XII – GENERAL PROVISIONS

1996 SIDE LETTERS:

#1 – RETROACTIVE PAY – 60 DAYS

#2 – RETROACTIVE PAY APPLICABLE ONLY TO EMPOLYEE'S WITH A DATE OF DEC. 1, 1995

#3 – ARTICLE 1 – WAGES: APPLICABLE TO OVERMILES

#4 – LUMP SUM PAYMENTS

#5 – ARTICLE V – BENEFITS ELIGIBILITY

#6 – ARTICLE V – BENEFITS ELIGIBILITY TO LOCAL OFFICERS

#7 – RELATIONSHIP BETWEEN TIME WORKED AND BENEFITS

#8 – ARTICLE VIII- RATE PROGRESSION ADJUSTMENT FOR PROMOTION

#9 – ARTICLE IX - ENHANCED CUSTOMER SERVICE

#10 – FLOWBACK ARRANGEMENTS

#11 – ENGINEER CERIFICATION PAY – AGREED TO QUESTION SUBMITTED TO ARBITRATION

#12 – MUTUAL UNDERSTANDING

1996 SYSTEM AGREEMENT

ATTACHMENT (a) – DISCIPLINE RULE

ATTACHMENT (b) - CLAIM HANDLING PROCESS

ATTACHMENT (c) - INSTRUCTOR ENGINEERS

ATTACHMENT (d) – PEER TRAINING

ATTACHMENT (e) – WEIGHT ON DRIVERS

ATTACHMENT (f) – EXTRA (UNDISTURBED) REST

ATTACHMENT (g) – WITHOUT FIREMAN PAYMENT

ATTACHMENT (h) – COMPENSATION DELIVERY

1991 - NATIONAL AGREEMENT

(PUBLIC LAW 102-29)

ARTICLE I - WAGES

Section 1 - Lump Sum Payment

Section 2 - First General Wage Increase

ARTICLE II - COST- OF-LIVING PAYMENTS

ARTICLE III – HEALTH AND WELFARE PLAN AND EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN

ARTICLE IV - PAY RULES

ARTICLE V - SPECIAL PAY DIFFERENTIAL

ARTICLE VI - EXC LUSIVE REPRESENTATION

ARTICLE VIII - ROAD/YARD WORK

ARTICLE VIII - ROAD/YARD WORK

ARTICLE IX - SPECIAL RELIEF CUSTOMER SERVICE - YARD CREWS

ARTICLE X - INTERDIVISIONAL SERVICE

ARTICLE XI - GENERAL PROVISIONS

SIDE LETTERS AND QAND A's

SIDE LETTER #1: $2,00O LUMP SUM FOR RECALLED EMPLOYEES

SIDE LETTER #2: $2,000 LUMP SUM FOR FURLOUGHED EMPLOYEES

SIDE LETTER #3: 60 DAY TIME LIMIT – RETROACTIVE PAY

SIDE LETTER #4: LUMP SUM CALCULATIONS

SIDE LETTER #5: LUMP SUM – EMPLOYMENT RELATIONSHIP

SIDE LETTER #6: CALCULATION OF LUMP SUM – STRAIGHT TIME HOURS

SIDE LETTER #7: FUNDING THE BENEFITS OF 'THE PLAN'

SIDE LETTER #8: APPLICATION OF PAY DIFFERENTIAL

SIDE LETTER #9: ARTICLE VIII – ROAD/YARD WORK

SIDE LETTER #10: ARTICLE IX – SPECIAL RELIEF

SIDE LETTER #11: MUTUAL UNDERSTANDING OF PROPOSALS AND DRAFTS

Q AND A's – ILLUSTRATIVE ROAD/YARD

1986 NATIONAL AGREEMENT

(ARBITRATION BOARD NO. 458)

ARTICLE I – GENERAL WAGE INCREASES

ARTICLE II – COST-OFLIVING ADJUSTMENT

ARTICLE III – LUMP SUM PAYMENT

ARTICLE IV – PAY RULES

ARTICLE V – FNAL TERMINAL DELAY – FREIGHT SERVICE

ARTICLE VI – DEADHEADING

ARTICLE VII – ROAD SWITCHERS – ETC.

ARTICLE VIII – ROAD, YARD AND INCIDENTIAL WORK

ARTICLE IX – INTERDIVISIONAL SERVICE

ARTICLE X – LOCOMOTIVE STANDARDS

ARTICLE XI – TERMINATION OF SENORITY

ARTICLE XII – FIREMEN

ARTICLE XIII – RETENTION OF SENORITY

ARTICLE XIV – EXPENSES AWAY FROM HOME

ARTICLE XV – BENEFITS UNDER THE RAILROAD EMPLOYEES HEALTH AND WELFARE PLAN

ARTICLE XVI – INFORMAL DISPUTES COMMITTEE

ARTICLE XVII – LOCOMOTIVE DESIGN – CONSTRUCTION AND MAMTAINANCE

ARTICLE XVIII – GENERAL PROVISIONS

SIDE LETTERS:

#1 – LUMP SUM – 60 DAYS

#2 - ARTICLE III – WILL NOT BE USED OFF SET, PROTECTIVE AGREEMENTS

#3 – ARTICLE IX – ENTRY RATES

#3A – ARTICLE V – DELIBERATELY DELAYED

#3B – ARTICLE V – PAYMENT OF MILEAGE OPERATED IN FINAL TERMINAL

#4 – EXAMPLES APPLICABLE TO DEADHEAD RULE

#5 – ARTICLE VII – ROAD SWITCHERS

#6 – ARTICLE VIII – TWO PICK UPS AND SET OUTS

#7 – ARTICLE VIII – ROAD, YARD AND INCIDENTIAL WORK

#8 – ARTICLE VIII – INCIDENTAL WORK- OTHER QUALIFIED EMPLOYEES AVAILABLE

#9 – ARTICLE IX – INTERDIVISIONAL SERVICE

#9A - ARTICLE IX – INTERDIVISIONAL SERVICE

#10 – ARTICLE X – LOCOMOTIVE MINUMIN STANDARDS

#11 – ARTICLE XII – HOSTLER POSITIONS

CONTINUED ON

NEXT PAGE:

#12 – ARTICLE XII – HOSTLER POSITIONS – FURLOUGHED FIREMEN
#12A – ARTICLE XII – 'ANOTHER ORGANIZATION'
#13 – ARTICLE XII – ACTIVE FIREMAN, WORKING AS SUCH
#14 – ARTICLE XII – EXISTING RULES COVERING FIREMAN AND HOSTLERS
#15 – SORCE OF SUPPLY FOR FIREMAN
#16 – HOSPITAL PRE-ADMISSION AND ULITIZATION REVIEW PROGRAM
#17 – ARTICLE XV – SPECIAL COMMITTEE
#18 – AGREED TO PROVISIONS OF ARTICLE XV
#19 – UNDERSTANDING OF INCORPORATING HOSPITAL PRE-ADMISSION AND ULITIZATION
#20 – ENGINEER PAY DIFFERENTIAL
#20A – ENGINEER PAY DIFFERENTIAL – LETTER OF UNDERSTANDING NO. 20
#21 – INTERCRAFT PAY RELATIONSHIP
#22 – EROSION OF TRADITIONAL AUTHORITY AND RESPONSIBILITY
#23 – EFFORTS TO IMPROVE COMPETITIVE ABILITIES

1982 NATIONAL AGREEMENT

(PUBLIC LAW 97-262)

ARTICLE I – GENERAL WAGE INCREASES

ARTICLE II – COST-OF-LIVING ADJUSTMENT

ARTICLE III – VACATIONS

ARTICLE IV – HOLIDAYS

ARTICLE V – HEALTH AND WELFARE BENEFITS

ARTICLE VI – DENTAL BENEFITS

ARTICLE VII – EARLY RETIREMENT MAJOR MEDICAL BENEFITS

ARTICLE VIII – NATIONAL HEALTH LEGISLATION

ARTICLE IX – EXPENSES AWAY FROM HOME

ARTICLE X – STUDY COMMISSION

ARTICLE XI – LUMP SUM PAYMENT

ARTICLE XII – GENERAL PROVISIONS

SIDE LETTERS: (NOT NUMBERED)

- SELECTION OF CHAIRMAN OF THE STUDY COMMISSION

- LUMP SUM IN LIEU OF PERSONAL LEAVE DAYS

- TRAINING PROGRAM FOR LOCOMOTIVE ENGINEERS

- JOINT LABOR – MANAGEMENT COMMITTEE

- GRANTING EMPLOYEE'S ADDITIONAL WEEK OF VACATION BEFORE END OF YEAR

- CARRIER'S CONTINUE TO PRESERVE THEIR POSITION

- ARTICLE XII – NOT APPLICABLE TO PENDING NOTICES

- JOINT POLICY HOLDER COMMITTEE ESTABLISHED

- CONTINUATION OF INFORMAL DISPUTES COMMISSION

- ENTRY RATES SUBMITTED TO STUDY COMMISSION

- RETROACTIVE PAY – 60 DAYS

1978 NATIONAL AGREEMENT

(Case No. A – 10224)

ARTICLE I – GENERAL WAGE INCREASES

ARTICLE II – COST-OF-LIVING ADJUSTMENT

ARTICLE III – VACATIONS

ARTICLE IV – HEALTH AND WELFARE BENEFITS; EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFIT; AND DENTAL BENEFITS

ARTICLE V – JURY DUTY

ARTICLE VI – EXPENSES AWAY FROM HOME

ARTICLE VII – APPLICATION FOR EMPLOYMENT

ARTICLE VIII – CONBINATION ROAD-YARD SERVICE ZONES

ARTICLE IX – ENTRY RATES

ARTICLE X – OFF-TRACK VEHICLE ACCIDENT BENEFITS

ARTICLE XI – BREAVEMENT LEAVE

ARTICLE XII – JOINT LABOR-MANAGEMENT COMMITTEE

ARTICLE XIII – GENERAL PROVISIONS

SIDE LETTERS: (NOT NUMBERED)

- TRAINING PROGRAM FOR LOCOMOTIVE ENGINEERS

- XIII- NOTICES SEEKING TO ADJUST COMPENSATION

- SHORT TURNAROUND PASSENGER SERVICE

- RETROACTIVE PAY AS SOON AS POSSIBLE

- ITEM D WITHDRAWN

- AGREE TO ADDRESS HELD-AWAY-FROM HOME ISSUES

1975 NATIONAL AGREEMENT

ARTICLE I - GENERAL WAGE INCREASES
ARTICLE II - COST-OF-LIVING ADJUSTMENT
ARTICLE III - HOLIDAYS
ARTICLE IV - EMPLOYEE INFORMATION
ARTICLE V - HEALTH AND WELFARE BENEFITS
ARTICLE- VI - NATIONAL DENTAL PLAN
ARTICLE VII - NATIONAL HEALTH LEGISLATION
ARTICLE VIII - GENERAL PROVISIONS

SIDE LETTERS TO THE AGREEMENT

1973 NATIONAL AGREEMENT

ARTICLE I - GENERAL WAGE INCREASE
ARTICLE II - COST-FREE UNION DUES DEDUCTION AGREEMENT
ARTICLE III - GENERAL PROVISIONS
ARTICLE IV - RAILROAD RETIREMENT AMENDMENTS CONTINGENCY

APPENDIX 2: RAILROAD RETIREMENT LEGISLATION

1971 NATIONAL AGREEMENT

ARTICLE I - WAGE INCREASES

ARTICLE II - SWITCHING LIMITS

ARTICLE III - SWITCHING SERVICE FOR NEW AND OTHER INDUSTRIES

ARTICLE IV - INTERCHANGE SERVICE - YARD, BELT LINE AND TRANSFER CREWS

ARTICLE V - ROAD/YARD MOVEMENTS

ARTICLE VI - USE OF RADIO/TELEPHONES ON LOCOMOTIVES

ARTICLE VII - EXPENSES AWAY FROM HOME

ARTICLE VIII - INTERDIVISIONAL, INTERSENIORITY DISTRICT,
INTRADIVISIONAL AND/OR INTRASENIORITY
DISTRICT SERVICE (PREIGHT OR PASSENGER)

ARTICLE IX VACATIONS

ARTICLE X - JURY DUTY

ARTICLE XI - HOLIDAYS

ARTICLE XII - STANDING COMMITTEE

ARTICLE XIII - COURT APPROVAL

ARTICLE XIV - EFFECT OF THIS AGREEMENT

SIDE LETTERS TO THE AGREEMENT

1969 NATIONAL AGREEEMENT

ARTICLE I - WAGE INCREASES
ARTICLE II - USE OF RADIO
ARTICLE III - HOLIDAY PAY
ARTICLE IV - PAYMENTS TO EMPLOYEES INJURED UNDER CERTAIN CIRCUMSTANCES
ARTICLE V - GENERAL PROVISIONS

SIDE LETTERS TO THE AGREEMENT

1967 NATIONAL AGREEMENT

ARTICLE I - GENERAL INCREASE IN BASIC DAILY RATES OF PAY - LOCOMOTIVE ENGINEERS
ARTICLE II – ADDITIONAL INCREASE FOR ENGINEERS OPERATING WITHOUT FIREMEN
ARTICLE III- FURTHER APPLICATION OF WAGE INCREASES SET FORTH IN ARTICLES I AND II
ARTICLE IV – VACATIONS
ARTICLE V – GENERAL PROVISIONS

S I D E L E T T E R 1
S I D E L E T T E R 2

1964 NATIONAL AGREEMENT

ARTICLE I - PAID HOLIDAYS
ARTICLE II - EXPENSES AWAY FROM HOME
ARTICLE III - SELF-PROPELLED MACHINES
ARTICLE IV - PAY STRUCTURE - INEQUITY ADJUSTMENTS
ARTICLE V - COMBINATION ROAD-YARD
ARTICLE VI - INTERDIVISIONAL SERVICE
ARTICLE VII - SETTLEMENT OF DISPUTES:
ARTICLE VIII - EFFECT OF THIS AGREEMENT
ARTICLE IX – NOT NAMED

1952 NATIONAL AGREEMENT

ARTICLE 1 - WAGE INCREASES
ARTICLE 2 - COST-OF-LIVING ADJUSTMENT
ARTICLE 3 - SIX-DAY WORK WEEK
ARTICLE 4 - INTERDIVISIONAL, INTERSENIORITY DISTRICT, INTRADIVISIONAL, AND/OR INTRASENIORITY DISTRICT SERVICE (FREIGHT OR PASSENGER)
ARTICLE 5 - MORE THAN ONE CLASS OF ROAD SERVICE
ARTICLE 6 - SWITCHING SERVICE FOR NEW INDUSTRIES
ARTICLE 7 - CHANGING SWITCHING LIMITS
ARTICLE 8 - REPORTING FOR DUTY
ARTICLE 9 - APPROVAL
ARTICLE 10 - MORATORIUM
ARTICLE 11 - DISPUTES COMMITTEE
ARTICLE 12 – NOT NAMED

A G R E E M E N T "A"
A G R E E M E N T "B"

SIDE LETTERS

1949 VACATION AGREEMENT

1949 - NATIONAL AGREEMENT

1944 - NATIONAL AGREEMENT

(RETIREMENT LEGISLATION)

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this_____ day of_____, 2007 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 thereof and represented by the Brotherhood of Locomotive Engineers and Trainmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

(a) Effective July 1, 2005, all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers and Trainmen ("BLET") in effect on June 30, 2005 shall be increased by two-and-one-half (2-1 /2) percent.

(b) In computing the increase under paragraph (a) above, two-and-one-half (2-1/2) 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 2 - Second General Wage Increase

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008 for employees represented by the BLET shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009 for employees represented by the BLET shall be increased by four-and-one-half (4-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

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 1 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 two-and-one-half (2-1/2) 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 1, 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, 2006, July 1, 2007, July 1, 2008, and July 1, 2009. 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 1, 2, 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 or 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 1, 2, 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.

(j) Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to Article III, Part B, of the December 16, 2003 National BLET Agreement ("2003 BLET Agreement") (or any local counterpart agreement provision) shall be excluded before application of the general wage increases provided for in this Article I and eliminated from basic rates of pay after application of such increases.

(k) Trip Rates established pursuant to Article V of the 2003 BLET Agreement shall be adjusted by application of the general wage increases provided for in this Article I, in the manner set forth in Article V, Part B, Section 4(c)(1) of that Agreement, subject to subsection (j) above.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1.

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under December 16, 2003 Agreement

Section 1

Article III, Part B, of the December 16, 2003 National BLET Agreement, shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2003 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

Section 2

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

ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1- Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan") , and the Railroad Employees National Vision Plan ("the Vision 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 - MMCP

(a) The Plan's Managed Medical Care Program ("MMCP") will be offered to all employees in any geographic area where the MMCP is not currently offered and United Healthcare, Aetna, or Highmark BlueCross Blue Shield has a medical care network ("white space"). For purposes of this subsection, such "network" shall mean a "point-of-service" network in the case of United Healthcare and Aetna, and a preferred provider network in the case of Highmark BlueCross BlueShield. Employees who live in a white space may choose between coverage under MMCP or the Comprehensive Health Care Benefit, subject to subsection (b) below.

(b) The parties may, by mutual agreement and subject to such evaluation and conditions as they may deem appropriate, designate specific

geographic areas within the white space as mandatory MMCP locations. Employees who live in mandatory MMCP locations shall not have a choice between CHCB and MMCP coverage, but shall be enrolled in the MMCP.

(c) United Healthcare and Aetna, respectively, shall apply "nationwide market reciprocity" to employees and their dependents who are enrolled in MMCP. The term "nationwide market reciprocity" is intended to mean, by way of example, that a person enrolled in MMCP with UHC in market A is permitted to get in-network MMCP benefits from a UHC point-of-service network provider in market B.

(d) This Section shall become effective with respect to employees covered by this Agreement on July I, 2007 or as soon thereafter as practicable.

Section 3 - Design Changes To Contain Costs

(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:

(1) The Office Visit Co-Payment for In-Network Services shall be increased to $20.00 for each office visit to a provider in general practice or who specializes in pediatrics, obstetrics-gynecology, family practice or internal medicine, and $35.00 for each office visit to any other provider;

(2) The Urgent Care Center Co-Payment for In-Network Services shall be increased to $25.00 for each visit;

(3) The Emergency Room Co-Payment for In-Network Services shall be increased to at least $50.00 for each visit, but if the care received meets the applicable Plan definition of an Emergency, the Plan will reimburse the employee for the full amount paid for such care, except for $25.00 if the

visit does not result in hospital admission. For purposes of this Paragraph, the phrase "at least" shall be interpreted and applied consistent with practice under the Plan preceding the date of this Agreement;

(4) The Annual Deductible for Out-of-Network Services shall be increased to $300.00 per individual and $900.00 per family;

(5) The Annual Out-of-Pocket Maximum for Out-of-Network Services shall be increased to $2,000 per individual and $4,000 per family.

(b) The Plan's Comprehensive Health Care Benefit shall be revised as follows:

(1) The Annual Deductible shall be increased to $200.00 per individual and $400.00 per family;

(2) The Annual Out-of-Pocket Maximum shall be increased to $2,000 per individual and $4,000 per family.

(c) The Plan's Prescription Drug Card Program co-payments to In Network Pharmacies per prescription are revised as follows:

(1) Generic Drug - increase to $10.00;

(2) Brand Name (Non-Generic) Drug On Program Administrator's Formulary - increase to $20.00;

(3) Brand Name (Non-Generic) Drug Not On Program Administrator’s Formulary - increase to $30.00;

(4) Brand Name (Non-Generic) Drug on Program Administrator's Formulary that is not ordered by the patient's physician by writing "Dispense as Written" on the prescription and there is an equivalent Generic Drug-increase to $20.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug;

(5) Brand Name (Non-Generic) Drug Not On Program Administrator's Formulary that is not ordered by the patient's physician by writing "dispense as Written" on the prescription and there is an equivalent Generic Drug-increase to $30.00 plus the difference between the Generic Drug and the Brand Name (Non-Generic) Drug.

(d) The Plan's Mail Order Prescription Drug Program co-payments per prescription are revised as follows:

(1) Generic Drug - increase to $20.00;

(2) Brand Name (Non-Generic) Drug On Program Administrator's Formulary - increase to $30.00;

(3) Brand Name (Non-Generic) Drug Not on Program Administrator's Formulary - increase to $60.00.

(e) For purposes of the Plan, the term "children" as used in connection with determining "Eligible Dependents" under the Plan, shall be defined as follows:

"Children include:

o natural children,

o stepchildren,

- adopted children (including children placed with you for adoption, and

- your grandchildren, provided they have their legal residence with you and are dependent for care and support mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like."

(f) The definition of the term "children", as used in connection with determinations of "Eligible Dependents" under the terms of the Dental Plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section l - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute 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, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

(1) 15% of the Carrier's Monthly Payment Rate for 2010, or

(2) $200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to -

(1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,

(2) the Dental Plan for employee and dependent dental benefits, and

(3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be $1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be $166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article 1, Sections 1 and 2 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

Section 4 - Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall 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.

ARTICLE V - 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 settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2004 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2004 (including any notices outstanding as of that date).

(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, 2009 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(e) No party to this Agreement shall serve or progress, prior to November 1, 2009 (not to become effective before January 1, 2010), any notice or proposal.

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

SIGNED AT WASHINGTON, D.C. THIS_____ DAY OF_____ , 2007.

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 AND TRAINMEN:**

_____	_____
_____	_____
_____	_____
_____	_____

_____, 2007
#1

Mr. Don M. Hahs
President
Brotherhood of Locomotive Engineers and Trainmen
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 1 and 2 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

_____, 2007
#2

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

Dear Mr. Hahs:

Thus refers to the increase in wages provided for in Sections 1 and 2 of Article I 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, 2005.

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

Yours very truly,

Robert F. Allen

I agree:

Don M. Hahs

_____, 2007
#3

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

Dear Mr. Hahs:

This confirms our understanding regarding Article IV - Health And Welfare of the Agreement of this date.

Notwithstanding any provision to the contrary, it is mutually understood and agreed that:

1. The Plan Design Changes contained in Article IV, Part A, Section 3 will be made effective as soon as feasible after the date of the Agreement and in no event later than August 1, 2007.

2. The Plan Benefit Change set forth in Article IV, Part A, Section 2(c) will be made effective on the same date as the changes in Paragraph 1 above.

3. The Plan Benefit Change set forth in Article IV, Part A, Section 2(a) will be made effective as soon as feasible after the date of the 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

_____, 2007
#4

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

Dear Mr. Hahs:

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

The provisions of Article IV, Part B (Employee Sharing of Cost of H&W Plans) are not applicable to employees covered by the Agreement who reside in Canada.

This will also confirm that existing contractual arrangements concerning Opt-Outs 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

_____, 2007
#5

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

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

In any month in which an active employee receives his or her FO healthcare benefits from a Hospital Association and not from the National Health & Welfare Plan and makes a Plan contribution pursuant to Article IV, Part B, the carrier shall pay the Hospital Association for such 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

_____, 2007
#6

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

Dear Mr. Hahs:

This confirms our understanding regarding Article IV, Part B of the Agreement of this date.

If the initial deduction from an employee's wages for his monthly cost-sharing contribution pursuant to Article IV, Part B, Section 4 is scheduled to be made at the same time as the payroll deduction for the employee's union dues, the union dues deduction may be made on a subsequent date mutually agreeable to the parties.

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

Very truly yours,

Robert F. Allen

I agree:

Don M. Hahs

_____, 2007
#7

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

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

The parties concur that the hypothetical example set forth in Attachment A to this letter describes the appropriate methodology concerning the (i) computation of gross retroactive pay and retroactive H&W cost-sharing that shall be utilized by the railroads in determining the net retroactive amount payable to a covered employee under the terms of this Agreement, and (ii) determination of the standard basic daily rates of pay produced by application of the general wage increases provided for in Article I of 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

ATTACHMENT A

BLET Retroactive Pay, H&W Cost-Sharing, Standard Basic Daily Rate

ASSUMPTIONS

Effective date of new agreement is June 1, 2007.
Employee's standard basic daily rate as of 1/1/05 is $179.80.
Employee works on average 21.75 days per month (261/year), all time paid at standard basic daily rate
Following GWI's are applicable:

7/1/05	2.5%
7/ 1 /06	3.0%

Employee is obligated to make a cost-sharing contribution for each month during period 1/1/07 through 5/31/07.

1. Gross Retroactive Pay

Employee would be due the following in retroactive pay:

a. For period 7/1/05 through 6/30/06:

$4.50 x 21.75 days x 12 months = $1,174.50

* $179.80 x 1.025 = $184.30 (daily increase of $4.50)

b. For period 7/1/06 through May 31, 2007:

$10.03* x 21.75 x 1 l = $2399.68

* $184.30 x 1.03 = $189.83 (cumulative daily increase of $10.03)

c. Total gross retroactive pay of $3,574.18

2. COLA Credit (1/1/05 through 5/31/07)

Railroad entitled to following credit against gross retroactive pay for COLA allowances already paid:

a. For period 7/1/05 through 12/31/05:

$1.20* x 21.75 days x 6 months = $156.60

* $0.15/hr COLA x 8 hours = $1.20/day

b. For period 1/1/06 through 6/30/06:

$3.68* x 21.75 x 6 = $480.24

* $0.46/hr COLA x 8 hours = $3.68/day

c. For period 7/1/06 through 12/31/06:

$3.76* x 21.75 x 6 = $490.68

* $0.47/hr COLA x 8 hours = $3.76/day

d. For period 1/1/07 through 5/31/07:

$4.96* x 21.75 x 5 = $539.40

* $0.62/hr. COLA x 8 hours = $4.96/day

e. Total COLA credit of $1666.92

3. Retroactive H &W Cost-Sharing (1/1/07 through 5/31/07)

Employee would owe the following in retroactive H&W cost-sharing (to recover employee share of H&W cost-sharing for this period in excess of amounts already paid):

$19.63* x 5 months = $98.15

* $166.25 (monthly cost-sharing amount effective 1/1/07)
$146.62 (monthly cost-sharing amount actually paid by locomotive engineers effective 1/1/07) = $19.63/month

4. Net retroactive payment:

Gross Retroactive Pay:	$3,574.18
Subtract COLA Credit	- 1,666.92
	$1,907.26
Subtract Retroactive H&W Cost-Sharing	- 98.15
Net Retroactive Pay:	$1809.11

5. Standard Basic Daily Rate Effective 6/1/07:

$179. 80* x 1.025 x 1.03 = $189.83 (rounded)

* (Standard Basic Daily Rate on 6/30/05)

_____, 2007
#8

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

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

If the number of employees represented by the BLET who elect participation in the Railroad Employees National Flexible Benefits Program (the "Program") for calendar year 2009 does not equal or exceed five (5) percent of all employees represented by the BLET eligible to make such election, the Program shall be terminated effective with respect to employees represented by the BLET midnight on December 31, 2009.

It is further understood that the flexible benefits arrangement applicable to the BLET on the BNSF Railway Company is not established under or covered by the Program and therefore will not be affected by this Side Letter.

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

Very truly yours,

Robert F. Allen

I agree:

Don M. Hahs

_____, 2007
#9

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

Dear Mr. Hahs:

This confirms our understanding regarding the Agreement of this date.

Where and to the extent that certification allowance payments are currently being made by a carrier covered by this Agreement to its locomotive engineers pursuant to the Award of Arbitration Board No. 564 and agreed-upon national Questions and Answers interpreting that Award, this will confirm that such payments shall continue to be made until changed or modified in accordance with the Railway Labor Act, as amended.

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
BLET

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES SERVED ON OR AFTER NOVEMBER 1, 2004 BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN, AND NOTICES SERVED ON OR AFTER NOVEMBER 1, 2004 BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN UPON SUCH CARRIERS.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Locomotive Engineers and Trainmen:

The Belt Railway Company of Chicago
BNSF Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc. - I
- The Baltimore and Ohio Railroad Company (former)
- The Baltimore & Ohio Chicago Terminal Railroad Company
- The Chesapeake and Ohio Railway Company (former)
- Consolidated Rail Corporation (former)
- Gainesville Midland Railroad Company
- Louisville and Nashville Railroad Company (former)
- Seaboard Coast Line Railroad Company (former)
- Western Railway of Alabama (former)

Indiana Harbor Belt Railroad Company

The Kansas City Southern Railway Company
Kansas City Southern Railway
Louisiana and Arkansas Railway
MidSouth Rail Corporation
SouthRail Corporation
TennRail Corporation
Joint Agency
Longview Switching Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) - I
Portland Terminal Railroad Company
Union Pacific Railroad Company
Winston Salem Southbound Railway Company

* * * * *

Notes:

1 - Health & Welfare only

FOR THE CARRIERS: FOR THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN:

_____ _____

_____, 2007
Washington, D.C.

2003 NATIONAL AGREEMENT

ARTICLE I – WAGES - - Q AND A's

ARTICLE II – OPTIONAL ALTERNATE CONPENSATION PROGAM -- Q AND A's

ARTICLE III – CONST-OF-LIVING PAYMENTS -- Q AND A's

ARTICLE IV – HEALTH AND WELFARE -- NO Q AND A's

ARTICLE V - PAY SIMPLIFICATION - TRIP RATES -- Q AND A's

ARTICLE VI – SERVICE SCALE -- Q AND A's

ARTICLE VII – ENHANCHED MANPOWER ULTIZATION -- Q AND A's

ARTICLE VIII – NATIONAL WAGE AND RULES PANEL -- Q AND A's

ARTICLE IX – OFF TRACK VEHICLE ACCIDENT BENEFIT -- Q AND A's

ARTICLE X – GENERAL PROVISIONS -- Q AND A's

2003 - SIDE LETTERS:

#1 – PAYMENT OF RETROACTIVE PAY

#2 – ELIGIBILITY OF RETROACTIVE PAY

#3 – COLA PAYMENTS

#4 – CANADA EXCLUSION

#5 – HEALTH AND WELFARE OPT- OUT

#6 – OPT-OUT: DECLINATIN OF COVERAGE

#7 – UPREHS – OPPORTUNITY TO BID

#8 – SUBSTITUTION FOR, IN ADDITION TO HEALTH COVERAGE

#9 – LOCAL OFFICIALS OBLIGATION IN RETRO COST SHARING

#10 – FO HEALTH CARE BENEFITS

#11 – EXPLORE DESIGN CHANGES FO NPC/BLE PLAN

#12 – UNDERSTANDING – ARTICLE V – PAY SIMPLIFICATION

#13 – TECNOLOGY ISSUES REFFERRED TO PANEL

#14 – HOS – RELIEVE AND EXPEDIOUSLY TRANSPORT TO DESTINATION

2003 National Agreement

Case No. A-13252

MEDIATION AGREEMENT

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~~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:

- O employee protective arrangements
- O employee availability
- O vacation scheduling
- O daily mark up (preference) rules in yard service
- O 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**
/s/ Robert F. Allen	*/s/ Don M. Hahs*

[Other Signatures Lines Omitted]

December 16, 2003
#1

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

December 16, 2003
#2

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

December 16, 2003
#3

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

December 16, 2003
#4

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

December 16, 2003
#5

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

December 16, 2003
#6

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

December 16, 2003
#7

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

December 16, 2003
#8

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

December 16, 2003
#9

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

December 16, 2003
#10

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

December 16, 2003
#11

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

December 16, 2003
#12

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

December 16, 2003
#13

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

December 16, 2003
#14

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 IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1999 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1999 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS FOR CONCURRENT HANDLING THEREWITH.

Subject to indicated footnotes, this authorization is co-extensive with notices filed and with provisions of current schedule agreements applicable to employees represented by the Brotherhood of Locomotive Engineers:

The Belt Railway Company of Chicago 2
The Burlington Northern and Santa Fe Railway Company
Consolidated Rail Corporation
CSX Transportation, Inc.*
Baltimore & Ohio Chicago Terminal Railroad Company
Gainesville Midland Railroad Company
Richmond, Fredericksburg & Potomac Railway Company
Duluth, Missabe & Iron Range Railway Company 1
Elgin, Joliet and Eastern Railway Company 1
The Kansas City Southern Railway Company
Longview Switching Company
Northeast Illinois Regional Commuter Railroad Corporation (METRA) 2
Portland Terminal Railroad Company
Union Pacific Railroad Company
Utah Railway Company
Winston Salem Southbound Railway Company

* * * * *

Notes:

1 - Wages & Rules only
2 - Health & Welfare only

* Includes all former railroad properties merged into CSX Transportation, Inc.

- - - - -

FOR THE CARRIERS:	FOR THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS:
/s/ Robert F. Allen	*/s/ Don M. Hahs*

December 16, 2003
Washington, D.C.

QUESTIONS AND ANSWERS

Article I - Wages

Q-1 How do the eligibility provisions for the Longevity Bonus in this Agreement differ from the eligibility provisions for the Signing Bonus and Lump Sum Payments provided for in Article I of the National BLE Agreement dated May 31, 1996 ("1996 Agreement")?

A-1 The dates, of course, are different, and the time period for ascertaining eligibility is different. All other eligibility issues should be governed by how eligibility was determined under the 1996 Agreement.

* * * * *

Q-2 What are some examples of the application of the Answer to Q-1?

A-2 The following are illustrative examples:

E-1 An employee is reinstated to service with seniority unimpaired but without pay for all time lost. Is such employee entitled to the payment provided for in Section 1(a)?

No.

E-2 Will receipt of vacation pay during the period October 1, 2003 and November 30, 2003 qualify an individual for the Longevity Bonus?

No.

E-3 An employee received compensation for active service performed during the period October 1, 2003 and November 30, 2003 but died prior to December 1, 2003. Is this employee eligible for the Longevity Bonus?

Yes, provided the employee is otherwise eligible as provided in the Article.

E-4 Will employees on reserve boards, guaranteed extra boards, and the like, and those employees receiving displacement/dismissal allowance under the various labor protective provisions be eligible for the Longevity Bonus provided for in the Article?

Yes, provided that such employees are otherwise eligible as provided in the Article.

E-5 Will the Longevity Bonus be included in earnings for calculation of vacation pay?

Yes.

E-6 Will employees on authorized military leave during the period specified in Article I, Section 1(b)(3)(i) be eligible for the Longevity Bonus upon return to service with the Carrier?

Yes, provided they have established seniority in train or engine service with a covered carrier on or before October 31, 1985.

E-7 If an employee is unable to work at any time between October 1, 2003 through November 30, 2003 due to his/her part-time involvement with union business, is such employee eligible for the Longevity Bonus?

No.

* * * * *

Q-3 Will the payment of the Longevity Bonus be used to offset any guarantee an employee may be receiving, regardless of type of guarantee it may be?

A-3 The Longevity Bonus cannot be used to offset guarantees in protective agreements or arrangements.

* * * * *

Q-4 Under what circumstances will BLE members working as firemen or trainmen be eligible for the Longevity Bonus?

A-4 If such employee received compensation for active service performed under a BLE collective bargaining agreement at any time during the period October 1, 2003 through November 30, 2003, had not received a Longevity Bonus by virtue of employment under another agreement, and is otherwise eligible, such employee will be eligible for the BLE Longevity Bonus.

* * * * *

Q-5 How will General Wage Increases (GWI) and Cost-of-Living (COLA) be applied to other than standard rates of pay and monthly guarantees applicable to road and yard service employees?

A-5 The GWI's and COLA's provided for in this Agreement will be applied in the same manner as they have been applied in the past.

* * * * *

Q-6 Will the 4% GWI effective July 1, 2002 and the 2-1/2% GWI effective July 1, 2003 be paid retroactive to such respective effective dates following ratification and adoption of this Agreement?

A-6 Yes.

Q-7 Is it the parties' intent that an employee who otherwise qualified under Article I, Section 1, and who received compensation for active service performed during the specified period, would not be eligible for the Longevity Bonus if he/she were off at any time during the qualification period for union business?

A-7 No.

* * * * *

Q-8 The applicable agreement provision on a carrier expressly provides that a certain duplicate time payment is subject to adjustment for subsequent general wage increases. Will the general wage increases provided for in Article I be applied to such duplicate time payment?

A-8 Yes.

Article II - Optional Alternative Compensation Program

Q-1 How will such a program be determined and implemented?

A-1 The program is totally optional, and will be offered at each Carrier's discretion, and will be implemented only by mutual agreement between the parties.

* * * * *

Q-2 What is meant by the term "smallest employee grouping that can administered"?

A-2 The least number of employees agreed to by the parties.

* * * * *

Q-3 May employees elect to opt out of an agreed to "Optional Alternative Compensation Program" when offered?

A-3 Alternative compensation arrangements negotiated under this Article will cover only the employees mutually agreed to by the parties.

Article III - Cost-of-Living Payments

Q-1 Will the cost-of-living adjustments provided for in Part B be applicable to overmile rates of pay?

A-1 Yes.

Article V – Pay System Simplification

Q-1 May the parties subject to the local negotiations that establish Trip Rates agree to include other components (including overtime) in Trip Rates?

A-1 Yes, provided there is mutual agreement to do so.

* * * * *

Q-2 If an employee is subject to entry rates and rate progression at the time Trip Rates are established, is such employee to receive the applicable percentage, i.e., 75%, 80%, 85%, etc., of the newly established Trip Rate?

A-2 Yes, as provided in Article V, Part B, Section 4(c)(2) and Article VI.

* * * * *

Q-3 Under Article V, Parts B and C, will Trip Rates be developed and implemented on the same basis described therein for firemen (where applicable) on those properties where BLE is the duly designated representative for such employees under the Railway Labor Act?

A-3 Yes.

* * * * *

Q-4 Once a Trip Rate has been developed, are future general wage increases and cost-of-living allowances applicable to the entire Trip Rate?

A-4 Yes, except as provided in Article V, Part B, Section 4(c)(1).

Q-5 Once a pay element has been incorporated in the calculation of the trip rate, will claims for that pay element be considered by the Carrier?

A-5 No. Claims for such pay elements incorporated in the Trip Rate will not be considered by the Carrier and will not be responded to.

* * * * *

Q-6 Will all claim settlements or arbitration decisions related to pay elements that are included in Trip Rates be incorporated in the Trip Rate calculation?

A-6 Yes, for those settlements or decisions that are based on events that took place during the applicable Test Period, but were not included during the initial Trip Rate calculation.

* * * * *

Q-7 Where a pool/run consists entirely of post-85 employees, will the earnings attributable to them be computed as if they were pre-85 employees?

A-7 Yes, but where the parties determine that recomputing earnings to determine as to ——what elements of pay to be incorporated in the Trip Rate would have been paid to pre-85 employees is not feasible, the parties may use data from a comparable run (comparable in length, running time, and other operating characteristics) to Determine the value of such pay elements, which will be included in the Trip Rate computation.

* * * * *

Q-8 Will earnings paid to extra employees working in the pool be included in the test period?

A-8 Yes, as provided in Article V, Part B, Section 3.

* * * * *

Q-9 After the establishment of Trip Rates, the Carrier required additional work of a crew so as to violate a work rule not included in the Trip Rate calculation. Is such penalty payment still applicable and, if so, at what rate?

A-9 Yes, penalty payments not included in the Trip Rate will still be payable at the same amount at which paid prior to the establishment of Trip Rates. For example, if a certain penalty payment is paid as a basic day prior to the establishment of Trip Rates and that penalty payment is not included in the Trip Rate, the proper penalty payment would still be a basic day after the implementation of Trip Rates.

* * * * *

Q-10 How will an employee covered by the Trip Rates be compensated for personal leave days, holiday pay and/or vacation pay?

A-10 Compensation for personal leave days, holiday pay and/or vacation pay, will continue to be paid in accordance with rules and practices in existence prior to establishment of Trip Rates. If those rules and practices require payment of earnings of a trip, Trip Rates, if established, will apply.

* * * * *

Q-11 Can either party, i.e., BLE or Carrier, submit a dispute over the Trip Rate implementation to the National Disputes Committee?

A-11 Yes.

Q-12 At what point is it appropriate for a dispute to be referred to the National Disputes Committee?

A-12 After notice has been served pursuant to Article V, Part B, Section 9(a) and carrier has proposed a Test Period for a particular run/pool, if an impasse develops, either party may refer a dispute to the National Disputes Committee.

* * * * *

Q-13 Does a Trip Rate proposed by the Carrier, based solely upon the incorporation of the National Pay Elements set forth in Section 5, become effective thirty (30) days after the Carrier's notice is served, absent agreement between the parties?

A-13 Yes, unless the BLE representative(s) make a timely written referral of the matter to the National Disputes Committee.

* * * * *

Q-14 If Trip Rates are not established by the date specified in Article V, Part B, Section 9(g), can the Carrier delay the application of the national pay elements set forth in Article V, Part B, Section 5 to post October 31, 1985 employees effective the next day after that date by simply referring the matter to the National Disputes Committee?

A-14 No. Under those circumstances, Article V, Part B, Section 9(h) provides in part that, effective on the next day after the date specified in Article V, Part B, Section 9(g), post October 31, 1985 employees on runs/pools for which Trip Rates have not been implemented by such date "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", and the National Disputes Committee will resolve the Trip Rate issue(s) in dispute if such is referred to the Disputes Committee by either party. However, disputes pending before the National Disputes Committee prior to such date over any issue will be governed solely by the outcome of the dispute resolution process as provided in Article V, Part B, Section 9(h).

* * * * *

Q-15 Does the implementation of Trip Rates permit road crews to perform any additional work (moves) at the initial, intermediate or final terminals over and above that permitted by existing agreements?

A-15 Article V, Part A, Section 1(b) provides that 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.

* * * * *

Q-16 In computing overtime will the Trip Rate be used?

A-16 No. Overtime will continue to be applied as it is now.

* * * * *

Q-17 Will Trip Rates be applicable to both the working trip and the deadhead trip?

A-17 Yes. Where Trip Rates are implemented, employees will receive the Trip Rate for both the deadhead and the working trip. Multiple Trip Rates will not be paid when service and deadhead(s) are combined during a tour of duty.

* * * * *

Q-18 Road extra board employees are used to provide Hours of Service relief as well as protecting other road assignment vacancies. How will these employees be compensated when performing service once Trip Rates are established?

A-18 A road extra board employee called to provide hours of service relief, or multiple trip turnaround service, will be paid the Trip Rate of the service for which called. When called to fill vacancies, road extra board employees will be paid the appropriate Trip Rate of the assignment for which called.

* * * * *

Q-19 What constitutes a "material change"?

A-19 Article V, Part B, Section 8 provides a process for adjustment of an established Trip Rate in response to a subsequent material change, i.e., one that significantly affects the run/pool.

* * * * *

Q-20 What elements of pay will be included in a yard Trip Rate?

A-20 This determination will be made, where the parties agree to implement a yard Trip Rate, on a basis that is consistent both with yard service and with the terms, conditions, principles and guidelines set forth in Parts A and B of Article V.

* * * * *

Q-21 How will the "12-month period of normalized operations" be determined in calculating Trip Rates?

A-21 The 12-month Test Period will be proposed by the carrier in its notice, with the burden of substantiating such period as reflecting "normalized operations" for the pool/run placed on the carrier.

* * * * *

Q-22 Will pay elements not specifically included in Trip Rates continue to be applicable?

A-22 Yes.

* * * * *

Q-23 How will Trip Rates be determined for new runs/pools since there is no "Test Period"?

A-23 As provided in Article V, Part B, Section 7.

* * * * *

Q-24 Will the establishment of Trip Rates have any affect on local agreements providing for mileage and/or earnings regulations.

A-24 No. Such local agreements will continue to apply.

* * * * *

Q-25 Does the 12-month period of Normalized Operations by this Article have to be consecutive?

A-25 Yes, if the 12 consecutive months actually reflect Normalized Operations.

* * * * *

Q-26 Are additional mileage or time payments, such as mileage or terminal mileage payments, afforded certain group(s) of employees as a result of other agreement rules or provisions other than the May 19, 1986 Arbitrated National Agreement to be included in the earnings used to develop a Trip Rate?

A-26 No.

Q-27 Does the term "yard runarounds" refer to road crews who are called in order but depart the initial terminal out of that order?

A-27 Yes.

Q-28 Will implementation of Trip Rates change a protected employee's test period average or test period hours?

A-28 No.

* * * * *

Q-29 If a separate working trip is made by the pool/run following an automatic release or after completion of the initial working trip and such separate working trip is treated as a Start for purposes of computation of that pool/run's Trip Rate, how will such separate working trips be treated after implementation of Trip Rates?

A-29 They will be treated as separate Starts.

* * * * *

Q-30 For the purposes of Article V, Part B, Section 9(h), what date will be treated as "the date specified in subsection (g)"?

A-30 The first day of the thirtieth (30^{th}) full calendar month following the date of this Agreement, except as provided below.

That date will be March 1, 2005 for any run/pool not covered by Trip Rates with another operating organization, unless as of that date:

(i) a carrier notice to implement Trip Rates for such run/pool with such other operating organization is pending, or

(ii) Trip Rates have not been implemented for such run/pool with another operating organization either by agreement of the parties or pursuant to Disputes Committee authorization.

Article VI - Service Scale

Q-1 If an agreement is not reached on an individual railroad as contemplated by Section 3, how will employees establishing seniority on or after July 1, 2004 be compensated?

A-1 In accordance with the rules that adjust employee compensation based on length of service in effect on such railroad on June 30, 2004

* * * * *

Q-2 Are entry rates and rate progression provisions of existing agreements eliminated on July 1, 2004?

A-2 Yes, but only for employees subject to such provisions on June 30, 2004 represented by BLE and only when working as a locomotive engineer on and after July 1, 2004.

* * * * *

Q-3 A local rule currently provides that an employee who is subject to rate rate progression will be paid, when working as a locomotive engineer, at the full rate of pay. Is that local rule affected by Article VI VVI?

A-3 No.

* * * * *

Q-4 How will the new Service Scale contemplated by Section 3 be established?

A-4 By the Carrier, subject to review by the organization representative(s).

Q-5 Will the Service Scale to be established by the Carrier be identical to that which is governed by existing rules, which are in effect on such Carrier on June 30, 2004?

A-5 Yes.

* * * * *

Q-6 Does this Article apply to firemen in training programs to become locomotive engineers?

A-6 No.

Article VII - Enhanced Manpower Utilization

Q-1 What is meant by the phrase "authorized or approved time off"?

A-1 This phrase is intended to mean the time such as, but not limited to, when an employee is off account of personal illness, Family and Medical Leave Act, personal leave days, vacations, or any other approved time off.

* * * * *

Q-2 Is the Carrier required to provide the organization representative(s) anything more than a synopsis of their proposed rule?

A-2 Yes. A detailed proposal must be provided to the organization representative(s) prior to any submission of the matter to final and binding arbitration.

* * * * *

Q-3 Will this Article have any affect on existing work/rest agreements currently in effect?

A-3 No.

Article VIII - National Wage & Rules Panel

Q-1 Are the items to be considered by the Panel limited to those set forth in this rule?

A-1 No. The parties are free to discuss and resolve any matters of mutual concern consistent with the intent of this forum.

Article IX - Off-Track Vehicle Accident Benefits

Q-1 What effect do the improvements to the Off-Track Vehicle Accident benefits have upon employees entitled to receive them?

A-1 The Off-Track Vehicle Accident benefit improvements merely increase existing benefit levels.

* * * * *

Q-2 What changes were made to the application of "Off Track Vehicle Coverage"?

A-2 The benefits were increased and there are no changes to the application.

Article X - General Provisions

Q-1 In several Articles of this Agreement reference is made to the date October 31, 1985 when discussing “pre-85” and “post-85” employees. The parties recognize that other specific dates may exist in agreements which define issues relative to “pre-85" and “post-85" employees.

Accordingly, do the parties agree that the reference to “pre-85” and “post-85” employees in this Agreement is intended to include all employees such as those referenced above?

A-1 The parties agree that this must be answered on a case-by-case basis in light of the parties’ mutual intentions and an evaluation of the relevant facts and circumstances.

1996 SYSTEM AGREEMENT

ATTACHMENT (a) – DISCIPLINE RULE

ATTACHMENT (b) - CLAIM HANDLING PROCESS

ATTACHMENT (c) - INSTRUCTOR ENGINEERS

ATTACHMENT (d) – PEER TRAINING

ATTACHMENT (e) – WEIGHT ON DRIVERS

ATTACHMENT (f) – EXTRA (UNDISTURBED) REST

ATTACHMENT (g) – WITHOUT FIREMAN PAYMENT

ATTACHMENT (h) – COMPENSATION DELIVERY

Attachment (a)

SYSTEM AGREEMENT DISCIPLINE RULE

1. All existing agreements pertaining to the handing of discipline are eliminated and replaced by this agreement.

GENERAL

2. Locomotive engineers will not be disciplined without first being given a fair and impartial investigation except as provided below. They may, however, be held out of service pending investigation, but it is not intended that an engineer be held out of service for minor offenses.

NOTICE

3. Within 10 days of the time the appropriate company officer knew or should have known of an alleged offense, the engineer will be given written notice of the specific charges against him or her. The notice will state the time and place of the investigation and will be furnished sufficiently in advance to allow the engineer the opportunity to arrange for representation by a BLE representative(s) (the BLE Local Chairman or other elected BLE Officers) and witnesses. The notice will propose discipline to be assessed if investigation is waived and designate a carrier officer who may be contacted for the purpose of arranging for an informal conference on the matter. A copy of the notice will be furnished to the BLE Local Chairman.

WAIVER

4. Prior to the investigation, the engineer (and the BLE representative if desired by the engineer) may contact the designated carrier officer and arrange for an informal conference to discuss the alleged offense and proposed discipline. Such informal conference may be either in person or by telephone.

(a) If such informal conference results in the proposed discipline being dropped, no further action will be taken.

(b) If such informal conference results in proposed discipline being accepted by the engineer and the investigation being waived, the engineer's record will be updated accordingly.

(c) If such informal conference does not result in either (a) or (b) above or no informal conference takes place, the discipline imposed as a result of a hearing may not exceed that proposed in the notice of charges.

INVESTIGATION

5. Unless postponed for good cause, the investigation will be held no later than 10 days after the date of the notice.

6. When practicable, the investigation will be held at the engineer home terminal. When that is not practicable, the investigation will be held at a location which will minimize the travel, inconvenience and loss of time for all employees involved. When an engineer is required to travel to an investigation at other than his or her home terminal, the engineer will be reimbursed for actual, reasonable and necessary

expenses incurred.

7. Where request is made sufficiently in advance and it is practicable, the engineer and/or the BLE representative will be allowed to examine material or exhibits to be presented in evidence prior to the investigation. At the investigation, the engineer and/or the BLE representative will be afforded the opportunity to examine or cross examine all witnesses. Such examination will extend to all matters under investigation.

8. The investigation will be recorded and transcribed. Copies of transcript will be furnished to the engineer and the BLE Local Chairman no later than the date discipline is issued. If the accuracy of the transcript is questioned and the investigation was electronically recorded, the tapes shall be examined and, if necessary, the transcript will be corrected.

DECISION

9. A written decision will be issued no later than 10 days after completion of the hearing. The notice will be sent by US Mail to the last known address of the engineer and to the BLE Local Chairman.

10. If the Superintendent fails to issue a decision within such 10 day time limit or if the engineer is found not at fault, the engineer will be paid for any time lost and the engineer record will be cleared of the discipline at issue.

APPEALS

11 If the engineer is not satisfied with the decision, the BLE General Chairman may appeal to the designated Labor Relations officer within 60 days from the date of the Superintendent's decision.

12. The Labor Relations officer will respond to the appeal within 60 days from the date of the BLE General Chairman's appeal. If the Labor Relations officer fails to respond within 60 days the engineer will be paid for any time lost and the engineer record will be cleared of the discipline at issue.

13. If the engineer is dissatisfied with the decision of Labor Relations, proceedings for final disposition of the case under the Railway Labor Act must be instituted by the engineer or his or her duly authorized representative within one year of the date of that decision or the case will be considered closed and the discipline will stand as issued, unless the time limit is extended by mutual agreement.

MISCELLANEOUS

14. If a dispute arises concerning the timeliness of a notice or decision the postmark on the envelope containing such document shall be deemed to be the date of such notice or decision.

15. Engineers attending an investigation as witnesses at the direction of the carrier will be compensated for all time lost and, in addition will be reimbursed for actual, reasonable and necessary expenses incurred. When no time is lost witnesses will be paid for actual time attending the investigation with a minimum of two hours, to be paid at the rate of the last service performed.

16. The engineer being investigated or the BLE representative may request the Carrier to direct a witness to attend an investigation, provided sufficient advance notice is given as well as a description of the testimony the witness would be expected to provide. If the Carrier declines to call the witness and the

witness attends at the request of the engineer or BLE and provides relevant testimony which would not otherwise have been in the record the carrier will compensate the witness as if it had directed the witness to attend.

17. If, by operation of this agreement or as the result of an arbitration decision the Carrier is required to pay an engineer who has been disciplined for time lost", the amount due shall be based on the average daily earnings of the engineer for the 12 month period (beginning with the first full month) prior to removal from service. The sum of the claimant’s earnings during such period shall be divided by 365 to arrive at the average daily earnings to be applied in determining the amount of lost wages based on the number of days of discipline.

NOTE, Section 1: This agreement is not intended to modify or replace By or Companion" Agreements. This agreement is not intended to modify or replace Carrier policies pertaining to discipline; except that to the extent this agreement may conflict with a Carrier policy, this agreement shall govern.

NOTE, Section 17: The twelve (12) month period utilized in determining the employees average daily earnings will not include any month(s) in which the employee experienced unusually low earnings due to circumstances beyond his/her control, such as personal injury documented major illness, of the employee or a family member, etc. It is not the intent of this NOTE, however, to exclude those months in which the employee lays off on his/her own accord. It is intended the twelve (12) month period utilized will reflect the engineer's normal work habits and history.

Example: An engineer was dismissed in October for an alleged rules violation. Pursuant to an arbitration award, the engineer is reinstated and awarded time lost (back pay). Six months prior to his/her dismissal, said engineer was off (medical leave) for two (2) months (March and April) due to a documented major illness, such as a heart attack.

Calculation of the employee's average daily earnings for the preceding twelve (12) months will commence with September and will incorporate the prior fourteen (14) months; including September (March and April are excluded due to the employee having no earnings in those months due to the medical condition).

Attachment (b)

SYSTEM AGREEMENT - CLAIM HANDLING PROCESS

In an effort to provide a method for a condensed and more expedited process of handling time claims, it is agreed that all time claims after ratification of this Agreement shall be handled as follows:

I All time claims 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 of the date of the occurrence on which the claim is based.

2. Should any time claim be disallowed, the Carrier, within sixty (60) days from the date same was filed, must notify the employee or his representative in writing of the reason(s) for such disallowance.

3. If a disallowed claim is to be appealed on behalf of the employee, such appeal must be in writing within sixty (60) days from receipt of the notice of disallowance.

4 Within sixty (60) days of the date of the appeal, the highest Labor Relations Officer authorized to handle such claim must notify the employee's representative in writing of his/her decision to rej ect this appeal.

5. Within one-hundred (180) days of the date of the rejection of the appeal, the BLE. s highest designated officer to handle such claims must list this claim, in writing, for conference with Labor Relations.

6 Within sixty (60) days of the Time Claim Conference, Labor Relations must send a final rejection letter of such claim to the B.L.E. highest designated officer to handle such claim.

7 Within one-hundred (180) days of the date of the final rejection letter after Conference, the highest B.LE. officer designated to handle such time claims must list the claim before a tribunal having jurisdiction pursuant to the law or agreement.

8. If either party fails to comply with a time limit contained in this agreement, the claim shall be allowed (if the carrier's failure) or withdrawn (if the organization's failure). Claims so disposed of shall not be considered as a precedent or a waiver of the contentions of either party as to other similar claims.

9 All rights of the Claimant involved in continuing alleged violations of the Agreement shall, under this rule, be fully protected by continuing to file a claim for each occurrence (or tour of duty).

10. This rule recognizes the right of the representatives of the Organization pa hereto to file and prosecute claims for and on behalf of the employees they represent.

Note 1: It is understood the time limits set forth in this Rule may be extended by mutual agreement of the parties.

Note 2: The use of the term "in writing" in this Rule includes the use of electronic or computer delivery or transmission methods.

Note 3: The parties agree all claims submitted prior to the effective date of this Rule will continue to be handled in accordance with applicable rules or procedures previously in effect. All claims submitted on or after the effective date of this Rule will be handled in accordance with this Rule.

Q-1: What does the term "list the claim" in Section 7 mean?

A-1: In "list the claim", the Organization must either docket the claim to a Public Law Board in accordance with applicable National Mediation Board rules and procedures or file an ex parte notice of intent with the First Division, NRAB.

Q-2: Does this rule apply to claims under Labor Protective conditions?

A-2: Yes, unless the labor protective conditions provide for different time limits or procedures.

Attachment (c)

SYSTEM AGREEMENT INSTRUCTOR ENGINEERS

The Carrier may utilize locomotive engineers to provide on training to student engineers. Such training will be delivered by locomotive engineers designated as instructor Engineers" during their working trips, subject to the following:

Instructor Selection/Retention

1. The Carrier will determine the number of Instructor Engineers needed in a particular territory.

2. The availability of that number of Instructor Engineer designations will be advertised.

3. The appropriate Carrier officer and the BLE Local Chairman will review the applications and select the successful applicants. In order to ensure that the most qualified applicants are selected, consideration should be given to the following factors:

    - Skill as a locomotive engineer.
    - Communication skills.
    - Safety/discipline record.
    - Experience as a locomotive engineer.
    - Seniority.

    As the purpose is to select the most qualified applicants, the parties must display the utmost objectivity and fairness in making their selections.

    In the unlikely event that the Carrier Officer and Local Chairman are unable to agree on selection, the selection will be made by the Carrier officer.

4. The Carrier will develop and utilize a feedback mechanism which will allow student engineers to evaluate Instructor Engineers. The appropriate Carrier Officer and BLE Local Chairman will periodically review the evaluations for the purpose of identifying performance deficiencies.

5. Where appropriate, the Carrier officer should consult with the Instructor Engineer and the BLE Local Chairman in an attempt to correct any performance deficiencies prior to removal The Carrier may remove a particular locomotive engineer from the list of designated Instructor Engineers.

6. Instructor Engineers may voluntarily relinquish their designation as such.

Training conditions

1. Instructor Engineers will be responsible for the proper supervision of student engineers during their on4he training.

2. Instructor Engineers will permit student engineers to operate the locomotive and perform other functions of an engineer.

    (a). The Instructor Engineer will not be held responsible for broken knuckles, damaged

drawbars or rough handling or missed platforms when the locomotive s operated by the student engineer.

(b). Instructor Engineers will not be held responsible for rule violation(s) committed by the student engineer so long as the Instructor took every reasonable precaution to prevent the rule violation(s) and alleged negligence on the part of the Instructor Engineer neither caused nor directly contributed to the rule violation(s),

4. The Instructor Engineer will complete any required report regarding the performance of the student engineer.

Compensation

1. Instructor Engineers will receive one of the following allowances, in addition to all other earnings, for each tour of duty with a student engineer or with an engineer taking a recertification trip required by the ERA to maintain his or her locomotive engineer license:

   Yard Service: $14.00

   Road Service (including local and road switcher): $28.00

   Note: The foregoing allowances are "frozen" (i.e. not subject to future wage increases).

2. The presence of a student engineer will not affect the Instructor Engineer's rate of pay when operating without a fireman.

Qualifications

1. The Carrier may establish special qualifications for Instructor Engineers such as additional training courses designed to enhance their abilities as locomotive engineer and/or instructor.

2. Locomotive engineers will be given a reasonable time following selection as an instructor Engineer to complete any such special qualifications.

Q -1: If the need arises for a student engineer or an engineer recertifying to ride and an instructor is not available may another engineer be used?

A-1: Yes.

Q-2: What will the non-instructor engineer be paid?

A-2: The same as an instructor engineer under the compensation provision of this agreement.

Side Letter #1

INSTRUCTOR ENGINEERS

The parties recognize that it is the intent of this agreement to provide sufficient engineer instructors to meet the needs of the service. This benefits currently working engineers because it assists in providing additional manpower to meet the needs of new business and the normal attrition of current engineers. The interruption of training due to an insufficient number of trainer applicants or the voluntary relinquishment of trainer positions could adversely affect the training of student engineers and result in current engineers working additional assignments.

Therefore, if a sufficient number of applicants are not received in a given area or voluntary relinquishment of trainer assignments causes an insufficient number of trainers to meet the needs of the service, then the Carrier may revert to the former method of assigning students to engineers in that area and the pay provisions that existed previously shall also apply.

Revised 12/06/95

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Attachment (d)

SYSTEM AGREEMENT PEER TRAINING

The parties recognize that several factors including ERA licensing, new technology, rules exams, fuel conservation, etc have created a need for more expanded training programs. Due to the ebb and flow of training opportunities and the benefits that arise from the use of peer training, the parties agree that the Carrier may supplement its training program with peer trainers as follows:

The Carrier may develop a pool of peer trainers in two classifications called (1) classroom peer trainers and (2) field peer trainers. An employee may be qualified as both a classroom and field peer trainer.

2. The Carrier may post notices for a seven (7) day period advertising a specific number of classroom and/or field peer trainer positions. It is anticipated that the positions will be established at major home terminals but the parties recognize that trainers may be sent to smaller terminals to assist in training. Trainers may also travel to other major home terminals to train new trainers. The positions will be for a one period and then rebulletined,

> NOTE 1: Peer trainers who are working as such at the end of the one year period will finish their assignment but will not begin a new peer training assignment unless selected for a new one period.
>
> NOTE 2: At terminals where more than one seniority district works, i.e. Salt Lake City, it is not necessary to have trainers from each seniority district. A trainer may train engineers from multiple seniority districts.
>
> NOTE 3: Engineers holding seniority at a given location will be used as trainers unless business levels are such that it would create a shortage or continue a shortage of engineers at that location. In these instances, trainers from an area of surplus may be used. In Notes 2 and 3, field rides will only be given after a peer trainer is familiar with the territory.

3. (a) The Local Chairmen will collect the applications and review them with the designated Carrier Officer, If the list of applicants is equal to or greater than twice the number of positions posted, the two parties will then eliminate one name each on an alternating basis (Local Chairmen first) until the number remaining equal the number of trainer positions posted.

(b) if the number of applicants is less than twice the number, the Local Chairman and Carrier Officer may accept the list as is to make their selections or they may add to the list (Carrier Officer first) until twice the number of engineers are on the list. The parties will then finalize the list per (a) above.

(c) The engineers selected will be designated as Trainers subject to the terms and conditions of this agreement.

> NOTE 1: The non-selection of an engineer as a trainer does not reflect on the ability of an engineer to handle a train but recognizes that trainer skills are different skills.
>
> NOTE 2: Should the Local Chairmen not produce a list of applicants and/or proposed trainers, then the General Chairman will do so in a timely manner.

4. (a) Peer trainers may be used for any training needs for engineers or the public such as but not limited to:

(1) Rules exams.

(2) Check rides - pre-certification, familiarization and others.

(3) Red Block.

(4) Operation Life Saver.

(5) New equipment including distributive power.

(6) Simulator.

(7) Pilot service - terminal and road familiarization in connection with mergers, trackage rights, new ID runs, etc.

(b) Classroom peer trainers will be primarily used in classroom settings, including rules exams, Red Block, Operation Life Saver, etc.

(c) Field peer trainers will be primarily used in the field including check rides, hostler training, new equipment, simulators, pilot service, etc.

(d) Employees designated as both classroom and field peer trainers may be used in either capacity. The two classifications of trainers are meant as guidelines and it is recognized that work in each area will overlap and claims will not be filed because of any overlap.

5. The Carrier may require additional training for peer trainers designed to enhance their ability to peer training duties. When sent to another location for additional training or to train others, they will be reimbursed for actual travel expenses as arranged by the Carrier. Employees who receive permission to drive their own automobile will be reimbursed at the then current mileage rate. Employees must turn in expense account forms showing actual travel and meal expenses and receipts where required by Carrier policy.

6. When a training need arises, the Carrier will select a peer trainer(s) from the pool of trainers and assign the trainer(s) to the assignment. If the assignment is anticipated to be 30 days or less, the vacancy, caused by the trainer leaving their regular assignment, will be treated as a temporary vacancy under existing rules. If it is anticipated that the vacancy will be for 31 days or longer, then as a permanent vacancy under existing rules.

7. Peer trainers shall be paid as follows:

(a) Trainers who work in a classroom or simulator setting shall be paid $230 per day.

(b) Trainers who work in the field (on moving locomotive units) will be paid the greater of$230 per day or one hundred fifteen (115) percent of their prior years' earnings used to determine their 1/52 vacation pay. The percentage amount shall be divided by 365 and a daily rate shall be established.

(c) The rate ($230 or 115%) shall be paid for each day the trainer is withheld from their regular assignment due to their training assignment. The payment, either the percentage amount or the minimum amount shall be for all services rendered and no other payment, overtime or arbitrary of any kind shall be paid.

Example 1: The trainer, working in pool freight service, is notified to teach rules exams the following week beginning on Monday. If his/her pool turn normally would arrive back in town no later than Saturday at 11:59 p.m., he/she will work the turn and begin training Monday through Friday and be paid five days at $230 per day. If his/her pool turn leaves on Friday (the last day of training) and returns on Saturday, then he/she will receive another day's pay for Saturday. If the original pool turn does not leave until the Saturday before the training begins, the trainer will be paid two additional days at $230 for the Saturday/Sunday missed days of the regular turn.

Example 2: The rate using the percentage factor is $265 per day. A trainer is used to work with an engineer on distributed power between two terminals. The trainer is used on Monday to the far terminal and Tuesday back, the same days his regular assignment worked. The trainer is paid $265 per day.

(d) Any engineer working as a trainer who be treated as occupying the highest rated position available for purposes of computing any applicable protection.

(e) It is understood that all time spent serving in any program addressed by this Agreement is considered the same as marked up and available for guarantee purposes. Such time will also be considered as compensated service for the purpose of calculating vacation qualification and vacation earnings.

Attachment (e)

SYSTEM AGREEMENT WEIGHT ON DRIVERS

The minimum weight in through freight service will be 1,200,000 lbs. (representing three locomotive units). The actual weight of all locomotive units utilized will continue to be determined by the carrier and such weight will apply in instances where the total weight exceeds 1,200,000 lbs.

> NOTE: Distributed Power Units (DPU) will be included in the calculation of total weight on drivers under this Agreement.

2. The minimum weight as set forth in Section 1 above applies only for locomotive engineers operating in through freight service.

3. Effective on the effective date of this agreement, the parties agree to establish an Average Weight Committee, to develop and implement a new system that will eliminate the necessity of determining actual unit weights to determine the proper rate of pay. The Committee will be guided by the following concept:

> After a joint review involving timekeeping records, the parties will establish the average weight of locomotives utilized on the system in through freight service. Thereafter, in through freight service, this average weight will apply to each unit above three units in a locomotive consist.

Attachment (f)

SYSTEM AGREEMENT - EXTRA (UNDISTURBED) REST

1. Engineers may take extra (undisturbed) rest under the following circumstances:

(a) When an engineer's tour of duty (non has been for eight (8) or more hours; or

(b) When an engineer's tours of duty (including deadheads) in the previous five (5) consecutive calendar days have resulted in no rest (off period of twelve (12) or more continuous hours.

2. Engineers taking extra (undisturbed) rest pursuant to (a) and (b) above may do so under the following conditions:

(a) If on duty for more than eight (8) hours, but less than twelve (12) hours, an engineer may take eight (8) or ten (10) hours undisturbed rest.

(b) If on duty twelve (12) hours, an engineer may take ten (10) or twelve (12) hours undisturbed rest.

(c) If there was not a twelve (12) or more hour rest period in the previous five (5) consecutive calendar days, an engineer may take eight (8), ten (10) or twelve (12) hours undisturbed rest.

(d) An engineer taking extra (undisturbed) rest must so advise CMS at time of tie (e) Engineers may not take extra (undisturbed) rest on the day before or the day of a holiday recognized under applicable Agreement provisions.

(f) Engineers taking extra (undisturbed) rest shall not be contacted during such period.

3. Engineers will not be considered as unavailable for guarantee purposes for the first extra rest taken in each pay period, Engineers taking extra (undisturbed) rest will be considered unavailable for the second and successive extra (undisturbed) rest occurrences in each pay period if they would have been called had they not taken the extra (undisturbed) rest. In each such instance(s) the guarantee reduction for an extra board engineer will be one (1) guarantee day, and for a guaranteed pool engineer, one (1) round trip.

NOTE: The purpose of this Rule is to provide engineers with the opportunity to obtain, when needed, rest so as to ensure they can safety perform their duties. This rule is not intended to be a mechanism to allow engineers to only work certain shifts, avoid calls, or layoff. It is likewise not intended undisturbed rest be taken after every trip. The parties recognize the merit of this rule and will jointly work to eliminate any abuse of this rule.

Q-1: Will a regular assigned engineer on a yard relief assignment be allowed to take extra (undisturbed) rest when such extra rest would result in the engineer not working his/her next assignment?

A-1: No. It is not the intent of this rule to use extra (undisturbed) rest to avoid a regular assignment.

Q-2: May an engineer take extra (undisturbed) rest under 1 (b) if his/her last trip in the five (5) day period was a deadhead?

A-2: Yes. The intent of the rule is to provide an opportunity for extra rest when both work and deadhead have resulted in no rest period(s) of twelve (12) or more hours in the previous five (5) calendar days.

Q-3. Is an engineer removed from the extra board or pool when he/she takes extra rest at the home terminal?

A-3. No. An engineer will hold his/her turn on the board or in the pool. If the pool engineer turn goes out while the engineer is on extra rest they will wait for their turn to return to the home terminal. If extra board engineer will continue to move up the board and if not rested when first out will remain first out.

Q-4. What happens if an engineer takes undisturbed rest at the away-from-home terminal?

A- 4. if the engineer is first-out and not rested for a call, the engineer will remain first-out until rested.

Q-5. Must the Carrier hold a train for an employee requesting extra rest?

A-5. No.

Attachment (g)

SYSTEM AGREEMENT WITHOUT FIREMAN PAYMENT

Pay rules providing for additional pay when working without a fireman and that pay's relationship to working with a reduced train crew are amended as follows:

1. Union Pacific Eastern District and Western Region (South Central, Western Pacific, Idaho and Oregon shall have the $6.00 payment rolled into the basic rate.

2. Union Pacific Upper Lines, Chicago and Eastern Illinois and Southern Region shall have the $4.00 payment increased to $6.00 and rolled into the basic rate.

3. The respective six (6) cents and four (4) cents per over mile payment shall continue as previously handled.

4. The $6.00 and $4.00 payments and/or reduced crew equalization payments are eliminated.

NOTE 1: The Union Pacific - CNW area will have no adjustment made as the payments were previously rolled in.

NOTE 2: This does not affect the payment of$15 and 15 cents per overmile or the payment of $2.75 and 45 minutes.

Attachment (h)

SYSTEM AGREEMENT - COMPENSATION DELIVERY

On and after January 1 1997, employees covered by this agreement will receive pay by one of the following means:

a. paycheck delivered by US. Mail; or,

b. pay transferred electronically to the employees financial account (hereinafter direct deposit

Unless an employee requests direct deposit, the employee paycheck will be delivered by US. Mail.

2. In recognition of the importance of this change to employees covered by this agreement, the parties agree to the following implementation procedure:

a. On or before September 1, 1996, all employees will be mailed an explanation of the new process for delivery of pay. The mailing will also contain an explanation of how to request the direct deposit option.

b. Every effort will be made to ensure that Carrier records reflect correct mailing addresses for employees.

c. Every effort will be made to quickly resolve any errors in delivery of pay, whether by US. Mail or direct deposit.

Pay0l09Jjm

Agreed to Questions and Answers to

UP/BLE Local Agreements June 1, 1996

Attachment (a) DISCIPLINE RULE

Q. Under Section II., if the General Chairman does not appeal a case to Labor Relations within 60 days, has that case expired under the time limits?

A. Yes, unless the parties have agreed to an extension of the time limit.

Q. May either party request that a discipline case be discussed in conference between the General Chairman and the Labor Relations Officer?

A. Yes. If such a conference is requested, it will be held during the one-year period set forth in Section 13 of the Agreement but will not extend such one-year period.

Attachment (b) CLAIM HANDLING PROCESS

Q. Under Section 2., are local arrangements which provide for, starting the time limits from the end of the half in which the claim is filed still in effect?

A. Yes, agreements in effect which designate when the 60 days begin are not changed by this section.

Q. Is it consistent with the provisions of Section 2 for Timekeeping to provide an employee with a written denial for a claim that was filed on his/her behalf (for example, by a Local Chairman)?

A. Yes, Section 2., provides the Carrier will notify in writing either "the employee or his representative" of the reason(s) for disallowance of the claim.

Q. Is the intent under Section 5 to conference claims within 180 days of the Carrier rejection of appeal?

A. Yes, with the understanding that under Note l: time limits may be extended by mutual agreement, with the commitment the parties will cooperate to comply with this provision and keep claims current but to do so in the most cost effective manner possible.

Ill. Attachment (c) INSTRUCTOR ENGINEERS

Q. Do previously existing agreements that provided for instructor engineer pay remain in effect?

A. No.

Q. Under C Section 1., will instructor engineer allowances be used as an offset against extra board or pool freight guarantee payments?

A. Instructor engineer allowances will not be used as an offset against any extra board or pool freight guarantee payments.

IV. Attachment (d) PEER TRAINERS

Q. Under Section 4., can a peer trainer be used to conduct or assist in conducting efficiency tests?

A. No.

Q. Will peer trainers be required to testify in disciplinary hearings regarding training given to a locomotive engineer who is charged with a rule violation?

A, If a peer trainer is present or directly involved in a situation resulting in a disciplinary hearing, the trainer may be required to testify, but will be required to testify regarding training given to another engineer if not involved in or present when the alleged rule violation occurred.

Q. What process should be used when there is a need to reduce the number of full time peer trainers?

A. First, the group working as peer trainers should be canvassed for volunteers who wish to return to the ranks of locomotive engineer. If there are insufficient volunteers, further reduction should be made in reverse seniority order.

V. Attachment (f) EXTRA (UNDISTURBED) REST

Q. Under Section 2., must engineers meet the requirements of both l(a) and l(b) to be eligible to take extra rest?

A. No, engineers may request extra rest if they meet the requirements of either 1 (a) or l(b).

The above listed questions and answers are agreed to between the parties and immediately become effective.

1996 NATIONAL AGREEMENT

ARTICLE 1 - WAGES / Q AND A's
ARTICLE II - COST-OF LIVING PAYMENTS
ARTICLE III - DENTAL BENEFITS
ARTICLE IV - VISION CARE
ARTICLE V - BENEFITS ELIGIBILITY / Q AND A's – Sec. 1 / Q AND A's – Sec. 2
ARTICLE VI - PERSONAL LEAVE / Q AND A's
ARTICLE VII – ENHANCED EMPLOYMENT OPPORTUNITIES / Q AND A's
ARTICLE VIII – RATE PROGRESSION ADJUSTMENT FOR PROMOTION / Q AND A's
ARTICLE IX - ENHANCED CUSTOMER SERVICE / Q AND A's
ARTICLE X – DISPLACEMENT / Q AND A's
ARTICLE XI - NATIONAL WAGE AND RULES PANEL / Q AND A's
ARTICLE XII – GENERAL PROVISIONS

1996 SIDE LETTERS:

#1 – RETROACTIVE PAY – 60 DAYS
#2 – RETROACTIVE PAY APPLICABLE ONLY TO EMPOLYEE'S WITH A DATE OF DEC. 1, 1995
#3 – ARTICLE 1 – WAGES: APPLICABLE TO OVERMILES
#4 – LUMP SUM PAYMENTS
#5 – ARTICLE V – BENEFITS ELIGIBILITY
#6 – ARTICLE V – BENEFITS ELIGIBILITY TO LOCAL OFFICERS
#7 – RELATIONSHIP BETWEEN TIME WORKED AND BENEFITS
#8 – ARTICLE VIII- RATE PROGRESSION ADJUSTMENT FOR PROMOTION
#9 – ARTICLE IX - ENHANCED CUSTOMER SERVICE
#10 – FLOWBACK ARRANGEMENTS
#11 – ENGINEER CERIFICATION PAY – AGREED TO QUESTION SUBMITTED TO ARBITRATION
#12 – MUTUAL UNDERSTANDING

1996 SYSTEM AGREEMENT

ATTACHMENT (a) – DISCIPLINE RULE
ATTACHMENT (b) - CLAIM HANDLING PROCESS
ATTACHMENT (c) - INSTRUCTOR ENGINEERS
ATTACHMENT (d) – PEER TRAINING
ATTACHMENT (e) – WEIGHT ON DRIVERS
ATTACHMENT (f) – EXTRA (UNDISTURBED) REST
ATTACHMENT (g) – WITHOUT FIREMAN PAYMENT
ATTACHMENT (h) – COMPENSATION DELIVERY

1996 - AGREEMENT

IT IS HEREBY AGREED this day of 1996:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

(a) Effective upon ratification of this Agreement by the organization signatory hereto or on December 1, 1995, whichever is earlier, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on the preceding day shall be increased by three-and-one-half (3-1/2) percent.

(b) In computing the increase under paragraph (a) above, three-and--one-half (3-1/2) 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 2 - Signing Bonus

Upon ratification of this Agreement, each employee will be paid a signing bonus of one (1) percent of the employee's compensation for 1994, including pay for miles run in excess of the number of miles comprising a basic day ("overmiles") but excluding pay elements not subject to general wage increases under Section 8 of this Article and lump sums.

Section 3 - First Lump Sum Payment

On July 1, 1996, each employee will be paid a lump sum equal to the excess of (i) three (3) percent of the employee's compensation for 1995, including pay for overmiles but excluding pay elements not subject to general wage increases under Section 8 of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause i) above and (y) two times one-quarter of the amount, if any, by which the carriers' payment rate for 1996 for foreign-to-occupation health benefits under The Railroad Employees National Health and Welfare Plan (Plan) exceeds such payment rate for 1995.

Section 4 - Second General Wage Increase

Effective July 1, 1997, all standard basic daily rates of pay in effect on June 30, 1997 for employees represented by the Brotherhood of Locomotive Engineers shall be increased by three and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 5 - Second Lump Sum Payment

On July 1, 1998, each employee will be paid a lump sum equal to the excess of (i) three-and-one-half (3-1/2) percent of the employee's compensation for 1997, including pay for over miles but excluding pay elements not subject to general wage increases under Section 8 of this Article and lump sums, over (ii) the

lesser of (x) one-half of the amount described in clause W above and (y) one-and-one-half times one-quarter of the amount, if any, by which the carriers' payment rate for 1998 for foreign-to-occupation health benefits under the Plan exceeds such payment rate for 1995.

Section 6 - Third General Wage Increase

Effective July 1, 1999, all standard basic daily rates of pay in effect on June 30, 1999 for employees represented by the Brotherhood of Locomotive Engineers shall. be increased by three and-one-half (3-1/2) percent, computed and applied in the same manner prescribed in Section 1 above.

Section 7 - 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 8 - Application of Wage Increases

(a) The adjustments provided for in this Article (i) will apply to mileage rates of pay for over miles, 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 mariner 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 1 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 $.4011 effective July 1, 1966, the three-and-one-half (3-1/2) 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 1, 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, 1997 and July 1, 1999. The rates produced by application of the standard local freight differentials and the above-referred to special increase of "an additional $.4011 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 1, 4, and 6 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 1, 4, and 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (i)(i) above.

Section 9 - Definition of Carriers' Payment Rate

The carrier's payment rate for any year for foreign-to occupation health benefits under the Plan shall mean twelve times the payment made by the carriers to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these purposes shall not 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 Agreed Upon Implementation of Public Law 102-29 (1991 National Implementing Document).

Section 10 - Eligibility for Receipt of Signing Bonus, Lump Sum Payments

The signing bonus and lump sum payments provided for in this Article shall be paid to each employee subject to this Agreement who has an employment relationship as of the date such payments are payable, or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payment. There shall be no duplication of lump sum payments by virtue of employment under another agreement nor will, such payments be used to offset, construct or increase guarantees in protective agreements or arrangements.

Section 11 - Calculation of Vacation Pay

The signing bonus and lump sum payments provided for in Sections 2, 3, and 5 of this Article will be included in the earnings of an employee in the determination of vacation allowances due in the year subsequent to their payment.

ARTICLE II - COST-OF-LIVING PAYMENTS

Part A -- Cost-of -Living Payments Under 1991 National Implementing Document

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the 1991 National Implementing Document shall be rolled in to basic rates of pay on November 30, 1995 and such Article II, Part B shall be eliminated at that time. Any amounts paid from January 1, 1996 under the aforementioned COLA provision (effective January 1, 1996) shall be deducted from amounts payable under Article I of this Agreement.

Part B Cost-of-Living Allowance Through January 1, 2000 and Effective Date of Adjustment

(a) A cost-of -living allowance, calculated and applied in accordance with the provisions of Part C of this Article except as otherwise provided in this Part, shall be payable and rolled in to basic rates of pay on December 31, 1999.

(b) The measurement periods shall be as follows:

Measurement-Periods		Effective Date
Base Month	Measurement Month	of Adjustment
March 1995	March 1996 plus	
March 1997	March 1998	Dec. 31, 1999

The number of points change in the CPI during each of these measurement periods shall be added together before making the calculation described in Part C, Section I(e) of this Article.

(c)(i) Floor. The minimum increase in the CPI that shall be taken into account shall be as follows:

Effective Date of Adjustment	Minimum CPI Increase Shall Be Taken Into Account
Dec. 31, 1999	4% of March 1995 CPI plus 4% of March 1997 CPI

(ii) Cap. The maximum be taken into account shall se in the CPI that shall be increased shall be as follows:

Effective Date of Adjustment	Maximum CPI Increase That Shall Be Taken Into Account
Dec. 31, 1999	6% of March 1995 CPI plus 6% of March 3.997 CPI

(d) The cost-of-living allowance payable to each employee and rolled in to basic rates of pay on December 31, 1999 shall be equal to the difference between (i) the cost-of-living allowance effective on that date pursuant to this Part, and (ii) the lesser of W the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1998 payment rate for foreign to-occupation health benefits under the Plan over such payment rate for 1995, by the average composite straight-time equivalent hours that

are subject to wage increases for the latest year for which statistics are available, and (y) one half of the cost-of living allowance effective on December 31, 1999 pursuant to this Part.

Part C - Cost-of-Living Allowance and Adjustment Thereto After January 1, 2000

Section I -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)II (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, 2000 based, subject to paragraph (d) , on the CPI for March 2000 as compared with the CPI for September 1999. 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 (d) (iii) , according to the formula set forth in paragraph (e) .

Measurement Periods		
Base Month	Measurement Month	Effective Date of Adjustment
September 1999	March 2000	July 1, 2000
March 2000	September 2000	January 1, 2001

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) While a cost-of -living allowance is in effect, such cost-of-living allowance shall apply to straight time, overtime, vacations, holidays and to special allowances in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money.

(c) The amount of the cost-of-living allowance, if any, that shall be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d) (i) Cap. In calculations under paragraph (e), 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, 2000	3% of September 1999 CPI
January 1, 2001	6% of September 1999 CPI, less the increase from September 1999 to March 2000

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 (e), 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 1999 to the measurement month of March 2000 exceeds 3% of the September 1999 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 3k mentioned in the preceding clause, to which shall be added any residual tenths of points which had been dropped under paragraph (e) below in calculation of the cost-of-living adjustment which shall have become effective July 1, 2000 during such measurement period.

(iv) Any increase in the CPI from the base month of September 1999 to the Measurement month of September 2000 in excess of 6k of the September 1999 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.

(e) Formula. The number of points change in the CPI during a measurement period, as limited by paragraph (d), shall be converted into cents on the basis of one cent equals 0.3 full points. (By 110.3 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 in effect on December 31, 2000 shall be adjusted (increased or decreased) effective January 1, 2001 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (d), 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 added to the amount of the cost-of-living allowance in effect on December 31, 2000 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 and then, only, to the extent that the allowance remains at zero or above. The same procedure shall be followed in applying subsequent adjustments.

(f) Continuance of the cost-of-living allowance and the adjustments thereto provided herein is dependent upon the availability of the official monthly ELS 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, 2000 shall be equal. to the difference between W the cost-of -living allowance effective on that date pursuant to Section 1 of this Part, and (ii) the lesser of (x) the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1999 payment rate for foreign-to-occupation health benefits under the Plan over such

payment rate for 1998, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, and (y) one-half of the cost-of-living allowance effective July 1, 2000.

(b) The increase in the cost-of-living allowance effective January 1, 2000 pursuant to Section 1 of this Part shall be payable to each employee commencing on that date.

(c) The increase in the cost-of-living allowance effective July 1, 2001 pursuant to Section 1 of this Part shall be payable to each employee commencing 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.

(e) The definition of the carriers' payment rate for foreign to-occupation health benefits under the Plan set forth in Section 9 of Article I shall apply with respect to any year covered by this Section.

(f) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Application of Cost-of -Living Allowances

The cost-of -living allowance provided for by Section I of this Part C will not become part of basic rates of pay. In application of such allowance, each one cent per hour of cost-of -living allowance that is payable 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 8 of Article I.

Section 4 - Continuation of Part C

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

ARTICLE III - DENTAL BENEFITS

Section 1 - Continuation of Plan

The benefits now provided under the Railroad Employees National Dental Plan (Dental Plan) , modified as provided in Section
2 below, will be continued subject to the pro-visions of the Railway Labor Act, as amended.

Section 2 - Eligibility

Existing eligibility requirements under, the Dental Plan are amended, effective January 1, 1996, to provide that in order for an employee and his eligible dependents to be covered for Covered Dental Expenses (as defined in the Dental Plan) during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month"), such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Dental Plan provisions pertaining

to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 3 - Benefit Changes

The following changes will be made effective as of January 1, 1999.

(a) The maximum benefit (exclusive of any benefits for orthodonture) which may be paid with respect to a covered employee or dependent in any calendar year beginning with calendar year 1999 will be increased from $1,000 to $1,500.

(b) The lifetime aggregate benefits payable for all orthodontic treatment rendered to a covered dependent, regardless of any interruption in service, will be increased from $750 to $1,000.

(c) The exclusion from coverage for implantology (including synthetic grafting) services will be deleted and dental implants and related services will be added to the list of Type C dental services for which the Plan pays benefits.

(d) Repair of existing dental implants will be added to the list of Type B dental services for which the Plan pays benefits.

(e) One application of sealants in any calendar year for dependent children under 14 years of age will be added to the list
of Type A dental services for which the Plan pays benefits.

(f) The Plan will pay 80%, rather than 75% of covered expenses for Type B dental services.

(g) The Plan will establish and maintain an 800 telephone number that employees and dependents may use to make inquiries regarding the Plan.

ARTICLE IV - VISION CARE

Section 1 - Establishment and Effective Date

The railroads will establish a Vision Care Plan to provide specified vision care benefits to employees and their dependents, to become effective January 1, 1999 and to continue thereafter subject to provisions of the Railway Labor Act, as amended, according to the following provisions:

(a) Eligibility and Coverage. Employees and their dependents will be eligible for coverage under the Plan beginning on the first day of the calendar month after the employee has completed a year of service for a participating railroad, but no earlier than the first day of January 1999. An eligible employee who renders compensated service on, or receives vacation pay for, an aggregate of at least seven (7) calendar days in a calendar month will be covered under the Plan, along with his eligible dependents, during the immediately succeeding calendar month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section.

(b) Managed Care. Managed vision care networks that meet standards developed by the National Carriers' Conference Committee concerning quality of care, access to providers and cost effectiveness shall be established wherever feasible. Employees who live in a geographical area where a managed vision care network has been established will be enrolled in the network along with their covered dependents. Employees enrolled in a managed vision care network will have a point-of-service option, allowing them

to choose an out-of-network provider to perform any vision care service covered by the Plan that they need. The benefits provided by the Plan when services are performed. by in-network providers will be greater than the benefits provided by the Plan when the services are performed by providers who are not in-network providers, including providers in geographic areas where a managed vision care network has not been established. These two sets of benefits will be as described in the table below.

Plan Benefit	In-Network	Other Than In-Network
One vision examination per 12-month period.	100% of reasonable and customary charges	100% of reasonable and customary charges up to a $35 maximum.
One set of frames of any kind per 24-month period	100% of reasonable and customary charges **1**	100% of reasonable and customary charges up to a $35 maximum.
One set of two lenses of any kind including contact lenses, per 24-month period	100% of reasonable and customary charges. **2**	100% of reasonable and customary charges up to the following maximums: up to $25 for single vision lenses up to $40 for bifocals up to $80 for lenticulars up to $120 for medically necessary contact lenses. Up to $105 for contact lenses that are not medically necessary.
Where the employee or dependent requires only one lens.	100% of reasonable and customary charges **2**	100% of reasonable and customary charges up to a maximum of one-half of the maximum benefit payable for a set of two lenses of the same kind.

1 Patients who select frames that exceed a wholesale allowance established under the program may be required to pay part of the cost of the frames selected.

2 Patients may be required to pay part of the cost of spectacle lenses or lens characteristics that are not necessary for the patient's visual welfare. Moreover, patients who choose contact lenses in lieu of spectacles may be required to pay part of a contact lens evaluation fee and part of the cost of fitting and materials.

Section 2 - Administration

The Vision Care Plan will be administered by the National Carriers' Conference Committee, which will bear the same responsibilities and perform the same functions as it does with respect to The Railroad Employees National Dental Plan, including the development of detailed plan language describing the Plan's eligibility, coverage, benefit and other provisions.

ARTICLE V - BENEFITS ELIGIBILITY

Section 1 - Health and Welfare Plan

The Railroad Employees National Health and Welfare Plan (“the Plan”) is amended, effective January 1, 1996, as provided in this Section. In order for an Eligible Employee (as defined by the

Plan) to continue to be covered by the Plan during any calendar month by virtue of rendering compensated service or receiving vacation pay in the immediately preceding calendar month (the "qualifying month") , such employee must have rendered compensated service on, or received vacation pay for, an aggregate of at least seven (7) calendar days during the applicable qualifying month. Any calendar day on which an employee assigned to an extra list is available for service but does not perform service shall be deemed a day of compensated service solely for purposes of this Section. Existing Plan provisions pertaining to eligibility for and termination of coverage not specifically amended by this Section shall continue in effect.

Section 2 - Vacation Benefits

Existing rules governing vacations are amended as follows effective January 1, 1997:

(a) The minimum number of basic days in miles or hours paid for, as provided in individual schedules, on which an employee must render service under schedule agreements held by the organization signatory hereto to qualify for an annual vacation for the succeeding calendar year shall be increased by fifty (50) percent from the minimum number applicable under vacation rules in effect on the date of this Agreement. The multiplying factors set forth in vacation rules in effect on the date of this Agreement shall be amended to provide that 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 vacation based on service rendered in the preceding calendar year.

> **NOTE**: It is the parties' intention that, in accordance with application of the multiplying factors set forth in existing vacation rules as amended above, commencing with calendar year 1997 this subsection would require the equivalent of 150 qualifying days in a calendar year in yard service and 180 qualifying days in a calendar year in road service to qualify for an annual vacation for the succeeding year.

(b) 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. Such calendar days shall not be subject to the multiplying factors set forth in existing vacation rules as amended.

(c) 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 multiplying factors set forth in existing vacation rules as amended.

(d) 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.

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

(f) 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,

(g) Existing rules and practices regarding vacations not specifically amended by this Section, including (but not limited to) scheduling of vacations, shall continue in effect without change.

Section 3

This Article is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

ARTICLE VI - PERSONAL LEAVE

Section 1

Employees in road freight service covered by this Agreement and not covered by the National Paid Holiday Rules shall be provided with personal leave days on the following basis:

Years of Service	Personal Leave Days
Less than five years	3 days
Five years and less than 10 years	5 days
Ten years and less than 15 years	7 days
Fifteen years and less than 20 years	9 days
Twenty years or more	11 days

Section 2

No employee covered by this Agreement shall receive in the aggregate more than eleven (11) personal leave days and paid holidays in any calendar year.

Section 3

(a) Personal leave days provided in Section 1 shall be scheduled with the approval of the proper carrier officer upon forty-eight (48) hours, advance notice from the employee.

(b) The employee will he paid one basic day at the rate of the last service performed for each personal leave day.

(c) Any personal leave days provided for herein that are requested but denied by the carrier and not subsequently rescheduled during the calendar year or the first quarter of the following calendar year shall be paid at the rate specified herein. Personal leave days carried over into another year because requested time off was denied by the carrier shall not be bought out.

(d) To qualify for personal leave days in any given calendar year, the employee must have been credited with at least 150 days for work during the preceding calendar year.

Section 4

Nothing in this Article is intended to restrict any of the existing rights of a carrier.

Section 5

This Article shall become effective on January 1, 1997 except on such carriers where the organization representative may elect to preserve existing local rules or practices pertaining to personal leave days and so notifies the authorized carrier representative on or before such effective date.

ARTICLE V11 - ENHANCED-EMPLOYMENT OPPORTUNITIES

Section 1

In the event that a carrier sells or leases its interest in one or more rail lines to a non-carrier pursuant to a transaction authorized under 49 U.S.C. §10901 (or any successor provision) as to which labor protective conditions have not been imposed by any governmental authority, any employee represented by the organization signatory hereto who (i) as a result of that transaction is deprived of employment with the carrier because of the abolition of his position, and (ii) does not accept employment with the purchaser shall be entitled to the benefits set forth in Section 2.

Section 2

(a) An employee covered by Section 1 shall have the right, in seniority order, to b4d on vacant positions or claim open locomotive engineer positions at any location on the carrier at any time within ninety (90) days after being deprived of employment. Seniority issues associated with the exercise of that right shall be resolved by the carrier and the organization representative or, absent agreement and at the request of either party by written notice served on the appropriate representative of the other party, by final and binding arbitration as provided in subsection (b) Solely for the purpose of this Section, a single locomotive engineer seniority roster for the carrier shall be developed, in accordance with applicable rules and procedures, no later than June 30, 1996.

(b) The arbitrator shall be selected by the parties. If they fail to agree within five days from the date notice of the submission to arbitration is received from the moving party, either party may request a list of five potential arbitrators from the National Mediation Board, from which the parties shall choose the arbitrator through alternate striking. The order of such striking shall. be determined by coin flip unless otherwise agreed by the parties. The fees and expenses of the arbitrator shall be paid under Section 153 of the Railway Labor Act.

(C) An employee exercising rights under this Section who relocates his residence shall receive a relocation allowance of $5,000, provided, however, that an employee shall be required to elect between such allowance and any carrier relocation benefits that may be provided to such employee under other existing agreements or arrangements. Such allowance shall be paid in two equal installments: the first payable on the relocation date, and the second ninety (90) days thereafter. Such allowance (or any portion thereof) shall be payable as provided as long as the individual has an employment relationship with the carrier and is still at the new location at the time the payment is due.

> **NOTE**: Employees who presently have extended seniority and who are deprived of employment on their prior right territory(s) as a result of a transaction covered in Section 1, will be covered by the conditions of Section 2 (c) , provided that any exercise of seniority must be beyond their prior right territory (s) , with a minimum of fifty (50) miles distance.

Section 3

In the case of any transaction authorized under 49 U.S.C. §10901 (or any successor provision) , the arrangements provided for under this Article shall be deemed to fulfill all of the parties' bargaining

obligations that may exist under any applicable statute, agreement or other authority with respect to such transaction, and shall also be deemed to satisfy the standards for the protection of the interests of employees who may be affected by such transaction described in 49 U.S.C. §10901(e).

Section 4

This Article shall become effective ten (10) days after the date of this Agreement and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

ARTICLE VIII - RATE PROGRESSION ADJUSTMENT FOR PROMOTION

Section 1

(a) An employee who is subject to national rules concerning rate progression on the effective date of this Article shall have his position on the rate progression scale adjusted to the next higher level upon promotion to engineer. An employee covered by this Agreement who is subject to Article IV, Section 5 of the 1991 National Implementing Document (Rate Progression - New Hires) on the effective date of this Article shall have his position on the rate progression scale adjusted to the next higher level on such effective date.

(b) The next adjustment to an employee's position on the rate progression scale after the adjustment specified in subsection (a) of this Section shall be made when such employee completes one year of "active service" (as defined by the aforementioned Article IV, Section 5) 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.

Section 2

Local rate progression rules applicable on a carrier that is not covered by the aforementioned Article IV, Section 5 are hereby amended in the same manner as provided in Section 1.

Section 3

This Article shall become effective ten (10) days after the date of this Agreement and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

ARTICLE IX - ENHANCED CUSTOMER SERVICE

Article IX - Special Relief, Customer Service - Yard Crews of the 1991 National Implementing Document is amended to read as follows and furthermore shall be applicable to all carriers party to this Agreement:

Section I

(a) When an individual carrier has a customer request for particularized handling that would provide more efficient service, or can show a need for relaxation of certain specific work rules to attract or retain a customer, such service may be instituted on an experimental basis for a six-month period.

(b) Prior to implementing such service, the carrier will extend seven **(7)** days advance notice where practicable but in no event less than forty-eight (48) hours, advance notice to the General Chairman of the employees involved. Such notice will include an explanation of the need to provide the service, a description of the service, and a description of the work rules that may require relaxation for implementation. Relaxation of work rules that may be required under this Article shall be limited to: starting times, yard limits, calling rules, on/off duty points**,** seniority boundaries, and class of service restrictions.

(c) A Joint Committee, comprised of an equal number of carrier representatives and organization representatives, shall determine whether a need exists, as provided in paragraph (a) , to provide the service**.** If the Joint Committee has not made its determination by the end of the advance notice period referenced in paragraph (b) , it shall be deemed to be deadlocked, and the service will be allowed on an experimental basis for a six-month period. If, after the six-months has expired, the organization members of the Joint Committee continue to object, the matter shall be referred to arbitration.

(d) If the parties are unable to agree upon an arbitrator within seven days of the date of the request for arbitration, either party may request the National Mediation Board to provide a list of five potential arbitrators, from which the parties shall choose the arbitrator through alternate striking. The order of such striking shall be determined by coin flip unless otherwise agreed by the parties. The fees and expenses of the arbitrator shall be borne equally by the parties.

(e) The determination of the arbitrator shall be limited to whether the carrier has shown a bona fide need to provide the service requested or can provide the service without a special exception to existing work rules being made at a comparable cost to the carrier. If the arbitrator determines that this standard has not been met, the arbitrator shall have the discretion to award compensation for all wages and benefits lost by an employee as a result of the carrier's implementation of its proposal.

Section 2

This Article shall become effective ten (10) days after the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE X - DISPLACEMENT

Section 1

(a) Where agreements that provide for the exercise of displacement rights within a shorter time period are not in effect, existing rules are amended to provide that, an employee who has a displacement right on any position (including extra boards) within a terminal or within 30 miles of such employee's current reporting point, whichever is greater, must, from the time of proper notification under the applicable agreement or practice, exercise that displacement right within forty-eight (48) hours.

b) Failure of an employee to exercise displacement rights, as provided in (a) above, will result in said employee being assigned to the applicable extra board, seniority permitting. (The applicable extra board is the extra board protecting the assignment from which displaced.)

(c) In the event force assignment is not compatible with local agreements, prior to implementation, the parties will meet on property to determine an avenue of assignment.

Section 2

This Article shall become effective ten (10) days after the date of this Agreement and is not intended to restrict any of the existing rights of a carrier.

ARTICLE XI - NATIONAL WAGE AND RULES PANEL

Section 1

(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) partisan members representing the Brotherhood of Locomotive Engineers, three (3) partisan members representing the carriers, and , who shall be considered as Chairman ; The President of BLE and -Eh-e Chairman of the National Carriers Conference Committee (NCCC) shall be ex officio partisan members of the Panel. On any matter, the BLE, NCCC, and the Chairman shall each be deemed to have a single vote.

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

Section 2

The Panel is authorized to comprehensively examine the following subjects:

- System for compensation and related alternatives
- Quality of Work Life
- Inter-craft pay relationships
- Claim and Grievance Handling
- Flowback
- Eating en route for road service employees
- Use of Surplus Employees
- Employee Utilization
- Common Extra Boards
- Standardized Calling Rules
- Yard Starting Times

- Runarounds
- Road/Yard
- Entry Rates

Section 3

The Panel shall promptly establish its operating procedures, which shall be designed to review and evaluate the facts regarding the aforementioned subjects and to expedite and enhance the opportunity to reach joint voluntary solutions to matters in dispute between the parties with respect to those subjects. The Panel may, by unanimous vote of the members and with the consent of the respective Carriers and General Committee(s) involved, develop and implement pilot projects and similar initiatives that would permit the Panel to test and evaluate, on a limited basis, potential alternatives to existing arrangements that would resolve issues of concern to the parties.

Section 4

(a) If the parties have not reached agreement on issues pertaining to the matters covered by Section 2 by January 1, 1999f the Panel shall make recommendations for disposing of all unresolved issues not later than July 1, 1999. 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.

(b) It is agreed that antecedent proposals exchanged between the parties relating to those items subject to the Panel shall not be considered precedential or cited in further handling of any issue before any tribunal established to resolve disputes under the Railway Labor Act.

ARTICLE XII - 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 and other terms and conditions of employment during the period of the Agreement and is in settlement of the dispute growing out of the notices dated November 1, 1994 served by and on behalf of the carriers listed in Exhibit A upon the organization signatory hereto, and the notices dated on or about November 1, 1994 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, 1999 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, 1999 (not to become effective before January 1, 2000) 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, 1999 (not to become effective before January 1, 2000**)** any notice or proposal which might properly have been served on November 1, 1994, and any pending notices which propose such matters are hereby withdrawn.

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

May 31, 1996
#1

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. B. D. MacArthur
General Chairman, BLE
217 Fifth Avenue South
Suite 502
Clinton, IA 52732

Mr. D. E. Penning
General Chairman, BLE
12531 Missouri Bottom Rd.
Hazelwood, MO 63042

Mr. M. L. Royal, Jr.
General Chairman, BLE
413 West Texas
Sherman, TX 75090-3755

Mr. D. L. Stewart
General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This confirms our understanding with respect to the general wage increase provided for in Article I, Section 1, and the signing bonus provided for in Article I, Section 2, of the Agreement of this date.

The carriers will make all reasonable efforts to pay the retroactive portion of such general wage increase and the signing bonus 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 within that specified time period, 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

May 31, 1996
#2

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
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General Chairman, BLE
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Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This refers to the increase in wages provided for in Section 1 of Article I of the Agreement of this date.

It is understood that the retroactive portion of that wage increase 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 December 1, 1995.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#3

Mr. Ronald P. McLaughlin
President
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Standard Building
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General Chairman, BLE
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Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This confirms our understanding regarding Article I -Wages of the Agreement of this date.

Solely for the purpose of concluding this Agreement, the carriers have agreed to apply the general wage increases provided for therein to mileage rates of pay for miles run in excess of the number of miles comprising a basic day (overmiles) and to compute the lump sums provided for therein without excluding overmiles.

Our agreement to include language providing for such applications shall not be considered as precedent for how such issues should be addressed in the future and is without prejudice to our position that this component of the pay system is inappropriate.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#4

Mr. Ronald P. McLaughlin
President
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General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This refers to the Lump Sum Payments provided for in Article I of the Agreement of this date.

Sections 3 and 5 of Article I are structured so as to provide payments that are essentially based on the compensation earned by an employee during a specified calendar year. Section 10 provides that all of these payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable calendar year used to determine the amount of such payments. Thus, for example, under Section 3 of Article I, except for an employee who has retired or died, the Agreement requires that an employee have an employment relationship on July 1, 1996 in order to receive that lump sum payment.

The intervals between the close of the measurement periods and the actual payments established in the 1991 National Implementing Document were in large measure a convenience to the carriers in order that there be adequate time to make the necessary calculations.

In recognition of this, we again confirm the understanding that an individual having an employment relationship with a carrier on the last day of a particular calendar year used to

determine the amount of a payment under Section 3 and 5 of Article I will not be disqualified from receiving the payment provided for in the event his employment relationship is terminated following the last day of such calendar year but prior to the payment due date.

Yours very truly,
Robert F. Allen
[And others signatory]

May 31, 1996
#5

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
Standard Building
1370 Ontario Street
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General Chairman, BLE
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Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This confirms our understanding regarding Article V - benefits Eligibility of the Agreement of this date.

This will confirm our understanding that eligibility criteria in effect on December 31, 1995 governing coverage by The Railroad Employees National Health and Welfare Plan shall continue to apply to employees represented by the organization who hold positions as working General Chairmen, Local Chairmen, and State Legislative Board Chairmen ("local officials"). In other words, the changes in eligibility as set forth in Article V, Section 1 are not intended to revise eligibility conditions for local officials. It is further understood that by providing this exclusion it is not intended that the total number of such officials covered be expanded.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#6

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
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General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This confirms our understanding regarding Article V - benefits Eligibility of the Agreement of this date.

This will confirm our understanding that vacation qualification criteria in effect on the date of this Agreement shall continue to apply to employees represented by the organization who hold positions as working General Chairmen, Local Chairmen, and State Legislative Board Chairmen ("local officials"). In other words, the changes in qualification as set forth in Article V, Section 2 are not intended to revise vacation qualification conditions for such local officials. It is further understood that by providing this exclusion it is not intended that the total number of such officials covered be expanded.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#7

Mr. Ronald P. McLaughlin
President
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General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

During the negotiations which led to the Agreement of this date, the parties had numerous discussions about the relationship between time worked and benefits received. The carriers were concerned that certain employees were not making themselves sufficiently available for work, but due to the then current eligibility requirements such employees remained eligible for health and welfare benefits.

As a result of these discussions, the parties agreed to tighten one eligibility requirement from any compensated service in a month to seven calendar days compensated service in a month (the "seven-day rule"). However, it was not the intent of the parties to affect employees by this change where such employees have made themselves available for work and would have satisfied the seven-day rule but for an Act of God, an assignment of work which did not permit satisfaction of the seven-day rule, or because monthly mileage limitations, monthly earnings limitations and/or maximum monthly trip provisions prevented an employee from satisfying that rule.

Also, where employees return to work from furlough, suspension, dismissal, or disability (including pregnancy), or commence work as new hires, at a time during a month when there is not opportunity to render compensated service on at least seven calendar days during that month,

such employees will be deemed to have satisfied the seven-day rule, provided that they are available or actually work every available work opportunity.

However, in no case will an employee be deemed eligible for benefits under the new eligibility requirement if such employee would not have been eligible under the old requirements.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#8

Mr. Ronald P. McLaughlin
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413 West Texas
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Mr. D. L. Stewart
General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This confirms our understandings regarding Article VIII - Rate Progression Adjustment For Promotion of the Agreement of this date.

1. Such Article is not intended to supplant existing rules that treat employees more favorably with respect to rate progression, including while working as or upon promotion to engineer. That is, such rules are preserved and shall continue to apply in lieu of Article VIII.

2. Any promotion adjustment made pursuant to Article VIII shall be applied solely on a prospective basis.

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

Yours very truly,
Robert F. Allen
[And others signatory]

I agree:
R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#9

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. B. D. MacArthur
General Chairman, BLE
217 Fifth Avenue South
Suite 502
Clinton, IA 52732

Mr. D. E. Penning
General Chairman, BLE
12531 Missouri Bottom Rd.
Hazelwood, MO 63042

Mr. M. L. Royal, Jr.
General Chairman, BLE
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Mr. D. L. Stewart
General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This confirms our understanding regarding Article IX-Enhanced Customer Service of the Agreement of this date.

In recent years the rail freight sector of the transportation market place has taken steps toward a more competitive discipline which, if successful, could point the rail industry toward more growth. The parties to this Agreement are intent on nurturing these improvements. In this respect we mutually recognize that an important reason underlying the recent improvement has been enhanced focus on customer needs and improved service as the framework for working conditions. Increased employee productivity and more immediate responses to customer needs by railroad employees at all levels have been and will continue to be at the very heart of this effort.

In order to continue these recent improvements, the parties intend to respond to customers' needs with even greater efforts. In Article IX, we have developed a framework for achieving our mutual goal of retaining existing customers and attracting new business by providing more efficient and expedient service, including relaxation of work rules specified therein where and to the extent necessary for those purposes. We are also in accord that these undertakings should appropriately recognize the interests of affected employees in fair and equitable working conditions.

This will confirm our understanding that the NCCC Chairman and the BLE President shall

promptly confer on any carrier proposal under Article IX that the BLE President deems to be egregiously inconsistent with our mutual intent. Such proposal shall be held in abeyance pending conference and shall not be implemented until adjusted by agreement of the parties or, absent such agreement, resolved by expedited, party paid arbitration as set forth in the attachment hereto.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#10

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
Standard Building
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Cleveland, OH 44113-1702

Mr. B. D. MacArthur
General Chairman, BLE
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General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

This refers to our discussions concerning flowback arrangements between engine and train service positions in those situations where the BLE represents engineers. Each carrier shall meet with and obtain the concurrence of the BLE representative(s) having jurisdiction over the engineers' seniority roster or rosters involved in any flowback arrangements on such carrier before the flowback arrangements are implemented.

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

Yours very truly,
Robert F. Allen
[And others signatory]

I agree:
R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#11

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. B. D. MacArthur
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General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

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

1. The parties have agreed, notwithstanding any provision to the contrary, to submit the following question to arbitration pursuant to the major dispute arbitration provisions of the Railway Labor Act: In light of the agreement attached and all other relevant circumstances, should locomotive engineers receive any certification pay? If so, how much?

2. The parties have agreed on three impartial arbitrators to serve on the Arbitration Board. In the event one or more of those selected cannot serve, the parties shall agree on substitutes. The Arbitration Award may be rejected by individual General Committees if appropriate carrier official notified within 30 days of issuance of Award.
3. The Arbitration Board shall conduct hearings commencing as soon as possible. Such hearings shall be completed in two days including rebuttal. Post-hearing briefs shall be submitted within seven days after hearings conclude.

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

Yours very truly,

Robert F. Allen
[And others signatory]

I agree:

R. P. McLaughlin
[In addition: All addressed signatory]

May 31, 1996
#12

Mr. Ronald P. McLaughlin
President
Brotherhood of Locomotive Engineers
Standard Building
1370 Ontario Street
Cleveland, OH 44113-1702

Mr. B. D. MacArthur
General Chairman, BLE
217 Fifth Avenue South
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General Chairman, BLE
413 West Texas
Sherman, TX 75090-3755

Mr. D. L. Stewart
General Chairman, BLE
44 N. Main Street
Layton, UT 84041

Mr. M. A. Young
General Chairman, BLE
1620 Central Avenue #201
Cheyenne, Wy 82001

Gentlemen:

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

The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Agreement.

It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Agreement will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.

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

Yours very truly,
Robert F. Allen
[And others signatory]

I agree:
R. P. McLaughlin
[In addition: All addressed signatory]

QUESTION AND ~~ANSWERES~~ANSWERS

ARTICLE I - WAGES

Q-1: How will an employee be able to verify that he/she has received the full lump sum to which they are entitled pursuant to Sections 2, 3 and 5?
A-1: The carrier will provide the General Chairman with a detailed explanation of the manner in which the signing bonus and lump sums have been calculated. Any employee who believes that his payment is incorrect will, upon request to the carrier, receive an explanation of how such payment was calculated.

Q-2: (1) Do the General Wage Increases provided for in Article I apply to Reserve Board (Fireman) payments?
(2) Also to guaranteed extra boards and other reserve board payments?

A-2. (1) Yes.
(2) Yes.

Q-3: In calculating an employee's compensation for the 1% signing bonus and subsequent lump sum payments provided for in this Article, what is the basis upon which the percentage is determined?
A-3: The employee's "compensation" as used on such employee's carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31.

Q-4: Are the lump sum payments applicable to employees who are suspended, as well as employees who are reinstated with rights unimpaired?

A-4: Yes, because in both cases the employment relationship is maintained.

Q-5: Does the December 31, 1999, 4%/6% COLA apply to overmiles?

A-5: Yes.

Q-6: Will payments received by employees who are available on guaranteed extra lists and/or reserve pools, but not used, be considered when calculating the lump sum payments?

A-6: Yes, so long as such payments are subject to general wage increases.

Q-7: An employee had earnings in 1994 and 1995, however, the employee is not currently active due to disability. Is this employee eligible for the signing bonus and 1996 lump sum payment?

A-7: Yes, so long as the employee maintains his/her employment relationship with the Carrier, or subsequently retires or dies.

Q-8: Is it a correct understanding that those pay elements which were frozen by the provisions of Article IV, Section 5 of the 1986 BLE National Agreement will not be included in determining an employee's base year compensation?

A-8: The employee's "compensation" as used on such employee's carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31 will be used in determining an employee's base year compensation.

Q-9: If an employee received a bonus payment from the Carrier when "borrowing out" on other seniority districts, will such payment be included when calculating the lump sum payments provided for in this Article?
A-9: The employee's "compensation" as used on such employee's carrier to determine vacation pay entitlement in the calendar year so stated beginning January 1 and extending through December 31 will be used in determining an employee's base year compensation.

Q-10: How will the lump sums be calculated for an employee who performed service for a Carrier not party to this contract during the years of 1994 and 1995, but currently employed by a Carrier party hereto?
A-10: Only compensation earned on the carrier party to this agreement at which employed on the date payment is due will be credited.

Q-11: What is the definition of "foreign-to-occupation" as used in Section 10?
A-11: Foreign-to-occupation" is defined in Article I, Section 9 to mean "other than on duty".

ARTICLE V -BENEFITS ELIGIBILITY

Section 1 -Health and Welfare Plan

Q-1: In situations where employees are assigned to Reserve Boards or observe Personal Leave Days, will such time be counted toward fulfillment of the seven (7) calendar day requirement for benefit eligibility in the succeeding month?
A-1: This Article does not change existing definitions of the term "render compensated service" for purposes of Plan eligibility.

Q-2: Does the seven (7) day qualifying requirement in the previous month apply to those employees who take a period of family or medical leave authorized and provided for under the Family and Medical Leave Act (FMLA)?
A-2: No. Such period of authorized leave will be treated as if it were a period during which the

employee rendered compensated service, subject to the limitations contained on Page 21 of the current Summary Plan Description of The Railroad Employees National Health and Welfare Plan.

Q-3: If an employee has two (2) starts in one calendar day, how many days will he/she be credited with for purposes of fulfilling the seven (7) calendar day **Q**ualifying requirement?

A-3: The employee receives credit for each calendar day worked.

Q-4: How are employees treated with reference to benefit eligibility in cases of off-the-job injury and/or illness?

A-4: In the same manner as currently being treated by the Plan without change.

Q-5: How is benefit eligibility handled for employees who are absent?

A-5: The employee must meet the eligibility requirements to be eligible for benefits in the following month.

Q-6: How are the provisions of the Health and Welfare Pan affected by the changes in Benefit eligibility?

A-6: There is no change.

Q-7: What was the intent of the parties when increasing the number of **Q**ualifying days for health benefit eligibility?
A-7: The intent was for the employee to render a more proportionate amount of service in a given month so as to be eligible for health benefit coverage in the succeeding month.

Q-8: Existing rules on some properties contain monthly mileage limitations, monthly earnings limitations, and/or maximum monthly trip provisions so as to possibly preclude an individual from satisfying the seven (7) day qualifying requirement?
A-8: Under these circumstances, it was not the intent of the parties to disqualify the individual for health care benefits, nor was it the parties' intent for the individual to expend vacation days so as to otherwise meet the service requirements.

Q-9: Will mileage equivalents and overtime hours be used in calculating the seven (7) day requirement?

A-9: No.

Q-10: In situations where employees return to work after periods of extended absence as a result

of but not limited to, disability, furlough, suspension, dismissal, leave of absence or pregnancy at a point in a calendar month so as to make it impossible to satisfy the seven (7) day requirement, but make themselves otherwise available or work all of the remaining days in that month, will they Qualify for medical benefit coverage in the month next following their return to work?
A-10: This is addressed in and will be determined in accordance with the provisions of Side Letter #7.

Q-11: Does the term "local officials" as used in Side Letter #5 include division presidents, secretaries/treasurers and legislative representatives who may also be required to lose time from their assignments due to union obligation?
A-11: No, local officials are limited to working General Chairmen, Local Chairmen, and State Legislative Board Chairmen.

Q-12: Will regular assigned road freight service employees and/or pool service employees who may be prevented from performing service in a calendar month equal to or exceeding the seven (7) calendar days due to, but not limited to acts of god, catastrophe, inclement weather, related industry shutdowns or other traffic pattern conditions be deemed ineligible for health benefits in the succeeding month?
A-12: This is addressed in and will be determined in accordance with the provisions of Side Letter #7.

Q-13: Is it correct that in the event of an employee and/or dependent(s) losing coverage under this rule, such individual will be eligible to continue coverage in accordance with the COBRA rules?
A-13: Eligibility for COBRA coverage remains unchanged.

Q-14: When does a newly hired employee first become covered for employee and/or dependent health benefits?
A-14: This is addressed in and will be determined in accordance with the provisions of Side Letter #7.

Q-15: Will paid holidays be counted in meeting the qualifying requirement?
A-15: This Article does not change existing definitions of the term "render compensated service" for purposes of Plan eligibility.

ARTICLE V -BENEFITS ELIGIBILITY

Section 2 -Vacation Benefits

Q-1: In situations where employees are assigned to Reserve Boards or observe Personal Leave Days, will such time be counted toward fulfilling the qualifying requirements for vacation to be taken in the succeeding year?

A-1: Yes, with respect to Reserve Boards and Personal Leave Days, if that is the current practice on the individual railroad.

Q-2: Is it correct that an employee who works six (6) months in yard service and six (6) months in road service will qualify for a vacation after rendering service amounting to the equivalent of 150 qualifying days commencing January 1, 1997?
A-2: There is no change from existing applications concerning employees with road and yard rights.

Q-3: How many days must an employee work in 1996 to qualify for a vacation to be taken in 1997?
A-3: There is no change in the National Vacation Agreement which will increase the qualifying days in 1996 for a 1997 vacation period. Beginning in 1997, however, employees must meet the new qualifying criteria for a 1998 vacation.

Q-4: Are current system agreements providing more than two splits in annual vacations affected by this agreement?
A-4: No.

Q-5: Are current system agreements providing for more than one week of annual vacation to be taken in single day increments changed by this agreement?
A-5: No.

Q-6: What procedure should be followed when requesting a single day of vacation?
A-6: Employees should follow the established procedure for assigning vacations on the property. Where there is none, the procedures used for scheduling personal leave days should be used.

Q-7: Must the Carrier allow the request made by an employee to observe a single day of vacation?
A-7: Yes, employees should follow the established procedure for assigning vacations on the property. Where there is none, the procedures used for scheduling personal leave days should be used.

Q-8: Will employees be automatically marked up for service upon return from vacation periods of more than a single day?
A-8: The new provisions for automatic mark-up apply only when taking vacation in less than one week increments. Otherwise, existing rules and practices continue to apply.

Q-9: There are many questions raised with regard to the change in the number of qualifying days. The questions include, but are not limited to, the application of the 1.6 and 1.3 multiplying factors and the determination of the number of accumulated days of service for qualification for extended vacation. How might these questions be resolved?

A-9: The parties commit to the formulation of a Vacation Synthesis so as to fully incorporate the changes made in this Agreement and to serve as a guide to resolve these questions and issues.

Q-10: When an employee elects to observe one (1) week of vacation in single day increments as

provided for in paragraph (f) does that constitute one (1) of the allowable two (2) splits in his/her annual vacation as provided for in paragraph (e)?
A-10: Yes.

Q-11: Does the term "local officials" as used in Side Letter #6 include division presidents, secretaries/treasurers and legislative representatives who may be required to lose time from their assignments due to union obligations?
A-11: No, local officials are limited to working General Chairmen, Local Chairmen, and State Legislative Board Chairmen.

Q-12: In application of paragraph (f), how many days of single day vacations may a yard service and road service employee be permitted to take; five, six or seven days?
A-12: This question should be decided on each individual property in accordance with the past practice as to what appropriately constitutes one (1) week of annual vacation.

Q-13: Can the employee elect to take vacation in periods of two (2), three (3), or four (4) days, rather than single day increments?
A-13: Yes, employees should follow the established procedure for assigning vacations on the property. Where there is none, the procedures used for scheduling personal leave days should be used.

Q-14: If an employee observes a single day of vacation and subsequently becomes ill so as to be unable to work the next day, what must he/she do inasmuch as they are to mark-up for service automatically?
A-14: The employee should follow the established procedure for marking off sick.

Q-15: Are an employee's obligations under existing rules and practices with respect to protecting service on his assigned off/rest days changed if the employee observes a single day of vacation immediately prior to such off/rest day?"
A-15: No.

Q-16: May an employee request a single day of vacation to be taken immediately following a day where he/she was off sick or observing a personal leave day?
A-16: Yes.

ARTICLE VI -PERSONAL LEAVE DAYS

Q.1: Are passenger and local freight service engineers entitled to personal leave days provided for in the Article?
A.1: Yes. The intent of Article VI was to provide personal leave days to all engineers who were not entitled to paid holidays.

Q.2: Is the time in service in other crafts counted when determining years of service?
A.2: Yes, if that is the current practice on the individual railroad.

Q.3: May an employee eligible for personal leave days accumulate days he is not allowed to take during the year?
A.3: Yes, up to a maximum of thirty (30) days.

ARTICLE VII -ENHANCED EMPLOYMENT OPPORTUNITIES

Q-1: Should a subsequent separate transaction occur after an initial relocation would the affected employee be allowed to again apply under Section 2?
A-1: Yes.

Q-2: What does "deprived of employment" mean for the purposes of the application of this Article?

A-2: The inability to obtain any possible position to which entitled.

Q-3: Will the resultant seniority roster established per Article VII, Section 2, cause any employee to suffer a loss of seniority on any roster to which they currently have seniority?
A-3: No. Such employee establishes seniority as of the date of service in the vacant, must fill or claim open, must fill position. All existing seniority remains intact.

Q-4: In order for an employee to receive the relocation allowance under Section 2(c), is it required that the employee:

(a) Sell his/her existing residence?
(b) Stay/work a minimum amount of time at the new location?
(c) Move thirty (30) or more miles from his former residence?

A-4: (a) No.

(b) To receive the full allowance, the rule requires that the employee be at the new location at the time the second payment is due.

(c) Yes. The note to paragraph (c) requires an exercise of seniority a distance greater than 50 miles.

Q-5: What is the definition of "prior right territory(s)" as set forth in the note to Section 2(c)?

A-5: This is determined on the individual properties in accordance with the applicable rules and/or practices governing seniority.

ARTICLE VIII -RATE PROGRESSION

Q-1: What rate of pay is applicable to employees who are promoted to conductor (foreman) and/or engineer but are working as brakemen (helpers) and/or hostler?
A-1: Once an individual is promoted to conductor (foreman) and/or engineer, that employee receives the applicable rate percentage, regardless of the craft in which they are working, until such time as they reach the next rate step in accordance with Article IV, Section 5 of the 1991

Implementing Document.

Q-2: An 80% entry rate employee promoting to engineer March 1, 1996, immediately elevates to the 85% entry rate. On his/her July 1, 1996 hiring anniversary date does the entry rate of that employee increase to 90%?
A-2: No. The employee goes to 90% on July 1, 1997.

Q-3: An employee is elevated to the next step in the rate progression upon promotion from brakeman to conductor. Does that employee elevate to the next step upon subsequent promotion to engineer?
A-3: Yes.

Q-4: Where existing promotion rules or practices provide for the automatic promotion to conductor and engineer upon promotion to either conductor or engineer, will an employee be elevated two (2) steps on the wage scale?
A-4: Yes.

ARTICLE IX -ENHANCED CUSTOMER SERVICE

Q-1: What is the intent of the parties with respect to the provision in paragraph (b) which states "..., the Carrier will extend seven (7) days advance notice where practicable but in no event less than forty-eight (48) hours advance notice..."?
A-1: The intent was for the Carriers to routinely give as much advance notice as possible to the involved BLE General Chairmen(s) prior to implementation of the proposed service under paragraph (a).

Q-2: Should the Carrier notify the General Chairmen(s) in writing when and where it intends to establish such service and identify the involved customer?

A-2: Yes, and such notification should include the specific rule(s) where relief or relaxation is requested.

Q-3: What will prevent the Carrier from routinely furnishing the minimum notice under the rule, i.e., 48 hours, prior to implementing the desired service?
A-3: The intent was for the Carriers to routinely give as much advance notice as possible to the involved BLE General Chairmen(s) prior to implementation of the proposed service under paragraph (a).

Q-4: Is it the intent of the parties that the Joint Committee referred to in paragraph (c) will be established and meet at the location where the proposed service is to be implemented?
A-4: The Committee will confer by whatever means are appropriate and practical to the circumstances, including telephonically.

Q-5: Can the Carrier require a yard crew from one seniority district to meet the service

requirements of a customer if such customer is located in road territory in another seniority district on that Carrier within the combination road-yard service zone?
A-5: The carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the carrier has complied with all applicable requirements set forth therein. Any carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.

Q-6: Does this rule permit the use of road crews to perform customer service within switching limits?
A-6: The carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the carrier has complied with all applicable requirements set forth therein. Any carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.

Q-7: Can the Carrier be considered the application of this rule? a customer in
A-7: The word "customer", as used in paragraph (a), was not meant to apply to the Carrier.

Q-8: Is there any limitation as to the number of miles a yard crew may be required to travel in road territory in order to provide the customer service contemplated by this rule?
A-8: Yes. Yard crews are limited to the minimum number of miles necessary to accomplish the service consistent with the spirit and intent of the parties.

Q-9: Where customer service can be accomplished by a road crew, is the Carrier within the intent of the rule to establish the use of a yard crew to perform this work?
A-9: The Carrier's use of yard crews must meet the requirements of the rule.

Q-10: Does this Article IX supersede the Road/Yard Service zone established under Article VIII, Section 2(a)(iii) of the May 19, 1986 National Agreement or the agreed upon interpretations pertaining thereto?
A-10: No, this Article amends Article IX -Special Relief, Customer Service -Yard Crews of the BLE Implementing Document of November 7, 1991.

Q-11: Does Article IX contemplate the use of yard crews from one seniority district or Carrier to perform service for a customer which is located on the line of another Carrier?
A-11: It is not the intent of the rule to permit yard crews from one Carrier to substitute for yard crews of another unrelated Carrier.

Q-12: Are any employee protective provisions applicable to employees adversely affected by the institution of service under Article IX?
A-12: As set forth in paragraph (e).

Q-13: Does Article IX contemplate the establishment of split-shifts in yard service?

A-13: No.

Q-14: Paragraph (e) requires that the Carrier show a "bona fide" need for the rule relief requested or that it cannot provide the service at a "Comparable Cost" under the existing rules. Will the Carriers burden of proof in this regard be met simply by showing that the customer service can be accomplished at a reduced cost?
A-14: No, a carrier will also have to demonstrate compliance with Section 1(a).

Q-15: If a yard crew is providing particularized service to a customer under this rule, may the Carrier properly require the yard crew to provide service to other industries located in the area or along the line?
A-15: The carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the carrier has complied with all applicable requirements set forth therein. Any carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.

Q-16: May the Carrier use a road crew to provide service to a customer within the switching limits of a terminal?

A-16: The carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the carrier has complied with all applicable requirements set forth therein. Any carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.

Q-17: Will a yard crew used in accordance with this Article have its work confined solely to meet the specific service requirements?
A-17: The carrier's rights under this Article are limited to certain identified rules under defined circumstances, provided that the carrier has complied with all applicable requirements set forth therein. Any carrier proposal under this Article which, in the opinion of the BLE President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the BLE President and the NCCC Chairman.

Q-18: Can Employees of a Carrier who may be restricted by physical disabilities or for disciplinary reasons from performing road service on that Carrier be used to perform such service under this Article?
A-18: No.

Q-19: If a carrier fails to comply with the provisions of Article IX, what remedy is available to employees adversely affected by the carrier's implementation of its proposal?
A-19: The arbitrator is authorized to fashion a remedy appropriate to the circumstances under Section 1(e).

ARTICLE X –DISPLACEMENT

Q-1: On those properties where employees have less than 48 hours to exercise displacement

rights, are such rules amended so as to now apply a uniform rule?
A-1: No, the existing rules providing for less than 48 hours continue, unless the parties specifically agree otherwise.

Q-2: Is an employee displaced under Section 1, electing to exercise seniority placement beyond thirty (30) miles of the current reporting point, required to notify the appropriate crew office of that decision within 48 hours?
A-2: Yes.

Q-3: How is an employee covered by this Article handled who fails to exercise seniority placement within 48 hours?
A-3: Such employee is assigned to the applicable extra board, seniority permitting, pursuant to Section 1(b) and subsequently governed by existing rules and/or practices.

Q-4: How long a period of time does an employee have to exercise displacement rights outside the boundaries specified in Section 1(a)?
A-4: The rules governing exercise of displacement rights as currently contained in existing agreements continue to apply in this situation.

Q-5: What happens if the employee notifies the Carrier that it is the employee's intent to displace outside of the 30 mile limit, then, after 72 hours, the employee is no longer able to hold that assignment?
A-5: A new 48-hour period begins.

Q-6: Is it intended that employees who fail to displace within 48 hours be assigned to an extra list where local or system agreements prohibit such assignment due to extra board restrictions and or seniority consideration?
A-6: See Section 1(c) of Article X.

Q-7: Is it the intent of Article X to impose discipline on employees who fail to exercise seniority within 48 hours?
A-7: No, Section 1(b) provides that in these circumstances the employee will be assigned to the applicable extra board, seniority permitting. The employee will then be subject to existing rules and practices governing service on such extra board.

Q-8: Is this rule intended to expand upon the displacement rights of an individual so as to create situations not currently provided for in existing agreements and practices?
A-8: No.

Q-9: If an employee notifies the Carrier of their intent to displace beyond the 30 mile limit, can such employee notify the Carrier subsequent to the expiration of the 48 hour period of their desire to displace within the 30 miles?
A-9: No.

Q-10: How is the 30 miles limit to be measured rail or highway?

A-10: Highway.

Q-11: When does the 48 hour time period within which the employee must exercise displacement rights begin?
A-11: When properly notified under existing rules governing this situation.

ARTICLE XI -NATIONAL WAGE AND RULES PANEL

Q-1: Can the activities of the panel be stopped at any time during the process and, if so, by what means?
A-1: Yes, in accordance with Section 4(a).

Q-2: Are the parties limited to considering only those items listed in Section 2?
A-2: Yes.

END

1991- NATIONAL AGREEMENT

ARTICLE I - WAGES

Section 1 - Lump Sum Payment

Section 2 - First General Wage Increase

ARTICLE II - COST- OF-LIVING PAYMENTS

ARTICLE III – HEALTH AND WELFARE PLAN AND EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN

ARTICLE IV - PAY RULES

ARTICLE V - SPECIAL PAY DIFFERENTIAL

ARTICLE VI - EXC LUSIVE REPRESENTATION

ARTICLE VIII - ROAD/YARD WORK

ARTICLE VIII - ROAD/YARD WORK

ARTICLE IX - SPECIAL RELIEF CUSTOMER SERVICE - YARD CREWS

ARTICLE X - INTERDIVISIONAL SERVICE

ARTICLE XI - GENERAL PROVISIONS

SIDE LETTERS AND QAND A's

SIDE LETTER #1: $2,00O LUMP SUM FOR RECALLED EMPLOYEES

SIDE LETTER #2: $2,000 LUMP SUM FOR FURLOUGHED EMPLOYEES

SIDE LETTER #3: 60 DAY TIME LIMIT – RETROACTIVE PAY

SIDE LETTER #4: LUMP SUM CALCULATIONS

SIDE LETTER #5: LUMP SUM – EMPLOYMENT RELATIONSHIP

SIDE LETTER #6: CALCULATION OF LUMP SUM – STRAIGHT TIME HOURS

SIDE LETTER #7: FUNDING THE BENEFITS OF 'THE PLAN'

SIDE LETTER #8: APPLICATION OF PAY DIFFERENTIAL

SIDE LETTER #9: ARTICLE VIII – ROAD/YARD WORK

SIDE LETTER #10: ARTICLE IX – SPECIAL RELIEF

SIDE LETTER #11: MUTUAL UNDERSTANDING OF PROPOSALS AND DRAFTS

Q AND A's – ILLUSTRATIVE ROAD/YARD

November 7 , 1991
AGREED UPON IMPLEMENTATION OF
PUBLIC LAW 102-29

The attached document reflects the joint efforts of the Brotherhood of Locomotive Engineers and the National Carriers' Conference Committee to reduce to contract terms the report and recommendations of Presidential Emergency Board No. 219 dated January 15, 1991, as clarified and modified by Special Board No. 102-29.

This understanding is based upon the provisions of Public Law 102-29, signed by the President on April 18, 1991, which declares that the report and recommendations of Presidential Emergency Board No. 219, as clarified and modified by Special Board 102-29, shall be binding effective July 29, 1991, on the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee of the National Railway Labor Conference and certain of their employees represented by the Brotherhood of Locomotive Engineers and shall have the same effect as though arrived at by agreement of the parties in accordance with the Railway Labor Act.
SIGNATURES NOT REPRODUCED

/s/ R.P. McLaughlin
President BLE

/s/ Charles I. Hopkins, Jr.
Chairman NCCC

July 29, 1991

ARTICLE I – WAGES

Section 1 - Lump Sum Payment

Each employee subject to this Implementing Document who rendered compensated service on a sufficient number of days during the calendar year 1990 to qualify for an annual vacation in the calendar year 1991 will be paid $2,000 within 60 days of the date of this Implementing Document. Those employees who rendered compensated service on an insufficient number of days during the calendar year 1990 to qualify for an annual vacation in the calendar year 1991 will be paid a proportional share of that amount. This Section shall be applicable solely to those employees subject to this Implementing Document who have an employment relationship as of the date of this Implementing Document or who have retired or died subsequent to January 1, 1990. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

Section 2 - First General Wage Increase

(a) Effective July 1, 1991, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect June 30, 1991 shall be increased by three (3) percent.

(b) In computing the increase under paragraph **(a)** above, three (3) 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 3 - Second General Wage Increase

Effective July 1, 1993, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1993 shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 2 above.

Section 4 - Third General Wage Increase

Effective July 1, 1994, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1994 shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 2 above.

Section 5 - 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 Implementing Document.

Section 6 - Application of Wage Increases

(a) Duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, and mileage rates of pay for miles run in excess of the number of miles comprising a basic day, will not be subject to the adjustments provided for in this Article.

(b) Miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted under this Implementing Document 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 S6.00 per basic day in freight, passenger and yard service, and 4 cents and/or 6 cents 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 July 1, 1 991, under Section 2 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 three (3) percent increase shall be applied to daily rates in effect June 30, 1991, 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 l, 1993 and July 1, 1994. 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 Implementing Document.

(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 2, 3 and 4 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 cents and/or 6 cents 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 2, 3 and 4 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 - COST- OF-LIVING PAYMENTS

PART A - Cost-of-Living Lump Sum Payments Through January 1, 1995

Section 1 - First Lump Sum Cost-of-Living Payment

Subject to Sections 6 and 7, employees with 2,000 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce Commission as constructive allowances except vacations, holidays and guarantees in protective agreements or arrangements) during the period April 1, 1991 through March 31, 1992, will receive a lump sum payment on July 1, 1992 of $1,455.00
Section 2 - Second Lump Sum Cost-of Living Payment

Section 2 – Second Lump Sum Cost-of-Living Payment

Subject to Sections 6 and 7, employees with 1,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays and guarantees in protective agreements or arrangements) during the period April 1, 1992 through September 30, 1992, will receive a lump sum payment on January 1, 1993 equal to the difference between **(i)** $1,444.00, and **(ii)** the lesser of $720.00 and one quarter of the amount, if any, by which the carriers' 1993 payment rate for foreign-to-occupation health benefits under the Railroad Employees National Health and Welfare Plan (the "Plan") exceeds the sum of **(a)** the amount of such payment rate for 1992 and **(b)** the amount per covered employee that will be taken during 1993 from that certain special account maintained at The Travelers Insurance Company known as the "Special Account Held in Connection with the Amount for the Close-Out Period (the ("Special Account") to pay or provide for Plan foreign-to-occupation health benefits.

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Section 3 - Third Lump Sum Cost-of Living Payment

Subject to Sections 6 and 7, employees with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays and guarantees in protective agreements or arrangements) during the period October 1, 1992 through September 30, 1993, will receive a lump sum payment on January 1, 1994 equal to the difference between **(i)** $1,467.00, and **(ii)** the lesser of $733.50 and one quarter of the amount, if any, by which the carriers' 1994 payment rate for foreign-to-occupation health benefits under the Plan exceeds the sum of **(a)** the amount of such payment rate for 1993 and **(b)** the amount per covered employee that will be taken during 1994 from the Special Account to pay or provide for Plan foreign-to-occupation health benefits.

Section 4 - Fourth Lump Sum Cost-of Living Payment

Subject to Sections 6 and 7, employees with 2,000 or more straight time hours paid for (not including any such hours reported to the ICC as constructive allowances except vacations, holidays and guarantees in protective agreements or arrangements) during the period October 1, 1993 through September 30, 1994, will receive a lump sum payment on January 1, 1995 equal to the differences between **(i)** $1,006.00, and **(ii)** the lesser of $503.00 and one quarter of the amount, if any, by which the carriers' 1995 payment rate

for foreign-to-occupation health benefits under the Plan exceeds the amount of such payment rate for 1994.

Section 5 - Definition of Payment Rate for Foreign to Occupation Health Benefits

The carrier's payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve times the payment made by the carriers to the Plan per month (in such year) per employee who is fully covered for employee health benefits under the Plan. Carrier payments to the Plan for these purposes shall not 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 hereof.

Section 6 - Employees Working Less Than Full Time

For employees who have fewer straight time hours (as defined) paid for in any of the respective periods described in Sections 1 through 4 than the minimum number set forth therein, the dollar amounts specified in clause **(i)** thereof shall be adjusted by multiplying such amounts by the number of straight time hours (including vacations, holidays and guarantees in protective agreements or arrangements) for which the employee was paid during the applicable measurement period divided by the defined minimum hours. For any such employee, the dollar amounts described in clause **(ii)** of such Sections shall not exceed one-half of the dollar amounts specified in clause **(i)** thereof, as adjusted pursuant to this Section.

Section 7 - Lump Sum Proration

In the case of any employee subject to wage progression or entry rates, the dollar amounts specified in clause **(i)** of Sections 1 through 4 shall be adjusted by multiplying such amounts by the weighted average entry rate percentage applicable to wages earned during the specified determination period. For any such employee, the dollar amounts described in clause **(ii)**of such Sections shall not exceed one-half of the dollar amounts specified in clause **(i)** thereof, as adjusted pursuant to this Section.

Section 8 - Eligibility for Receipt of Lump Sum Payments

The lump sum cost-of-living payments provided for in this Article will be payable to each employee subject to this Implementing Document who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable base period used to determine the amount of such payments. There shall be no duplication of lump sum payments by virtue of employment under an agreement with another organization.

PART B - Cost of-Living Allowance and Adjustments Thereto After January 1, 1995

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

(a) A cost of living allowance will 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 BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 1995 based, subject to paragraph **(d)**, on the BLS CPI for September 1994 as compared with the BLS CPI for March 1995. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective measurement periods shown in the following table, subject to the exception provided in paragraph **(d)**(iii), according to the formula set forth in paragraph **(e)**.

Measurement Periods		Effective Date of Adjustment
Base Month	Measurement Month	
September 1994	March 1995	July 1, 1995
March 1995	September 1995	January 1, 1996

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) While a cost-of-living allowance is in effect, such -cost-of-living allowance will apply to straight time, overtime, vacations, holidays and to special allowances in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money or to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(c) The amount of the cost-of-living allowance, if any, that will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d) **(i) Cap**. In calculations under paragraph **(e)**, the maximum increase in the BLS CPI that will be taken into account will be as follows:

Effective Date of Adjustment	Maximum CPI Increase That May Be Taken Into Account
July 1, 1995	3% of September 1994 CPI
January 1, 1996	6% of September 1994 CPI, less the increase from September 1994 to March 1995

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 **(e)**, only fifty (50) percent of the increase in the BLS CPI in any measurement period shall be considered.

(iii) If the increase in the BLS CPI from the base month of September 1994 to the measurement month of March 1995 exceeds 3% of the September base index, the measurement period that will be used for determining the cost-of-living adjustment to be effective the following January will be the 12-month period from such base month of September; the increase in the index that will be taken into account will 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 will be 6% of such September base index less the 3% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph **(e)** below in calculation of the cost-of living adjustment which will have become effective July 1, 1995 during such measurement period.

(iv) Any increase in the BLS CPI from the base month of September 1994 to the measurement month of September 1995 in excess of 6% of the September 1994 base index will not be taken into account in the determination of subsequent cost-of-living adjustments.

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

(e) **Formula**. The number of points change in the BLS CPI during a measurement period, as limited by paragraph **(d)**, will 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 will not be counted.) The cost-of-living allowance in effect on December 31, 1995 will be adjusted (increased or decreased) effective January 1, 1996 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph **(d)**, in the BLS CPI during the applicable measurement period. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the cost-of-living allowance in effect on December 31, 1995 if the BLS CPI will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above. The same procedure will be followed in applying subsequent adjustments.

(f) 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 Index 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 Index 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, 1995 shall be equal to the difference between **(i)** the cost-of-living allowance in effect on that date pursuant to Section 1 of this Part, and **(ii)** the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1995 payment rate for foreign-to-occupation health benefits under the Plan over such payment rate for 1994, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, but not more than one-half of the amount specified in clause **(i)** above. For the purpose of the foregoing calculation, the amount of any increase described in clause **(ii)** that has been taken into account in determining the amount received by the employee as a lump sum payment on January 1, 1995 shall not be taken into account.

(b) The cost-of-living allowance payable to each employee effective January 1, 1996, shall be equal to the difference between **(i)** the cost-of-living allowance in effect on that date pursuant to Section 1 of this Part, and **(ii)** the cents per hour produced by dividing one-quarter of the increase, if any, in the carriers' 1996 payment rate for foreign-to-occupation health benefits under the Plan over the amount of such payment rate for 1995, by the average composite straight-time equivalent hours that are subject to wage increases for the latest year for which statistics are available, but not more than one-half of the amount specified in clause **(i)** above.

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

(d) The definition of the carriers' payment rate for foreign-to-occupation health benefits under the Plan set forth in Section 5 of Part A shall apply with respect to any year covered by this Section.

(e) In making calculations under this Section, fractions of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Application of Cost-of- Living Allowances

The cost-of-living allowance provided for in this Part will not become part of basic rates of pay. In application of such allowance, each one cent per hour of cost-of-living allowance that is payable will 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 6 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 III –
HEALTH AND WELFARE PLAN AND EARLY RETIREMENT MAJOR MEDICAL BENEFIT PLAN

Part A - Health and Welfare Plan

Section 1 - Continuation of Plan

The Railroad Employees National Health and Welfare Plan (the "Plan"), modified as provided in this Part, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to the Plan will be offset by the expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by any insurer, third party administrator or other entity in connection with the Plan and by the use of funds held in trust that are not otherwise needed to pay claims, premiums, or administrative expenses that are payable from funds held in trust; provided, however, that such amounts as may at any time be in that certain special account maintained at The Travelers Insurance Company, known as the 'Special Account Held in Connection with the amount for the Close-Out Period,' relating to the obligations of the Plan to pay, among other things, benefits incurred but not paid at the time of termination of the Plan in the event such termination should occur, shall be used to pay or provide for Plan benefits as follows: one-third of the balance in such special account as of January 1, 1992, shall be used to pay or provide for benefits that become due and payable during 1992. One-half of the balance in such special account as of January 1, 1993, shall be used to pay or provide for benefits that become due and payable during 1993. All of the balance in such special account in excess of $25 million as of January 1, 1994, shall be used to pay or provide for benefits that become due and payable during 1994. The $25 million referred to in the preceding sentence shall be maintained by the Plan as a cash reserve to protect against adverse claims experience from year to year.

In the event that a carrier participating in the Plan defaults for any reason, including but not limited to bankruptcy, on its obligation to contribute to the Plan, and the carrier's participation in the Plan terminates, the carriers remaining in the Plan shall be liable for any Plan contribution that was required of the terminating carrier prior to the effective date of its termination, but not paid by it. The remaining carriers shall be obligated to make up in a timely fashion such unpaid contribution of the terminating carrier in pro rated amounts based upon their shares of Plan contributions for the month immediately prior to such default.

Section 2 - Change to Self-Insurance

Except for life insurance, accidental death and dismemberment insurance, and all benefits for residents of Canada, the Plan will be wholly self-insured and administered, under an administrative services only arrangement, by an insurance company or third party administrator.

Section 3 - Joint Plan Committee

The Joint Policyholder Committee shall be renamed the Joint Plan Committee. This change in name shall not in any way change the functions and responsibilities of the Committee.

A neutral shall be retained by and at the expense of the Plan for the duration of this Implementing Document to consider and vote on any matter brought before the Joint Plan Committee (formerly the Joint Policyholder Committee), arising out of the interpretation, application or administration (including investment policy) of the Plan, but only if the Committee is deadlocked with respect to the matter. A deadlock shall occur whenever the carrier members of the Committee, who shall have a total of one vote regardless of their number, and the organization members of the Committee, who shall also have a total of one vote regardless of their number, do not resolve a matter by a vote of two to nil and either side declares a deadlock.

If the members of the Joint Plan Committee cannot agree upon a neutral within 30 days of the date this Implementing Document becomes effective, either side may request the National Mediation Board to provide a list of seven persons from which the neutral shall be selected by the procedure of alternate striking. Joint Plan Committee members and the neutral shall, to the extent required by ERISA, be bonded at the expense of the Plan. The Joint Plan Committee shall have the power to create such subcommittees as it deems appropriate and to choose a neutral chairman for such subcommittees, if desired.

Section 4 - Managed Care

Managed care networks that meet standards developed by the Joint Plan Committee, or a subcommittee thereof, concerning quality of care, access to health care providers, and cost-effectiveness, shall be established wherever feasible as soon as practicable. Until a managed care network is established in a given geographical area, individuals in that area who are covered by the Plan will have the comprehensive health care benefit coverage described in Section 5 of this Part A. Each employee in a given geographical area who is a Plan participant at the time a managed care network is established in that area will be enrolled in the network (along with his or her covered dependents) unless the employee provides timely written notice to his or her employer of an election to have (along with his or her covered dependents) the comprehensive health care benefit coverage rather than to be enrolled in the network. Any such employee who provides such timely written notice shall have an annual opportunity to revoke his or her election by providing a written notice of revocation to his or her employer at least sixty days prior to January 1 of the calendar year for which such revocation shall first become effective. Similarly, each employee in a given geographical area who is a Plan participant at the time a managed care network is established in that area and is thereafter enrolled in the network (along with his or her covered dependents) shall have an annual opportunity to elect to have (along with his or her covered dependents) the comprehensive health care benefit coverage rather than continue to be enrolled in the network. This election may be made by such an employee by providing written notice thereof to his or her employer at least sixty days prior to January 1 of the calendar year for which the election shall first become effective. Each employee hired after a managed care network is established in his or her geographic area (and his or her covered dependents) will be enrolled in the network and may not thereafter elect to be covered by the comprehensive benefits until the January 1 which falls on or after the first anniversary of his or her initial date of eligibility for Plan coverage. Employees who return to eligibility for Plan coverage within 24 months of loss of eligibility for Plan coverage and whose employment relationship has not terminated at any time prior to

such return will be enrolled in the program of Plan benefits in which they were enrolled when their eligibility for Plan coverage was lost, and shall thereafter have the same rights of election as other employees whose eligibility for Plan coverage was not lost.

Covered individuals enrolled in a managed care network will have a point of service option allowing them to choose an out-of-network provider to perform any covered health care service that they need. The benefits provided by the Plan when a service is performed by an in-network provider and the benefits provided by the Plan when the service is performed by an out-of-network provider will be as described in the table below:

PLAN FEATURE	IN-NETWORK	OUT-OF-NETWORK
Primary Care Physician Required	Yes	No
Annual Deductible		
Individual	None	$100
Family	None	$300 Deductible applies to all covered expenses
Plan/Employee Coinsurance	100%/0%	75%/25%
Annual Out-of-Pocket Maximum (exclusive of deductible)		
Individual	None	$1.500
Family	None	$3,000
Maximum Lifetime Benefit	None	$1000000 ($5000 annual restoration)
Special Maximum Lifetime Benefit for Mental Health	None	$100,000 lifetime ($500 annual restoration)
Hospital Charges (inpatient and outpatient)	100%	75%*
Ambulatory Surgery	100%	75%*
Emergency Room	100% after $15 employee co-payment	75%
Inpatient Mental Health & Substance Abuse		
Benefit		
Hospital	100%	75%#

Alternative Care - Residential Treatment Center Inpatient or Partial Hospitalization/ Day Treatment	100%	75%#
Outpatient Mental Health & Substance Abuse	100% after $15 employee co-payment per visit	75%#
Physician Services		
Surgery/Anesthesia	100%	75%*
Hospital Visits	100%	75%*
Office Visits	100% after $15 employee co-payment	75%**
Diagnostic Tests	100%	75%*
Routine Physical	100% after $15 employee co-payment	Not Covered
Well Baby Care	100% after $15 employee co-payment	Not Covered
Skilled Nursing Facility Care	100%	75%*
Hospices Care	100%	75%*
Home Health Care	100%	75%*
Temporomandibular Joint Syndrome	100%	75%*
Birth Center	100%	75%*
Prescription Drugs (other than by mail order)	100% after $5 employee co-payment for brand name ($3 for generic)	75%**
Mail Order Prescription Drugs (60-90 day supply of maintenance drugs only)	100% after $5 employee co-payment after $5 employee co-payment (not counted toward regular deductible)**	100% (not subject to regular deductible)
Claim System	Paperless	Forms Required

Approved by Utilization Review/Large Case Management	Physician-initiated included in network management	Required. If approval not given, benefits reduced by 20% (except for mental health and substance abuse care where benefits reduced by 50%) both before and after annual out-of-pocket maximum is reached, and amount of reduction is not counted toward that maximum.

† The medically necessary health care services for which out-of-network benefits will be paid are those listed in subparagraphs 1 through 7 of Part A, Section 5, of this Implementing Document.

* Benefits reduced by 20% if care is not approved by utilization review program.

\# Benefits reduced by 50% if care is not approved by utilization review program.

** Benefits not generally subject to utilization review program but may be reviewable in specific circumstances with advance notice to the employee; in such cases, benefits reduced by 20% if care not approved by utilization review program.

At any time after the expiration of two years from the effective date of implementation of the first managed care network, either the carriers or the organizations may bring before the Joint Plan Committee for consideration a proposal to change the Plan's in-network or out-of-network benefits for the purpose of promoting an increase in the use of in-network providers by Plan participants.

Section 5 - Comprehensive Health Care Benefits

The comprehensive health care benefits provided under the Plan in geographical areas where managed care networks are not available to Plan participants and their dependents, and in cases where a Plan participant has elected to be covered, along with his or her dependents, by such comprehensive benefits rather than to be enrolled in a managed care network, shall be as described below. Terms used in such description shall have the same meaning as they have in the Plan.

After satisfaction of an annual deductible of $100 per covered individual or $300 per family unit of three or more, the Plan will pay 85%, and the covered individual 15%, of certain health care expenses, up to an annual out-of- Pocket maximum which shall not include the deductible) of $1,500 per covered individual or $3,000 per family. The expenses counted toward the $3,000 annual family out-of-pocket maximum will include those, which are otherwise eligible, incurred on behalf of a covered employee and each of his or her covered dependents regardless of whether the employee or dependent has reached the $1,500 individual annual out-of-pocket maximum. Once the applicable annual out-of-pocket maximum has been reached, the Plan will pay 100% of such reasonable charges up to an overall lifetime maximum of $1 million per covered individual, restorable at a rate of $5,000 per year; provided, however, that there shall be a separate lifetime maximum of $100,000 per covered individual, restorable at a rate of $500 per year, for Plan benefits for the treatment of mental and/or nervous conditions and substance abuse. (Benefits counted for purposes of determining whether or not a lifetime maximum has been reached are all benefits paid under the Plan as amended by this Implementing Document and all Major Medical Expense Benefits paid under the Plan prior to such amendments.) The Plan will pay 85% of the reasonable charges for medically necessary health care services as follows:

1. All expenses that are "Covered Expenses" (as defined in the Plan) at any time under the current major medical expense benefits provisions of the Plan, and not within any exclusion from or limitation upon them, except that the exclusion for treatment of polio will be removed.

2. Expenses for mammograms described in American Cancer Society guidelines, childhood disease immunization, pap smears and colorectal cancer screening.

3. Donor expense benefits as now defined.

4. Jaw joint disorder benefits as now defined, and subject to the current exclusions from and limitation on them, except that the $50 separate lifetime cash deductible will be removed.

5. Home health care expense benefits as now defined, subject to the current exclusions from and limitation on them, except that the exclusion that governs if polio benefits are payable will be removed.

6. Treatment center expense benefits, subject to the current exclusions from and limitation on them, except that:

a.) the separate $100 cash deductible per confinement will be removed in connection with benefits for transportation to a treatment center, and

b.) the separate $100 cash deductible per benefit period and the S40 maximum limitation on benefits per episode of treatment - all with regard to outpatient benefits - will be removed.

7. Expenses for the services of psychologists if benefits would be paid for such services had they been rendered by a physician.

The Plan will provide the same benefits to all employees eligible for Plan coverage, including those in their first year of such eligibility and those eligible for extended Plan coverage because of disability.

The Plan's comprehensive health care benefits will include, where permissible under applicable law, a mail order prescription drug benefit that will reimburse a covered individual, after he or she pays $5.00 per prescription, 100% of the cost of prescriptions covering a 60-to-90 day supply of maintenance drugs for such individual. This benefit will not be subject to, and the covered individual's S5.00 co-payment will not be counted against, the Plan's regular $100/$300 deductible and will be included only upon execution of appropriate contracts with vendors.

Section 6 - Strengthened Utilization Review and Case Management

The Plan's current utilization review/case management contractor, and any successor, shall henceforth require that its prior approval be secured for the following services to the extent that benefits with respect to them are payable under the Plan: **(a)** all non-emergency confinements, and all lengths of stay, in any facility, **(b)** all home health care, and **(c)** all in-patient and out-patient procedures and treatment, except for any care where, pursuant to standards developed by the Joint Plan Committee, prior approval is not feasible or would not be cost-efficient. Approval may be withheld if the utilization review/case management contractor determines that a less intensive or more appropriate diagnostic or treatment alternative could be used.

If an individual covered by the Plan incurs expenses without the requisite approval of the Plan's utilization review/case management contractor, such benefits as the Plan would otherwise pay will be reduced by one-fifth; provided, however, that if such unapproved expenses are incurred for the treatment of mental or nervous conditions or substance abuse, such benefits as the Plan would otherwise pay will be reduced by one-half. These reductions will continue to apply after the out-of-pocket maximum is reached, i.e., the l00% benefit will become 80 % (or 50%, as the case may be) if approval by the utilization review/case management contractor is not obtained.

When there is disagreement between an attending physician and the utilization review/case management contractor, the patient and/or attending physician, after all opportunities for appeal have been exhausted within the utilization review/case management contractor's organization, shall be afforded an opportunity to obtain a review (including if necessary, an examination) by an independent specialist physician. This independent physician, who shall be conveniently located and board certified in the appropriate specialty, shall be designated by a physician appointed for this purpose by the Joint Plan Committee. Neither physician may be an employee of or under contract to the utilization review/case management contractor. In the event of an appeal to a specialist described above, the utilization review/case management contractor shall bear the burden of convincing the specialist that the utilization review/case management contractor's determination was correct.

Section 7 - Coordination of Benefits

The Plan's coordination of benefit rules shall be changed so that the Plan will pay no benefit to any covered individual that would cause the sum of the benefits paid by the Plan and by any other plan with which the Plan coordinates benefits to exceed **(a)** the maximum benefit available under the more generous of the Plan and such other plan, or **(b)** with respect only to spouses who are both covered as employees under the Plan (and the Dependents of such spouses), and to spouses one of whom is covered as an employee under the Plan and the other as a retired railroad employee under the Railroad Employees National Early Retirement Major Medical Benefit Plan (and the Dependents of such spouses), 100% of the reasonable charges for services the expense of which is covered by the Plan.

Section 8 - Medicare Part B Premiums

Active employees currently covered by Medicare Part B and those who elect to enroll in Medicare Part B when they become eligible shall not be reimbursed for premiums they pay for such Part B Medicare participation unless Medicare is their primary payor of medical benefits.

Section 9 - Solicitation of Bids

As promptly as practicable, the Joint Plan Committee will solicit bids from qualified entities for the performance of **(a)** all managed care functions under the Plan, including without limitation the establishing and/or arranging for the use by individuals covered by the Plan of managed networks of health care providers in those geographical areas where it is feasible to do so, and **(b)** all utilization review/case management functions under the Plan, including specialized utilization review/case management functions for mental health and substance abuse to assure expert determination of medical necessity and appropriateness of treatment and provider. The Committee will select one or more contractors, from among those that the Committee determines are likely to provide high-quality, cost-effective services, to perform such functions on behalf of the Plan. In the meantime, the Plan's current utilization review/case management contractor will continue to perform those functions. Hospital associations shall be incorporated into the managed care networks wherever appropriate.

Upon the expiration of three years from the effective date of this Implementing Document, the Joint Plan Committee will solicit bids for all of the services involved in the administration of the Plan, including the utilization review/case management and/or managed care functions, unless the Committee unanimously determines not to seek bids for any one or more of the services involved in the administration of the Plan.

Part B - Early Retirement Major Medical Benefit Plan

Section 1 - Continuation of Plan

The Railroad Employees Early Retirement Major Medical Benefit Plan ("ERMA"), modified as provided in this Part, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to ERMA will be offset by the expeditious use of such amounts as may at any time be in one or more special accounts or funds maintained by any insurer, third party administrator or other entity in connection with ERMA and by the use of funds held in trust that are not otherwise needed to pay claims, premiums, or administrative expenses that are payable from funds held in trust; provided, however, that such amounts as may at any time be in the special account maintained at The Travelers Insurance Company in connection with the obligations of ERMA to pay benefits incurred but not paid at the time of termination of ERMA, in the event such termination should occur, shall be used to pay or provide for Plan benefits as follows: one-third of the balance in such special account as of January 1, 1992, shall be used to pay or provide for benefits that become due and payable during 1992. One-half of the balance in such special account as of January 1, 1993, shall be used to pay or provide for benefits that become due and payable during 1993. All of the balance in such special account in excess of $1 million as of January 1, 1994, shall be used to pay or provide for benefits that become due and payable during 1994. The $1 million referred to in the preceding sentence shall be maintained by the Plan as a cash reserve to protect against adverse claims experience from year to year.

Section 2 - Change to Self-Insurance

EMRA will be wholly self-insured. It will be administered, under an administrative services only arrangement, by an insurance company or third party administrator.

Section 3 - Coordination of Benefits

ERMA's coordination of benefit rules shall be changed so that ERMA will pay no benefit to any covered individual that would cause the sum of the benefits paid by ERMA and by any other plan with which ERMA coordinates benefits to exceed **(a)** the maximum benefit available under the more generous of ERMA and such other plan, or **(b)** with respect only to spouses who are both covered as retired railroad employees under ERMA (and the Dependents of such spouses), and to spouses one of whom is covered as a retired railroad employee under ERMA and the other as an employee under the Railroad Employees National Health and Welfare Plan (and the Dependents of such spouses), 100% of the reasonable charges for services the expense of which is covered by ERMA.

Section 4 - Strengthened Utilization Review and Case Management

ERMA's current utilization review/case management contractor, and any successor, shall henceforth require that its prior approval be secured for the following services to the extent that benefits with respect to them are payable under ERMA: **(a)** all non-emergency confinements, and all lengths of stay, in any facility, **(b)** all home health care, and **(c)** all in-patient and out-patient procedures and treatment, except for any care where prior approval is not feasible or would not be cost-efficient. Approval may be withheld if the utilization review/case management contractor determines that a less intensive or more appropriate diagnostic or treatment alternative could be used.

If an individual covered by ERMA incurs expenses without the requisite approval of ERMA's utilization review/case management contractor, such benefits as ERMA would otherwise pay will be reduced by one-fifth; provided, however, that if such unapproved expenses are incurred for the treatment of mental or nervous conditions or substance abuse, such benefits as ERMA would otherwise pay will be reduced by one-half.

When there is disagreement between an attending physician and the utilization review/case management contractor, the patient and/or attending physician, after all opportunities for appeal have been exhausted within the utilization review/case management contractor's organization, shall be afforded an opportunity to obtain a review (including if necessary, an examination) by an independent specialist physician. This independent physician, who shall be conveniently located and board certified in the appropriate specialty, shall be designated by a physician appointed for this purpose by mutual agreement between the Chairman of the Health and Welfare Committee, Cooperating Railway Labor Organization and of the National Carriers' Conference Committee. Neither physician may be an employee of or under contract to the utilization review/case management contractor. In the event of an appeal to a specialist described above, the utilization review/case management contractor shall bear the burden of convincing the specialist that the utilization review/case management contractor's determination was correct.

The standards developed by the Joint Plan Committee for determining whether or not prior approval is feasible and cost-efficient under the Health and Welfare Plan shall be applied by the National Carriers' Conference Committee under ERMA, and the utilization review/case management contractor(s) selected by the Joint Plan Committee under the Health and Welfare Plan shall be selected by the National Carriers' Conference Committee under ERMA.

Section 5 - Mail Order Prescription Drug Benefit

The Plan's benefits will include, where permissible under applicable law, a mail order prescription drug benefit that will reimburse a covered individual, after he or she pays $5 per prescription, 100% of the cost of each prescription covering a 60-90 day supply of maintenance drugs for such individual. This benefit will not be subject to, and the covered individual's $5.00 co payment will not be counted against, the Plan's regular $100 deductible, and will be included only upon execution of appropriate contracts with vendors.

Section 6 - Solicitation of Bids

As promptly as practicable, the National Carriers' Conference Committee will solicit bids from qualified entities for the performance of all utilization review/case management functions under the Plan, including specialized utilization review/case management functions for mental health and substance abuse to assure expert determination of medical necessity and appropriateness of treatment and provider. The Committee will select one or more contractors, from among those that the Committee determines are likely to provide high-quality, cost-effective services, to perform such functions on behalf of the Plan. In the meantime, the Plan's current utilization review/case management contractor will continue to perform those functions.

Upon the expiration of three years from the date of this Implementing Document, the National Carriers' Conference Committee will solicit bids for all of the services involved in the administration of the Plan, including the utilization review/case management function, unless the Committee determines not to seek bids for any one or more of the services involved in the administration of the Plan.

ARTICLE IV - PAY RULES

Section 1 - Mileage Rates

(a) Mileage rates of pay for miles run in excess of the number of miles comprising a basic day will not be subject to general, cost-of-living, or other forms of wage increases.

(b) Mileage rates of pay, as defined above, applicable to interdivisional, interseniority district, intradivisional and/or intraseniority district service runs now existing or to be established in the future shall not exceed the applicable rates as of June 30, 1986. Such rates shall be exempted from wage

increases as provided in Section 1**(a)** of this Article. Weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision. Section 2 - Miles in Basic Day and Overtime Divisor

(a) The miles encompassed in the basic day in through freight and through passenger service and the divisor used to determine when overtime begins will be changed as provided below:

Effective Date of Change	Through Freight Service		Through Passenger Service	
	Miles in Basic Day	0vertime Divisor	Miles in Basic Day	0vertime Divisor
July 29, 1991	114	14.25	114	22.8
January 1, 1992	118	14.75	118	23.6
January 1, 1993	122	15.25	122	24.4
January 1, 1994	126	15.75	126	25.2
January 1, 1995	130	16.25	130	25.0

(b) Mileage rates will be paid only for miles run in excess of the minimum number specified in **(a)** above.

(c) The number of hours that must lapse before overtime begins on a trip in through freight or through passenger service is calculated by dividing the miles of the trip or the number of miles encompassed in a basic day in that class of service, whichever is greater, by the appropriate overtime divisor. Thus, effective July 29, 1991, overtime on a trip in through freight service of 125 miles will begin after 8 hours and 46 minutes (125/14.25 = 8.77 hours). In through freight service, overtime will not be paid prior to the completion of 8 hours of service.

Section 3 - Conversion to Local Rate

When employees in through freight service become entitled to the local rate of pay under applicable conversion rules, the daily local freight differential (56 cents for engineers and 43 cents for firemen under national agreements) will be added to their basic daily rate and the combined rate will be used as the basis for calculating hourly rates, including overtime. The local freight mileage differential (.56 cents per mile for engineers and .43 cents for firemen under national agreements) will be added to the through freight mileage rates, and miles in excess of the number encompassed in the basic day in through freight service will be paid at the combined rate.

Section 4 - Duplicate Time Payments

(a) Duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money, shall not apply to employees whose seniority in engine or train service is established on or after November 1, l985.

(b) Duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money, not previously eliminated, shall not be subject to general, cost-of-living or other forms of wage increases.

Section 5 - Rate Progression - New Hires

In any class of service or job classification, rates of pay, additives, and other applicable elements of compensation for an employee whose seniority in engine or train service is established on or after November 1, 1985, will be 75 % of the rate for present employees and will increase in increments of 5 percentage points for each year of active service in engine and/or train 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 365 calendar days in which the employee performs a total of 80 or more tours of duty.

ARTICLE V - SPECIAL PAY DIFFERENTIAL

Section 1 - Payment

(a) Effective July 29, 1991, a differential of $12.00 per basic day in freight and yard service, and 12 cents per mile for miles in excess of the number of miles encompassed in the basic day in freight service, will be payable to eligible engineers working assignments without a fireman provided the conditions described below are met.

(b) Effective January 1, 1995, such differential will be increased to $15.00 per basic day, and to 15 cents per mile for miles in excess of the number of miles encompassed in the basic day.

Section 2 - Conditions

(a) Under the applicable agreement governing the consist of train crews:

(i) a member of the train crew is entitled to receive a productivity fund payment, or per-trip payment in lieu thereof, and
(ii) the carrier is required to make a productivity fund payment for that trip or tour of duty.

(b) The engineer must have:

(i) an engineer's seniority date no later than the date that determines eligibility for "protected employees" receiving productivity fund payments in that territory, or

(ii) been a 'protected employee' under a crew consist agreement, and was subsequently promoted to engineer on the same railroad.

(c) This Article is not app1icable on a carrier that has an agreement with the organization adjusting the compensation of engineers in response to the change in compensation relationships between engineers and other members of the crew brought about by crew consist agreements unless the appropriate BLE General Chairman elects to adopt this Article in lieu of the pay adjustments (including personal leave days) provided in such agreement. Such election must be exercised on or before December 20, 1991. If such election is made, the provisions of this Article will become effective on that property on January 1, 1992, however, such local agreements concerning matters other than pay adjustments shall be retained.

ARTICLE VI - EXC LUSIVE REPRESENTATION

(a) The Brotherhood of Locomotive Engineers shall have the exclusive right to represent all engine service employees (other than those who are represented exclusively by another labor organization) in company-level grievance, claim and disciplinary proceedings on those carriers on which the BLE is the lawfully recognized or certified collective bargaining representative for that craft.

(b) This Article shall become effective ninety (90) days after service of notice on the carrier by the organization's authorized representative(s) unless implemented sooner pursuant to agreement between the parties.

ARTICLE VII - EXPENSES AWAY FROM HOME

Effective November 1, 1991, the meal allowance provided for in Article II, Section 2, of the June 25, 1964 National Agreement, as amended, is increased from $4.15 to $5.00. Effective November 1, 1994, such meal allowance shall be increased to $6.00.

ARTICLE VIII - ROAD/YARD WORK

Section 1

(a) Pursuant to the new road/yard provisions contained in the recommendations of Presidential Emergency Board No. 219, as clarified, a road crew may perform in connection with its own train without additional compensation one move in addition to those permitted by previous agreements at each of the **(a)** initial terminal, **(b)** intermediate points, and **(c)** final terminal. Each of the moves - those previously allowed plus the new ones - may be any one of those prescribed by the Presidential Emergency Board: pick-ups, set-outs, getting or leaving the train on multiple tracks, interchanging with foreign railroads, transferring cars within a switching limit, and spotting and pulling cars at industries.

(b) The switching allowances referred to in Article VIII, Section 1**(d)** of the May 19, 1986 Award of Arbitration Board No. 458 shall continue with respect to employees whose seniority in engine or train service precedes May 19, 1986 and such allowances are not subject to general or other wage increases.

(c) The crew of an over-the-road solid run-through train may perform one move as prescribed, in addition to delivering and/or receiving their train in interchange.

Section 2 - Protection

(a) Employees adversely affected by the provisions of Section 1 of this Article shall receive the protection afforded by Article I (except Section 4) of the New York Dock Protective Conditions (Appendix III, F.D. 28250).

(b) Where employees of terminal companies are affected by the additional relief granted carriers by the provisions of Section 1 of this Article, rosters shall be topped and bottomed on the appropriate roster of each owning line, maintaining prior rights. The carrier and employee representatives shall agree upon a method to top and bottom rosters, as provided above, to protect the seniority interests of affected terminal company employees.

ARTICLE IX - SPECIAL RELIEF CUSTOMER SERVICE - YARD CREWS

(a) When an individual carrier can show a bona fide need to obtain or retain a customer by servicing that shipper outside of the existing work rules related to starting times and yard limits for yard crews, such service may be instituted on an experimental basis for a six-month period.

(b) Prior to implementing such service, the carrier will extend at least 14 days' advance written notice to the General Chairman of the employees involved. The notice will include an explanation of the bona fide need to provide the service, a description of the service, and a listing of the work rules related to starting times and yard limits for yard crews which are at variance with existing agreements.

(c) A Joint Committee comprised of an equal number of carrier representatives and organization representatives, shall be constituted to determine whether a bona fide need exists to provide the service. If the Joint Committee has not made its determination by the end of the 14 day advance notice period referenced in Paragraph **(b)**, it shall be deemed to be deadlocked, and the service will be allowed on an

experimental basis for a six-month period. If, after the six months have expired, the organization members of the Joint Committee continue to object, the matter shall be referred to arbitration.
(d) If the parties are unable to agree upon an arbitrator within seven days of the date of the request for arbitration, either party may request the National Mediation Board to appoint an arbitrator. The fees and expenses of the arbitrator will be shared equally by the parties.

(e) The determination of the arbitrator shall be limited to whether the carrier has shown a bona fide need to provide the service requested or can provide the service without a special exception to the existing work rules related to starting times and yard limits for yard crews being made at a comparable cost to the carrier.

Nothing in this Article is intended to restrict any of the existing rights of a carrier.

This Article shall become effective November 17, 1991 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date.

ARTICLE X - INTERDIVISIONAL SERVICE

Article IX - Interdivisional Service of the May 19, 1986 Award of Arbitration Board No. 458, is amended as follows:

Section 4**(b)** of Article IX is renumbered Section 4**(c)** and a new Section 4**(b)** is hereby adopted:

> **(b)** The carrier and the organization mutually commit themselves to the expedited processing of negotiations concerning interdivisional runs, including those involving running through home terminals, and mutually commit themselves to request the prompt appointment by the National Mediation Board of an arbitrator when agreement cannot be reached.

ARTICLE XI - GENERAL PROVISIONS

Section 1 - Court Approval

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

Section 2 - Effect of this Implementing Document

(a) The purpose of this Implementing Document is to fix the general level of compensation during the period of the Implementing Document and is in settlement of the dispute growing out of the notices served upon the carriers listed in Exhibit A by the organization signatory hereto dated on or about January 17, 1984 and June 1, 1988, and the notices served on or about January 23, 1984 and October 7, 1988 by the carriers.

(b) This Implementing Document shall be construed as a separate implementing document 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, 1994 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) The parties to this Implementing Document shall not serve nor progress prior to November 1, 1994 (not to become effective before January 1, 1995) any notice or proposal for changing any matter contained in:

(1) this Implementing Document,

(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 Agreement of March 6, 1975, and any pending notices which propose such matters are hereby withdrawn.

(d) No party to this Implementing Document shall serve or progress, prior to November 1, 1994 (not to become effective before January 1, 1995), any notice or proposal which might properly have been served when the last moratorium ended on July 1, 1988.

(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 29th DAY OF JULY, 1991.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

_____
Chairman

FOR THE EMPLOYEES REPRESENTED BY
THE BROTHERHOOD of LOCOMOTIVE ENGINEERS:

_____
President

July 29, 1991

#1

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the $2,000 lump sum payment provided for in Article I, Section 1 of this Implementing Document.

In the case of an employee who was recalled from reserve status and performed active military service during 1990 as a result of the Persian Gulf crisis, such employee will be credited with 5 days of compensated service for each week of such military service for purposes of calculating eligibility for the lump sum amount provided he would otherwise have been in active service for the carrier.

Very truly yours,

C.I. Hopkins, Jr.

July 29, 1991

#2

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the Lump Sum Payment provided for in Article I, Section 1 of this Implementing Document.

This confirms our understanding that days during the year 1990 for which employees in a furloughed status received compensation pursuant to guarantees in protective agreements or arrangements shall be included in determining qualifications for the Lump Sum Payment.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

July 29, 1991

#3

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the increase in wages provided for in Section 2 of Article I of this Implementing Document.

It is understood that the retroactive portion of that wage increase will be paid within 60 days from the effective date of this Implementing Document. It is further understood that it shall be applied only to employees who have continued their employment relationship up to the date of this Implementing Document or who have retired or died subsequent to July 1, 1991.

Please indicate your agreement by signing your name in the Space provided below.

Very truly yours,

C.I. Hopkins, Jr.

I agree:

July 29, 1991

#4

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the Lump Sum Payments provided in Articles I and II of this Implementing Document.

All of the lump sum payments provided for in Article II are based in part on the number of straight time hours paid for that are credited to an employee for a particular period. However, the number of straight time hours so credited does not include any such hours reported to the ICC as constructive allowances except vacations, holidays, paid sick leave and guarantees in protective agreements or arrangements.

The inclusion of the term "guarantees in protective agreements or arrangements" in Article II means that an employee receiving such a guarantee will have included in the straight time hours used in calculating his lump sum payments under this Article all such hours paid for under any protective agreement or allowance provided, however, that in order to receive credit for such hours an employee must not be voluntarily absent from work, meaning that hours are not counted if an employee does not accept calls to report for work.

It is understood that any lump sum payment provided in Articles I and II will not be used to offset, construct or increase guarantees in protective agreements or arrangements.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

July 29, 1991

#5

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to the lump sum payments provided for in Article II of this Implementing Document.

Sections 1 to 4, inclusive, of Part A of Article II - Cost-of-Living Payments are structured so as to provide lump sum payments that are essentially based on the number of straight time hours credited to an employee during a specified 12-month base period. Section 8 provides that all of these lump sum payments are payable to an employee who has an employment relationship as of the dates such payments are made or has retired or died subsequent to the beginning of the applicable base period used to determine the amount of such payment. Thus, for example, under Section 1 of Part A of Article II, except for an employee who has retired or died, the agreement requires that an employee have an employment relationship as of July 1, 1992 in order to receive a lump sum payment which will be based essentially on the number of straight time hours credited to such employee during a period running from April 1, 1991 through March 31, 1992.

The intervals between the close of the measurement periods and the actual payments established in the 1985-86 National Agreements were in large part a convenience to the carriers in order that there be adequate time to make the necessary calculations.

In recognition of this, we again confirm the understanding that an individual having an employment relationship with a carrier on the last day of a particular measurement period will not be disqualified from receiving the lump sum (or portion thereof) provided for in the event his employment relationship is terminated following the last day of the measurement period but prior to the payment due date.

Very truly yours,

C.I. Hopkins, Jr.

July 29, 1991

#6

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our discussions with respect to the calculations of straight time hours in connection with the lump sum payments provided for in Article II of this Implementing Document.

It is understood that the straight time equivalent number of hours paid for at the overtime rate of pay for employees engaged in yard service or on runs the miles of which are not in excess of the number of miles encompassed in the basic day shall be included in such calculations.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

July 29, 1991

#7

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This refers to Article III Part A of this Implementing Document dealing with the Railroad Employees National Health and Welfare Plan (the "Plan"), and in particular to one facet of the arrangements for funding the benefits provided for under the Plan.

It is understood that, insofar as carriers represented by the National Carriers' Conference Committee in connection with health and welfare matters but not in connection with wages and cost-of-living adjustments are concerned, the cost-of-living adjustments for 1992 and thereafter that may have already been agreed to by such carriers, or that may be agreed to in the future, shall be adjusted - unless the agreement involved, reached on an individual property basis, provides as a part of the wage settlement that the employees covered by it shall not share in any year-to-year increases in Plan costs- so that the employees covered by such agreements shall receive cost-of-living adjustments that are less (than they would otherwise receive) by an amount equal to the lesser of (i) one-quarter of the year-to-year increases in the carriers' payment rate for the foreign-to-occupation portion of health benefits under the Plan as defined in the Agreement referred to in the first paragraph of this letter and (ii) one-half of the amount, pro-rated where appropriate, they would otherwise receive.

If the parties involved are unable to reach agreement on the specific manner of making the adjustments, or on any other terms and conditions regarding the adjustments, it is understood that such dispute shall be submitted, upon the written notice by either party, to arbitration by a neutral arbitrator within thirty (30) days after such notice is transmitted by one party to the other. Should the parties involved fail to agree on selection of a neutral arbitrator within five (5) calendar days from the date the dispute is submitted to arbitration, either party may request the National Mediation Board to supply a list of at least five (5) potential arbitrators, from which the parties shall choose the arbitrator by alternatively striking names from the list. Neither party shall oppose or make any objection to the NMB concerning a request for such a panel. The fees and expenses of the neutral arbitrator should be borne equally by the parties, and all other expenses should be paid for by the party incurring them. The arbitrator shall conduct a hearing within thirty (30) calendar days from the date on which the dispute is assigned to him or her. Each party shall deliver all statements of fact, supporting evidence and other relevant information in writing to the arbitrator and to the other party, no later than five (5) working days prior to the date of the hearing. The arbitrator shall not accept oral testimony at the hearing, and no transcript of the hearing shall be made.

Each party, however, may present oral arguments at the hearing through its counsel or other designated representative. The arbitrator must render a written decision, which shall be final and binding, within thirty (30) calendar days from the date of the hearing.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

July 29, 1991

#8

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our understanding concerning the manner in which Article V - Special Pay Differential, will be applied.

We agreed that prior to November 1, 1994, the special pay differential will continue to be paid to otherwise eligible engineers, notwithstanding the provisions of any agreement any carrier may enter into with the United Transportation Union subsequent to the date of this letter to eliminate productivity funds for crew consist protected trainmen pursuant to a crew consist agreement or to substitute "up-front" allowances in lieu thereof. We further agreed that on and after November 1, 1994, engineers will be eligible for the special pay differential only if they meet the conditions set forth in Article V.

Please indicate your agreement by signing in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I agree:

July 29, 1991

#9

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our discussions with respect to Article VIII - Road/Yard Work of this Implementing Document.

It is understood that, except as modified in Section 1 (c) of Article VIII, such Article does not change, alter or amend existing interpretations regarding over-the-road solid run through train operations.

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

Very truly yours,

C.I.Hopkins, Jr.

I agree:

July 29, 1991

#10

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our discussion concerning Article IX - Special Relief of this Implementing Document, particularly, the 14 day advance notice provision required before implementing any such special relief service.

We agreed that in most situations there will be ample opportunity, between the time that a special service need arises and when it must be implemented in order to retain or obtain a customer, to meet the 14 day notice requirement. In fact, in situations where practicable the carriers should provide more advance notice in order to enhance the opportunity for agreement with the appropriate General Chairmen.

However, we also recognized that situations may arise where it is impossible to provide 14 days' advance notice without losing or substantially risking the loss of a customer or new business. It was understood that in such a case it is not the intent of Article IX to bar a carrier from pursuing business opportunities. Accordingly, the carrier will furnish as much advance notice as possible in such a situation; observe the remaining provisions of Article IX, and bear the additional burden of proving that a notice period of less than 14 days was necessary.

If, in the opinion of the organization, this relaxed notice exception has been abused, the parties agree to confer and consider methods to eliminate such abuse, including the possibility of elimination of this exception.

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

Yours very truly,

C.I. Hopkins, Jr.

I agree:

July 29, 1991

#11

Mr. Larry D. McFather
President
Brotherhood of Locomotive Engineers
Standard Building
Cleveland, Ohio 44113-1702

Dear Mr. McFather:

This confirms our understanding with respect to this Implementing Document.

The parties exchanged various proposals and drafts antecedent to adoption of the various Articles that appear in this Implementing Document. It is our mutual understanding that none of such antecedent proposals and drafts will be used by any party for any purpose and that the provisions of this Implementing Document will be interpreted and applied as though such proposals and drafts had not been used or exchanged in the negotiation.

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

Very truly yours,

C.I. Hopkins, Jr.

I agree:

EXHIBIT "A" (list of railroads represented by the NCCC) is not reproduced

Illustrative Road/Yard Questions and Answers

Q1: A road crew at its final terminal delivers cars in interchange and picks up from the same foreign carrier before yarding his train. How many moves are involved?
A: Two, the delivery is one move and the pick up the second.

Q2: A road crew at its initial terminal is required to get its train from three tracks in the same location, where one track would have held the entire pick up. How many moves are involved?
A: One.

Q3: A road crew arrives at its final terminal with four blocks of cars all for foreign carriers. How many deliveries may the road crew make?
A: Three in addition to yarding their train at final terminal.

Q4: What is meant by "multiple tracks"?
A: "Multiple tracks" are more tracks than the minimum number required to hold the cars in question.

Q5: A road crew at its final terminal picks up twenty cars at Yard A, delivers 40 different cars to a foreign carrier then yards its train including the twenty cars picked up at Yard A on multiple tracks in Yard B. How many moves have been made?
A: Three.

Q6: Can a road crew set out in its final terminal and thereafter effect an interchange?
A: Yes.

Q7: Can a road crew (other than an over-the-road solid run through train) when making an interchange delivery or setting out at other than its final yard use multiple tracks to effectuate the move?
A: No. The application of the multiple track move is limited to where the road crew receives its train at the initial terminal and yards its train at the final terminal.

Q8: Railroad A has Railroad B do its switching at City X. What may Railroad A's road crews do at City X?
A: Railroad A's crews may do the same things as any other road crews.

Q9: A road crew at its initial terminal is required to get its train from three tracks because three tracks were required to hold the entire train. Is this considered a move?
A: No. This is a proper double over and does not count as one of the three additional moves permitted.

Q10: The carrier chooses to have a road crew get or leave its train on multiple tracks where a minimum number of tracks were available to hold the train and could have been used. Does this constitute a move so as to permit the road crew two additional moves at the initial or final terminal yard?

A: Yes. The use of multiple tracks is one of the allowable moves.

1986 NATIONAL AGREEMENT

ARTICLE I – GENERAL WAGE INCREASES

ARTICLE II – COST-OFLIVING ADJUSTMENT

ARTICLE III – LUMP SUM PAYMENT

ARTICLE IV – PAY RULES

ARTICLE V – FNAL TERMINAL DELAY – FREIGHT SERVICE

ARTICLE VI – DEADHEADING

ARTICLE VII – ROAD SWITCHERS – ETC.

ARTICLE VIII – ROAD, YARD AND INCIDENTIAL WORK

ARTICLE IX – INTERDIVISIONAL SERVICE

ARTICLE X – LOCOMOTIVE STANDARDS

ARTICLE XI – TERMINATION OF SENORITY

ARTICLE XII – FIREMEN

ARTICLE XIII – RETENTION OF SENORITY

ARTICLE XIV – EXPENSES AWAY FROM HOME

ARTICLE XV – BENEFITS UNDER THE RAILROAD EMPLOYEES HEALTH AND WELFARE PLAN

ARTICLE XVI – INFORMAL DISPUTES COMMITTEE

ARTICLE XVII – LOCOMOTIVE DESIGN – CONSTRUCTION AND MAMTAINANCE

ARTICLE XVIII – GENERAL PROVISIONS

SIDE LETTERS:

#1 – LUMP SUM – 60 DAYS

#2 - ARTICLE III – WILL NOT BE USED OFF SET, PROTECTIVE AGREEMENTS

#3 – ARTICLE IX – ENTRY RATES

#3A – ARTICLE V – DELIBERATELY DELAYED

#3B – ARTICLE V – PAYMENT OF MILEAGE OPERATED IN FINAL TERMINAL

#4 – EXAMPLES APPLICABLE TO DEADHEAD RULE

#5 – ARTICLE VII – ROAD SWITCHERS

#6 – ARTICLE VIII – TWO PICK UPS AND SET OUTS

#7 – ARTICLE VIII – ROAD, YARD AND INCIDENTIAL WORK

#8 – ARTICLE VIII – INCIDENTAL WORK- OTHER QUALIFIED EMPLOYEES AVAILABLE

#9 – ARTICLE IX – INTERDIVISIONAL SERVICE

#9A - ARTICLE IX – INTERDIVISIONAL SERVICE

#10 – ARTICLE X – LOCOMOTIVE MINUMIN STANDARDS

#11 – ARTICLE XII – HOSTLER POSITIONS

#12 – ARTICLE XII – HOSTLER POSITIONS – FURLOUGHED FIREMEN

#12A – ARTICLE XII – 'ANOTHER ORGANIZATION'

#13 – ARTICLE XII – ACTIVE FIREMAN, WORKING AS SUCH

#14 – ARTICLE XII – EXISTING RULES COVERING FIREMAN AND HOSTLERS

#15 – SORCE OF SUPPLY FOR FIREMAN

#16 – HOSPITAL PRE-ADMISSION AND ULITIZATION REVIEW PROGRAM

#17 – ARTICLE XV – SPECIAL COMMITTEE

#18 – AGREED TO PROVISIONS OF ARTICLE XV

#19 – UNDERSTANDING OF INCORPORATING HOSPITAL PRE-ADMISSION AND ULITIZATION

#20 – ENGINEER PAY DIFFERENTIAL

#20A – ENGINEER PAY DIFFERENTIAL – LETTER OF UNDERSTANDING NO. 20

#21 – INTERCRAFT PAY RELATIONSHIP

#22 – EROSION OF TRADITIONAL AUTHORITY AND RESPONSIBILITY

BLE

MAY 19, 1986

APPENDIX B

AWARD

of

ARBITRATION BOARD NO. 458

DATED MAY 19, 1986

between railroads represented by the

NATIONAL CARRIERS' CONFERENCE COMMITTEE

and

employees of such railroads represented by the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

APPENDIX B

IT IS HEREBY AGREED:

ARTICLE 1 - GENERAL WAGE INCREASES

Section l - First General Wage Increase

(a) Effective July 1, 1986, all standard basic dally rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1986 shall be increased by one **(1)** percent.

(b) In computing the increase under paragraph **(a)** above, one (l) 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 2 - Second General Wage Increase

Effective July 1, 1986, following application of the wage increase provided for in Section l**(a)** above, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect shall be further increased by two **(2)** percent, computed and applied in the manner prescribed in Section l above.

Section 3 - Third General Wage Increase

Effective October 1, 1986, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on September 30, 1986, shall be increased by one and one-half (1.5) percent, computed and applied in the manner prescribed in Section 1 above.

Section 4 - Fourth General Wage Increase

Effective January 1, 1987, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1986, shall be increased by two and one-quarter (2.25) percent, computed and applied in the manner prescribed in Section 1 above.

Section 5 - Fifth General Wage Increase

Effective July 1, 1987, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1987, shall be increased by one and one-half (1.5) percent, computed and applied in the manner prescribed in Section 1 above.

Section 6 - Sixth General Wage Increase

Effective January 1, 1988, all standard basic daily rates of pay (excluding cost-of-living allowance) of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1987, shall be increased by two and one-quarter (2.25) percent, computed and applied in the manner prescribed in Section 1 above.

Section 7 - Standard Rates

The standard basic daily rates of pay (excluding cost-of-living allowance) 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 8 - Application of Wage Increases

(a) Duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, and mileage rates of pay for miles run in excess of the number of miles comprising a basic day, will not be subject to the adjustments provided for in this Article.

(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) The differential of $4.00 per basic day in freight and yard service, and $.04 per mile for miles in excess of the number of miles encompassed in the basic day in freight 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 July 1, 1986, under Section 1 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 one **(1)** percent increase shall be applied to daily rates in effect June 30, 1986, 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 second increase effective July 1, 1986, and the subsequent increases effective October 1, 1986, January 1, 1987, July 1, 1987 and January 1, 1988. 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 1 through 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as the standard rates were determined.
>
> **(ii)** The differential of $4.00 per basic day in freight and yard service, and $.04 per mile for miles in excess of the number encompassed in the basic day in freight 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.
>
> **(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 1 through 6 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph **(i)(i)** above.

(j) Wage rates resulting from the increases provided for in Sections 1 through 6 of this Article I, and in Section 1**(d)** of Article II, will not be reduced under Article II.

ARTICLE II - COST-OF-LIVING ADJUSTMENTS

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

(a) The cost-of-living allowance which, on September 30, 1986 will be 13 cents per hour, will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs **(e)** and **(g)** below, 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 BLS Consumer Price Index. The first such cost-of-living adjustment shall be made effective October 1, 1986, based (subject to paragraph **(e)(i)** below) on the BLS Consumer Price Index for March 1986 as compared with the index for September 1985. Such adjustment, and further cost-of-living adjustments which will be made effective as described below, will be based on the change in the BLS Consumer Price Index during the respective

measurement periods shown in the following table subject to the exception in paragraph **(e)(ii)** below, according to the formula set forth in paragraph **(f)** below as limited by paragraph **(g)** below:

Measurement Periods		Effective Date of Adjustment
Base Month	Measurement Month	
(1)	**(2)**	**(3)**
September 1985	March 1986	October 1, 1986
March 1986	September 1986	January 1, 1987
September 1986	March 1987	July 1, 1987
March 1987	September 1987	January 1, 1988

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, vacations, holidays and to special allowances in the same manner as basic wage adjustments have been applied in the past, except that any part of such allowance generated after September 30, 1986 shall not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money or to mileage rates of pay for miles run in excess of the number of miles comprising a basic day.

(c) The amount of the cost-of-living allowance, if any, which will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(d) On June 30, 1988 all of the cost-of-living allowance then in effect shall be rolled into basic rates of pay and the cost-of-living allowance in effect will be reduced to zero. Accordingly, the amount rolled in will not apply to duplicate time payments, including arbitraries and special allowances that are expressed in time, miles or fixed amounts of money, and mileage rates of pay for miles run in excess of the number of miles comprising a basic day, except to the extent that it includes part or all of the 13 cents per hour allowance in effect on September 30, 1986.

(e) Cap. **(i)** In calculations under paragraph **(f)** below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:

Effective Date of Adjustment	Maximum C.P.I. Increase Which May Be Taken into Account
(1)	**(2)**
October 1, 1986	4% of September 1985 CPI
January 1, 1987	8% of September 1985 CPI, less the increase from September 1985 to March 1986
July 1, 1987	4% of September 1986 CPI
January 1, 1988	8% of September 1986 CPI, less the increase from September 1986 to March 1987

(ii) If the increase in the BLS Consumer Price Index from the base month of September 1985 to the measurement month of March 1986, exceeds 4% of the September base index, the measurement period which will be used for determining the cost-of-living adjustment to be effective the following January will be the twelve-month period from such base month of

September; the increase in the index which will be taken into account will be limited to that portion of increase which is in excess of 4% of such September base index, and the maximum increase in that portion of the index which may be taken into account will be 8% of such September base index less the 4% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph **(f)** below in calculation of the cost-of-living adjustment which will have become effective October 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of September of one year to the measurement month of September of the following year in excess of 8% of the September base month index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(f) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph **(e)** above, will 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 will not be counted).

The cost-of-living allowance in effect on September 30, 1986 will be adjusted (increased or decreased) effective October 1, 1986 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph **(e)** above, in the BLS Consumer Price Index during the measurement period from the base month of September 1985 to the measurement month of March 1986. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the cost-of-living allowance in effect on September 30, 1986 if the Consumer Price Index will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will have been lower at the end than at the beginning of the measurement period and then, only, to the extent that the allowance remains at zero or above.

The same procedure will be followed in applying subsequent adjustments.

(g) Offsets. The amounts calculated in accordance with the formula set forth in paragraph **(f)** will be offset by the third through the sixth increases provided for in Article I of this Agreement as applied on an annual basis against a starting rate of S12.92 per hour. This will result in the cost-of-living increases, if any, being subject to the limitations herein described:

(i) Any increase to be paid effective October 1, 1986 is limited to that in excess of 19 cents per hour.

(ii) The combined increases, if any, to be paid as a result of the adjustments effective October 1, 1986 and January 1, 1987 are limited to those in excess of 48 cents per hour.

(iii) Any increase to be paid effective July 1, 1987 is limited to that in excess of 20 cents per hour.

(iv) The combined increases, if any, to be paid as a result of the adjustments effective July 1, 1987 and January 1, 1988 are limited to those in excess of 51 cents per hour.

(h) Continuance of the cost-of-living adjustments 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 Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index 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 Index during such measurement period.

Section 2 - Application of Cost-of-Living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living allowance will not become part of basic rates of pay except as provided in Section l**(d)**. In application of such allowance, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Article I and by Section 1**(d)** of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 8 of Article I.

ARTICLE III - LUMP SUM PAYMENT

A lump sum payment, calculated as described below, will be paid to each employee subject to this Agreement who established an employment relationship prior to the date of this Agreement and has retained that relationship or has retired or died.

Employees with 2,150 or more straight time hours paid for (not including any such hours reported to the Interstate Commerce
Commission as constructive allowances except vacations and holidays) during the period July 1, 1984 through July 31, 1985 will be paid $565.00. Those employees with fewer straight time hours paid for will be paid an amount derived by multiplying $565.00 by the number of straight time hours (including vacations and holidays, as described above) paid for during that period divided by 2,150.

There shall be no duplication of lump-sum payments by virtue of employment under an agreement with another organization.

ARTICLE IV - PAY RULES

Section 1 - Mileage Rates

(a) Mileage rates of pay for miles run in excess of the number of miles comprising a basic day will not be subject to general, cost-of-living, or other forms of wage increases.

(b) Mileage rates of pay, as defined above, applicable to interdivisional, interseniority district, intradivisional and/or intraseniority district service runs now existing or to be established in the future shall not exceed the applicable rates as of June 30, 1986. Such rates shall be exempted from wage increases as provided in Section l**(a)** of this Article. Weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision.

Section 2 - Miles in Basic Day and Overtime Divisor

(a) The miles encompassed in the basic day in through freight and through passenger service and the divisor used to determine when overtime begins will be changed as provided below:

Effective Date of Change	Through Freight Service	Through Passenger Service

	Miles in Basic Day	Overtime Divisor	Miles in Basic Day	Overtime Divisor
July 1, 1986	104	13.0	104	20.8
July 1, 1987	106	13.25	106	21.2
June 30, 1988	108	13.5	108	21.6

(b) Mileage rates will be paid only for miles run in excess of the minimum number specified in **(a)** above.

(c) The number of hours that must lapse before overtime begins on a trip in through freight or through passenger service is calculated by dividing the miles of the trip or the number of miles encompassed in a basic day in that class of service, whichever is greater, by the appropriate overtime divisor. Thus after June 30, 1988, overtime will begin on a trip of 125 miles in through freight service after 125/13.5 = 9.26 hours or 9 hours and 16 minutes. In through freight service, overtime will not be paid prior to the completion of 8 hours of service..

Section 3 - Conversion to Local Rate

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When employees in through freight service become entitled to the local rate of pay under applicable conversion rules, ,he daily local freight differential (56 cents for engineers and 43 cents for firemen under national agreements) will be added to their basic daily rate and the combined rate will be used as the basis for calculating hourly rates, including overtime. The local freight mileage differential (56 cents per mile for engineers and 43 cents for firemen under national agreements) will be added to the through freight mileage rates, and miles in excess of the number encompassed in the basic day in through freight service will be paid at the combined rate.

Section 4 - Engine Exchange (Including Adding and Subtracting of Units)And Other Related Arbitraries

(a) Effective July 1, 1986 all arbitrary allowances provided to employees for exchanging engines, including adding and subtracting units, preparing one or more units for tow, handling locomotive units not connected in multiple, and coupling and/or uncoupling appurtenances such as signal hose and control cables are reduced by an amount equal to two-thirds of the allowance in effect as of June 30, 1986.

(b) Effective July 1, 1987, all arbitrary allowances provided to employees for performing work described in paragraph **(a)** above are eliminated.

Section 5 - Duplicate Time Payments

(a) Duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money, shall not apply to employees whose seniority in engine or train service is established on or after November 1, 1985.

(b) Duplicate time payments, including arbitraries and special allowances that are expressed in time or miles or fixed amounts of money, not eliminated by this Agreement shall not be subject to general, cost-of-living or other forms of wage increases.

Section 6 - Rate Progression - New Hires

In any class of service or job classification, rates of pay, additives, and other applicable elements of compensation for an employee whose seniority in engine or train service is established on or after November 1, 1985, will be 75% of the rate for present employees and wlll increase in increments of 5 percentage points for each year of active service in engine and/or train 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 365 calendar days in which the employee performs a total of 80 or more tours of duty.

ARTICLE V - FINAL TERMINAL DELAY, FREIGHT SERVICE

Section 1 - Computation of Time

In freight service all time, in excess of 60 minutes, computed from the time engine reaches switch, or signal governing same, used in entering final terminal yard where train is to be left or yarded, until finally relieved from duty, shall be paid for as final terminal delay; provided, that if a train is deliberately delayed between the last siding or station and such switch or signal, the time held at such point will be added to any time calculated as final terminal delay.

Section 2 - Extension of Time

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Where mileage is allowed between the point where final terminal delay time begins and the point where finally relieved, each mile so allowed will extend the 60 minute period after which final terminal delay payment begins by the number of minutes equal to 60 divided by the applicable overtime divisor (60/12.5 = 4.8; 60/13 = 4.6; 60/13.25 = 4.5; 60/13.5 = 4.4, etc.).

Section 3 - Payment Computation

All final terminal delay, computed as provided for in this Article, shall be paid for, on the minute basis, at one-eighth (1/8th) of the basic daily rate in effect as of June 30, 1986, according to class of service and engine used, in addition to full mileage of the trip, with the understanding that the actual time consumed in the performance of service in the final terminal for which an arbitrary allowance of any kind is paid shall be deducted from the final terminal time under this Article. The rate of pay for final terminal delay allowance shall not be subject to increases of any kind.

After road overtime commences, final terminal delay shall not apply and road overtime shall be paid until finally relieved from duty.

> **NOTE**: The phrase "relieved from duty" as used in this Article includes time required to make inspection, complete all necessary reports and/or register off duty.

Section 4 - Multiple Trips

When a tour of duty is composed of a series of trips, final terminal delay will be computed on only the last trip of the tour of duty.

Section 5 - Exceptions

This Article shall not apply to pusher, helper, mine run, shifter, roustabout, transfer, belt line, work, wreck, construction, road switcher or district run service. This Article shall not apply to circus train service where special rates or allowances are paid for such service.

NOTE: The question as to what particular service is covered by the designations used in Section 5 shall be determined on each individual railroad in accordance with the rules and practices in effect thereon.

Section 6 - Local Freight Service

In local freight service, time consumed in switching at final terminal shall not be included in the computation of final terminal delay time.

This Article shall become effective July 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date.

ARTICLE VI - DEADHEADING

Existing rules covering deadheading are revised as follows:

Section 1 - Payment When Deadheading and Service Are Combined

(a) Deadheading and service may be combined in any manner that traffic conditions require, and when so combined employees shall be paid actual miles or hours on a continuous time basis, with not less than a minimum day, for the combined service and deadheading. However, when deadheading from the away-from-home terminal to the home terminal is combined with a service trip from such home terminal to such away-from-home terminal and the distance between the two terminals exceeds the applicable mileage for a basic day, the rate paid for the basic day mileage portions of the service trip and deadhead shall be at the full basic daily rate.

Section 2 - Payment For Deadheading Separate From Service

When deadheading is paid for separate and apart from service:

(a) For Present Employees* *(TE&Y seniority date precedes November 1, 1986.)*

A minimum day, at the basic rate applicable to the class of service in connection with which deadheading is performed, shall be allowed for the deadheading, unless actual time consumed is greater, in which event the latter amount shall be allowed.

(b) For New Employees** *(TE&Y Seniority date established on or after November 1, 1985.)*

Compensation on a minute basis, at the basic rate applicable to the class of service in connection with which deadheading is performed, shall be allowed. However, if service after deadheading to other than the employee's home terminal does not begin within 16 hours after completion of deadhead, a minimum of a basic day at such rate will be paid. If deadheading from service at other than the employee's home terminal does not commence within 16 hours of completion of service, a minimum of a basic day at such rate will be paid.

A minimum of a basic day also will be allowed where two separate deadhead trips, the second of which is out of other than the home terminal, are made with no intervening service performed. Non-service payments such as held-away-from-home terminal allowance will count toward the minimum of a basic day provided in this Section 2**(b)**.

* Employees whose seniority in engine or train service precedes November 1, 1985.

** Employees whose earliest seniority date in engine or train service is established on or after November 1, 1985.

Section 3 - Applications

Deadheading will not be paid where not paid under existing rules.

This Article shall become effective July 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date.

ARTICLE VII - ROAD SWITCHERS ETC.

Section 1 - Reduction in Work Week

(a) Carriers with road switcher (or similar operations), mine run or roustabout agreements in effect prior to the date of this Agreement that do not have the right to reduce six or seven-day assignments to not less than five, or to establish new assignments to work five days per week, shall have that right.

(b) The work days of five-day assignments reduced or established pursuant to Section l**(a)** of this Article shall be consecutive. The five-day yard rate shall apply to new assignments established pursuant to Section l**(a)** of this Article. Assignments reduced pursuant to Section l**(a)** shall be compensated in accordance with the provisions of Section l**(c)**.

(c) If the working days of an existing assignment as described in Section l**(a)** are reduced under this Article, an allowance of 48 minutes at the existing straight time rate of that assignment in addition to the rate of pay for that assignment will be provided. Such allowance will continue for a period of three years from the date such assignment was first reduced. However, such allowance will not be made to employees who establish seniority in train or engine service on or after November 1, 1985. Upon expiration of the three year period described above, the five day yard rate will apply to any assignment reduced to working less than six or seven days a week pursuant to this Article.

(d) The annulment or abolishment and subsequent reestablishment of an assignment to which the allowance provided for above applies shall not serve to make the allowance inapplicable to the assignment upon its restoration.

Section 2 - New Road Switcher Agreements

(a) Carriers that do not have rules or agreements that allow them to establish road switcher assignments throughout their system may serve a proposal for such a rule upon the interested general chairman or chairmen. If agreement is not reached on the proposal within 20 days, the question shall be submitted to arbitration.

(b) The arbitrator shall be selected by the parties or, if they fail to agree, the National Mediation Board will be requested to name an arbitrator.

(c) The arbitrator shall render a decision within 30 days from the date he accepts appointment. The decision shall not deal with the right of the carrier to establish road switcher assignments (such right is recognized), but shall be restricted to enumerating the terms and conditions under which such assignments shall be compensated and operated.

(d) In determining the terms and conditions under which road switcher assignments shall be compensated and operated, the arbitrator will be guided by and confined to what are the prevailing features of other road switcher agreements found on Class I railroads, except that the five day yard rate shall apply to any assignment established under this Section.

ARTICLE VIII - ROAD, YARD AND INCIDENTAL WORK

Section 1 - Road Crews

Road crews may perform the following work in connection with their own trains without additional compensation:

(a) Get or leave their train at any location within the initial and final terminals and handle their own switches. When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty point fixed for that assignment and such point is not within reasonable walking distance of the on and off duty point, transportation will be provided.

(b) Make up to two straight pick-ups at other location(s) in the initial terminal in addition to picking up the train and up to two straight set-outs at other location(s) in the final terminal in addition to yarding the train; and, in connection therewith, spot, pull, couple, or uncouple cars set out or picked up by them and reset any cars disturbed.

(c) In connection with straight pick-ups and/or set-outs within switching limits at intermediate points where yard crews are on duty, spot, pull, couple or uncouple cars set out or picked up by them and reset any cars disturbed in connection therewith.

(d) Perform switching within switching limits at times no yard crew is on duty. On carriers on which the provisions of Section 1 of Article V of the June 25, 1964 Agreement are applicable, time consumed in switching under this provision shall continue to be counted as switching time. Switching allowances, where applicable, under Article V, Section 7 of the June 25, 1964 Agreement or under individual railroad agreements, payable to road crews, shall continue with respect to employees whose seniority in engine or train service precedes the date of this Agreement and such allowances are not subject to general or other wage increases.

(e) At locations outside of switching limits there shall be no restrictions on holding onto cars in making set-outs or pick-ups, including coupling or shoving cars disturbed in making set-outs or pick-ups.

Section 2 - Yard Crews

(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 25 miles outside of switching limits.

(ii) Complete the work that would normally be handled by the crews of trains 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 train or wrecking service.

> **Note**: For performing the service provided in **(a)(i)** and **(ii)** above, yard crews shall be paid miles or hours, whichever is the greater, with a minimum of one **(1)** hour for the class of service performed (except where existing agreements require payment at yard rates) for all time consumed outside of switching limits. This allowance shall be in addition to the regular yard pay and without any deduction therefrom for the time consumed outside of switching limits. Such payments are limited to employees whose seniority date in engine or train service precedes November 1, 1985 and is not subject to general or other wage increases.

(iii) Perform service to customers up to 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 rights to such work. This paragraph does not contemplate the use of yard crews to perform work train or wrecking service outside switching limits.

(iv) Nothing in this Article 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 Article shall continue to be measured from switching limits as they existed as of July 26, 1978, except by mutual agreement.

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

Section 3 - Incidental Work

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:

(a) Handle switches

(b) Move, turn, spot and fuel locomotives

(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.

Section 4 - Construction of Article

Nothing in this Article is intended to restrict any of the existing rights of a carrier.

This Article shall become effective June 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date.

ARTICLE IX - INTERDIVISIONAL SERVICE

Note: As used in this Agreement, the term interdivisional service includes interdivisional, interseniority district, intradivisional and/or intraseniority district service.

An individual carrier may establish interdivisional service, in freight or passenger service, subject to the following procedure.

Section 1 - Notice

An individual carrier seeking to establish interdivisional service shall give at least twenty days' written notice to the organization of its desire to establish service, specify the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishment of such service.

Section 2 - Conditions

Reasonable and practical conditions shall govern the establishment of the runs described, including but not limited to the following:

(a) Runs shall be adequate for efficient operations and reasonable in regard to the miles run, hours on duty and in regard to other conditions of work.

(b) All miles run in excess of the miles encompassed in the basic day shall be paid for at a rate calculated by dividing the basic daily rate of pay in effect on May 31, 1986 by the number of miles encompassed in the basic day as of that date. Weight-on-drivers additives will apply to mileage rates calculated in accordance with this provision.

(c) When a crew is required to report for duty or is relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, the carrier shall authorize and provide suitable transportation for the crew.

> **Note**: Suitable transportation includes carrier owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.

(d) On runs established hereunder crews will be allowed a $4.15 meal allowance after 4 hours at the away from home terminal and another $4.15 allowance after being held an additional 8 hours.

(e) In order to expedite the movement of interdivisional runs, crews on runs of miles equal to or less than the number encompassed in the basic day will not stop to eat except in cases of emergency or unusual delays. For crews on longer runs, the carrier shall determine the conditions under which such crews may stop to eat. When crews on such runs are not permitted to stop to eat, crew members shall be paid an allowance of $1.50 for the trip.

(f) The foregoing provisions **(a)** through **(e)** do not preclude the parties from negotiating on other terms and conditions of work.

Section 3 - Procedure

Upon the serving of a notice under Section 1, the parties will discuss the details of operation and working conditions of the proposed runs during a period of 20 days following the date of the notice. If they are unable to agree, at the end of the 20-day period, with respect to runs which do not operate through a home terminal or home terminals of previously existing runs which are to be extended, such run or runs will be operated on a trial basis until completion of the procedures referred to in Section 4. This trial basis operation will not be applicable to runs which operate through home terminals.

Section 4 - Arbitration

(a) In the event the carrier and the organization cannot agree on the matters provided for in Section 1 and the other terms and conditions referred to in Section 2 above, the parties agree that such dispute shall be submitted to arbitration under the Railway Labor Act, as amended, within 30 days after arbitration is requested by either party. The arbitration board shall be governed by the general and specific guidelines set forth in Section 2 above.

(b) The decision of the arbitration board shall be final and binding upon both parties, except that the award shall not require the carrier to establish interdivisional service in the particular territory involved in each such dispute but shall be accepted by the parties as the conditions which shall be met by the carrier if and when such interdivisional service is established in that territory. Provided further, however, if carrier elects not to put the award into effect, carrier shall be deemed to have waived any right to renew the same request for a period of one year following the date of said award, except by consent of the organization party to said arbitration.

Section 5 - Existing Interdivisional Service

Interdivisional service in effect on the date of this Agreement is not affected by this Article.

Section 6 - Construction of Article

The foregoing provisions are not intended to impose restrictions with respect to establishing interdivisional service where restrictions did not exist prior to the date of this Agreement.

Section 7 - Protection

Every employee adverse1y affected either directly or indirectly as a result of the application of this rule shall receive the protection afforded by Sections 6, 7, 8 and 9 of the Washington Job Protection Agreement of May 1936, except that for the purposes of this Agreement Section 7**(a)** is amended to read 100% (less earnings in outside employment) instead of 60% and extended to provide period of payment equivalent to length of service not to exceed 6 years and to provide further that allowances in Sections 6 and 7 be increased by subsequent general wage increases.

Any employee required to change his residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement and in addition to such benefits shall receive a transfer allowance of four hundred dollars ($400.00) and five working days instead of the "two working days" provided by Section 10**(a)** of said agreement. Under this Section, change of residence shall not be

considered "required" if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point.

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.

This Article shall become effective June 1, 1986 except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before such date. Article VIII of the May 13, 1971 Agreement shall not apply on any carrier on which this Article becomes effective.

ARTICLE X - LOCOMOTIVE STANDARDS

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In run-through service, a locomotive which meets the basic minimum standards of the home railroad or section of the home railroad may be operated on any part of the home railroad or any other railroad.

A locomotive which meets the basic minimum standards of a component of a merged or affiliated rail system may be operated on any part of such system.

ARTICLE XI - TERMINATION OF SENIORITY

The seniority of any employee whose seniority-in engine or train service is established on or after November 1, 1985 and who is furloughed for 365 consecutive days will be terminated if such employee has less than three **(3)** years of seniority.

ARTICLE XII - FIREMFN

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A. On carriers where the Brotherhood of Locomotive Engineers represents firemen and the provisions of the July 19, 1972 Manning and Training Agreements, as amended, are in effect, the following will apply:

The craft or class of firemen (helpers) shall be eliminated through attrition except to the extent necessary to provide the source of supply for engineers and for designated passenger firemen, hostler and hostler helper positions.

Section 1 - Amendments to July 19, 1972 Manning and Training Agreements

(1) Change Article I, Section l **(a)** to read as follows:

> "**(a)** For fulfilling needs arising as the resu1t of assignments and vacancies, temporary or otherwise, in designated passenger service and in hostler, hostler-helper service, pursuant to mileage or other regulating factors on individual carriers and in accordance with Article IV of this Agreement."

(2) Change Article I, Section 3**(a)** to read as fo1lows:

"**(a)** Determinations of the number of employees required on each seniority district will be based on the maximum applicable regulating factor for each class of service contained in the ru1es on each carrier relating to increasing or decreasing the force of locomotive engineers."

(3) Change Article I, Section 3**(e)** to read as follows:

"**(e)** The number of employees required as of each determination period will be based on engineer service during the twelve months' period as follows:

Passenger service

Total hours paid for multiplied by the number of mi1es encompassed in a minimum day divided by the number of hours encompassed in a minimum day.

Freight service

Total hours paid for plus one-half overtime hours, multiplied by the number of miles encompassed in a minimum day divided by the number of hours encompassed in a minimum day.

Yard service

Total hours paid for p1us one-half overtime hours, divided by 8.

The results thus obtained shall be divided by the maximum applicable regulating factor as provided in paragraph **(a)** of this Section 3. The sum of employees thus determined will be increased by 10% to cover vacations and layoffs.

NOTE: As used in this paragraph, the term 'total hours paid for' includes all straight time hours paid for including hours paid for while working during scheduled vacation periods and the basic day's pay for holidays as such, all overtime hours paid for including overtime paid for working on ho1idays, and the hourly equivalent of arbitraries and special allowances provided for in the schedule agreements. The term does not include the hourly equivalent of vacation allowances or allowances in lieu of vacations, or payments arising out of violations of the schedule agreement."

(4) Change Article I, Section 3**(f)** by inserting "and on furlough" in the first and second sentences after "the number of firemen in active service" and by eliminating **(1)** to the NOTE and renumbering the remaining three enumerated items.

(5) Eliminate Section 3**(h)** of Article I and re letter the subsequent subsection.

(6) Change Article III, Section 1 to read as follows:

"Section 1 - Firemen (he1pers) whose seniority as such was established prior to November 1, 1985 shall have the right to exercise their seniority on assignments on which, under the National Diesel Agreement of 1950 (as in effect on January 24, 1964), the use of firemen (helpers) would have been required, and on available hostler and hostler helper assignments subject to the following exceptions:

(a) When required to fulfill experience requirements for promotion, or engaged in a scheduled training program.

(b) When their services are required to qualify for or fill passenger or hostler or hostler helper vacancies in accordance with Article IV of this Agreement.

(c) When restricted to specific assignments as referred to in Article VI of this Agreement.

(d) When required to fill engineer vacancies or assignments.

The exercise of seniority under this Article will be subject to the advertisement, bidding, assignment, displacement and mileage rules on the individual carriers.

NOTE: As to any carrier not subject to the National Diesel Agreement of 1950 on January 24, 1964, the term 'the ru1es in effect on January 24, 1964 respecting assignments (other than hostling assignments) to be manned by firemen (helpers)' shall be substituted in this Article for the term 'the National Diese1 Agreement of 1950.'"

"Section 1.5 - Firemen (helpers) whose seniority as such is established on or after November 1, 1985 will have the right to exercise seniority limited to designated positions of passenger fireman, hostler or hostler helper. The seniority rights of such firemen are subject to the following exceptions:

(a) When required to fu1fill experience requirements for promotion, or engaged in a scheduled training program.

(b) When required to fill engineer vacancies or assignments.

This will not preclude the carrier from requiring firemen to maintain proficiency as engineer and familiarity with operations and territories by working specified assignments."

(7) Change Article III, Section 4 to read as follows:

"Section 4**(a)** - All firemen (helpers) whose seniority as such was established prior to November 1, 1985 will be provided employment in accordance with the provisions of this Article until they retire, resign, are discharged for good cause, or are otherwise severed by natural attrition; provided, however, that such firemen (helpers) may be furloughed if no assignment working without a fireman (helper) exists on their seniority district which would have been available to firemen (helpers) under the National Diesel Agreement of 1950 (as in effect on January 24, 1964), and if no position on an extra list as required in Section 3 above exists on their seniority district, subject to Section 5 of this Article."

"Section 4**(b)** - Firemen whose seniority as such is established on or after November 1, 1985 may be furloughed when not utilized pursuant to Section 1.5 of this Article."

(8) Change Article III, Section 5**(a)** to read as follows:

"Section 5**(a)** - With respect to firemen (helpers) employed after July 19, 1972 and prior to November 1, 1985 the provisions of Section 4**(a)** above will be temporarily suspended on any seniority district to the extent provided in this Section 5 if there is a decline in business within the meaning of this Section."

(9) Change Article IV, Section 1 to read as follows:

"Section 1 - Firemen (helpers) who established a seniority date as fireman prior to November 1, 1985 shall be used on assignments in passenger service on which under agreements in effect immediately prior to August 1, 1972, the use of firemen (he1pers) would have been required. The use in passenger service of firemen (helpers) who establish seniority as firemen on or after November 1, 1985 will be confined to assignments designated by the carrier."

(10) Change Article IV, Section 2 to read as follows:

"**(a)** Except as modified hereinafter, assignments in hostling service will continue to be filled when required by agreements in effect on individual carriers.

(b) The carriers may discontinue using employees represented by the Brotherhood of Locomotive Engineers as hostlers or hostler helpers provided that it does not result in furlough of a fireman who established seniority prior to November 1, 1985 nor the establishment of a hostler position represented by another organization, and provided, further, that this provision will not act to displace any employee who established seniority prior to November 1, 1985 and who has no rights to service except as hostler or hostler helper.

(c) Employees in engine service who established seniority prior to November 1, 1985 will continue to fill hostler and hostler helper positions and vacancies thereon in accordance with agreements in effect as of that date. If such position cannot be filled by such employees, and it is not discontinued pursuant to Paragraph **(b)** above, other qualified employees may be used.

(d) Yard crews may perform hostling work without additional payment or penalty to the carrier.'

(11) Change Article VIII to read as follows:

ARTICLE - VIII - RESERVE FIREMEN

The carrier shall have the right to offer 'Reserve Fireman' status to any number of active firemen, working as such, with seniority as firemen prior to November 1, 1985 (who are subject to work as locomotive engineers). Where applied, Reserve Fireman status shall be granted in seniority order on a seniority district or home zone basis under the terms listed below:

(1) An employee who chooses Reserve Fireman status must remain in that status until he either **(i)** is recalled and returns to hostler or engine service pursuant to Paragraph **(2)**, **(ii)** is discharged from employment by the carrier pursuant to Paragraph **(2)**, **(iii)** is discharged from employment by the carrier for other good cause, **(iv)** resigns from employment by the carrier, **(v)** retires on an annuity (including a disability annuity) under the Railroad Retirement Act, or **(vi)** otherwise would not be entitled to free exercise of seniority under this Fireman Manning Agreement; whichever occurs first. If not sooner terminated, Reserve Fireman status and all other employment rights of a Reserve Fireman shall terminate when he attains age 70.

(2) Reserve Firemen must maintain their engine service and hostler proficiencies while in such status, including successfully completing any retraining or refresher programs that the carrier may require and passing any tests or examinations (including physical examinations) administered for purposes of determining whether such proficiencies and abilities have been maintained. Reserve Firemen also must hold themselves available for return to hostler and engine service upon seven days' notice, and must return to hostler or engine service in compliance with such notice. Reserve Firemen shall be recalled in reverse seniority order unless recalled for service as engineer. Failure to comply with any of these requirements will result in forfeiture of all seniority rights.

(3) Reserve Firemen shall be paid at 70% of the basic yard fireman's rate for five days per week. No other payments shall be made to or on behalf of a Reserve Fireman except **(i)** payment of premiums under applicable health and welfare plans and, **(ii)** as may otherwise be provided for in this Article. No deductions from pay shall be made on behalf of a Reserve Fireman except **(i)** deductions of income, employment or payroll taxes (including railroad retirement taxes) pursuant to federal, state or local law; **(ii)** deductions of dues pursuant to an applicable union shop agreement and any other deductions authorized by agreement, **(iii)** as may otherwise be authorized by this Article and **(iv)** any other legally required deduction.

(4) Reserve Firemen shall be considered in active service for the purpose of this Fireman Manning Agreement, including application of the decline in business formula.

(5) Other non-railroad employment while in Reserve Fireman status is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.

(6) Vacation pay received while in Reserve Fireman status will offset pay received under paragraph **(3)**. Time spent in reserve status will not count toward determining whether the employee is eligible for vacation in succeeding years. It will count as time in determining the length of the vacation to which an employee, otherwise eligible, is entitled.

(7) Reserve Firemen are not eligible for:

Holiday Pay
Personal Leave
Bereavement Leave
Jury Pay
Other similar special allowances

(8) Reserve Firemen are covered by:

Health and Welfare Plans
Union Shop
Dues Check-off
Discipline Rule
Grievance Procedure

that are applicable to firemen (helpers) in active service.

(9) When junior employees are in 'Reserve Fireman' status, a senior active fireman may request such status. The carrier shall grant such a request and, at its discretion, recall the junior 'Reserve Fireman."

Section 2 - Application

Any conflict between the changes set forth herein and the provisions of the July 19, 1972 Manning Agreement, as revised, shall be resolved in accordance with the provisions of this Agreement.

B. On carriers where the Brotherhood of Locomotive Engineers represents firemen and the provisions of the July 19, 1972 Manning and Training Agreements, as amended, are not in effect, the following will apply:

(1) The craft or class of firemen* shall be eliminated through attrition except to the extent necessary to provide the source of supply for engineers and for designated passenger firemen, hostlers and hostler helper positions.

*The term firemen as used in this Article, includes any position, including apprentice, assistant or reserve engineer, the occupant of which is in training for position of engineer or who is a qualified engineer unable, because of seniority, to hold a position as engineer.

(2) Firemen whose seniority as such was established prior to November 1, 1985 shall have the right to exercise their seniority on assignments, on which immediately preceding the date of this agreement, they were permitted to exercise seniority as firemen, and on available hostler and hostler helper assignments subject to the following exceptions:

(a) when required to fulfill experience requirements for promotion, or engaged in a scheduled training program

(b) when their services are required to qualify or fill passenger or hostler or hostler helper vacancies under existing agreements

(c) when restricted to a particular position, assignment or type of service for reasons including but not 1imited to physical disability, discipline, failure to pass promotional examination or other cause

(d) when required to fill engineer vacancies or assignments.

The exercise of seniority under this Article will be subject to the advertisement, bidding, assignment, displacement and mileage rules on the individual carriers.

(3) Firemen whose seniority as such is established on or after November 1, 1985 will have the right to exercise seniority limited to designated positions of passenger fireman, hostler or hostler helper. The seniority rights of such firemen are subject to the following exceptions:

(a) when required to fulfill experience requirements for promotion, or engaged in a scheduled training program

(b) when required to fill engineer vacancies or assignments.

This will not preclude the carrier from requiring firemen to maintain proficiency as engineer and familiarity with operations and territories by working specified assignments.

(4) All firemen whose seniority as such was established prior to November 1, 1985 will be provided employment in accordance with the provisions of this Article until they retire, resign, are discharged for good cause, or are otherwise severed by natural attrition provided, however, that such firemen may be furloughed if no assignment working without a fireman exists on their seniority district which would have been available to firemen under agreements in effect immediately preceding the date of this agreement and if no position on a fireman's extra list exists on their seniority district.

(5) Firemen whose seniority as such is established on or after November 1, 1985 may be furloughed when not utilized under paragraph **(3)** of this Article.

(6) Firemen who established a seniority date as fireman prior to November 1, 1985 shall be used on assignments in passenger service on which, under agreements in effect immediately prior to the date of this agreement, the use of firemen would have been required. The use in passenger service of firemen

who establish seniority as firemen on or after November 1, 1985 will be confined to assignments designated by the carrier.

(7) **(a)** Except as modified hereinafter, assignments in hostling service will continue to be filled when required by assignments in effect on individual carriers.

(b) The carriers may discontinue using employees represented by the Brotherhood of Locomotive Engineers as hostlers or hostler helpers provided it does not result in furlough of a fireman who established seniority prior to November 1, 1985 nor the establishment of a hostler position represented by another organization, and provided further that this provision will not act to displace any employee who established seniority prior to November 1, 1985 and who has no rights to service except as hostler or hostler helper.

(c) Employees in engine service who established seniority prior to November 1, 1985 will continue to fill hostler and hostler helper positions and vacancies thereon in accordance with agreements in effect as of that date.

(d) Yard crews may perform hostling work without additional payment or penalty to the carrier.

(8) The carrier shall have the right to offer "Reserve Fireman" status to any number of active firemen, working as such, with seniority as firemen prior to November 1, 1985 (who are subject to work as locomotive engineers). Where applied, Reserve Fireman status shall be granted in seniority order on a seniority district or home zone basis under the terms listed below:

(a) An employee who chooses Reserve Fireman status must remain in that status until he either **(i)** is recalled and returns to hostler or engine service pursuant to Paragraph **(b)**, **(ii)** is discharged from employment by the carrier, pursuant to Paragraph **(b)**, **(iii)** is discharged from employment by the carrier for other good cause, **(iv)** resigns from employment by the carrier, **(v)** retires on an annuity (including a disability annuity) under the Railroad Retirement Act, or **(vi)** otherwise would not be entitled to free exercise of seniority; whichever occurs first. If not sooner terminated, Reserve Fireman status and all other employment rights of a Reserve Fireman shall terminate when he attains age 70.

(b) Reserve Firemen must maintain their engine service and hostler proficiencies while in such status, including successfully completing any retraining or refresher programs that the carrier may require and passing any test or examinations (including physical examinations) administered for purposes of determining whether such proficiencies and abilities have been maintained. Reserve Firemen also must hold themselves available for return to hostler and engine service upon seven days' notice, and must return to hostler or engine service in compliance with such notice. Reserve Firemen shall be recalled in reverse seniority order unless recalled for service as engineer. Failure to comply with any of these requirements will result in forfeiture of all seniority rights.

(c) Reserve Firemen shall be paid at 70% of the basic yard fireman's rate for five days per week. No other payments shall be made to or on behalf of a Reserve Fireman except **(i)** payment of premiums under applicable health and welfare plans and, **(ii)** as may otherwise be provided for in this Article. No deductions from pay shall be made on behalf of a Reserve Fireman except **(i)** deductions of income, employment or payroll taxes (including railroad retirement taxes) pursuant to federal, state or local law; **(ii)** deductions of dues pursuant to an applicable union shop agreement and any other deductions authorized by agreement, **(iii)** as may otherwise be authorized by this Article and **(iv)** any other legally required deduction.

(d) Reserve Firemen shall be considered in active service for the purpose of any agreement respecting firemen's rights to work or in any decline in business formula.

(e) Other non-railroad employment while in Reserve Fireman status is permissible so long as there is no conflict of interest. There shall be no offset for outside earnings.

(f) Vacation pay received while in Reserve Fireman status will offset pay received under paragraph **(c)**. Time spent in reserve status will not count toward determining whether .he employee is eligible for vacation in succeeding years. It will count as time in determining the length of the vacation to which an employee, otherwise eligible, is entitled.

(g) Reserve Firemen are not eligible for:

Holiday Pay
Personal Leave
Bereavement Leave
Jury Pay
Other similar special allowances

(h) Reserve Firemen are covered by:

Health and Welfare P1ans
Union Shop
Dues Check-off
Discipline Rule
Grievance Procedure

that are applicable to firemen in active service.

(i) When junior employees are in "Reserve Fireman" status, a senior active fireman may request such status. The carrier shall grant such a request and, at its discretion, recall the junior "Reserve Fireman."

(9) Existing agreements providing for the furloughing of firemen in event of decline in business or under emergency conditions shall continue to apply.

(10) Any conflict between the changes set forth herein and the provisions of existing agreements shall be resolved in accordance with the provisions of this Agreement.

ARTICLE XIII - RETENTION OF SENIORITY

Any existing condition which requires a locomotive engineer **(1)** to forfeit ground service seniority, or **(2)** to forfeit locomotive engineer seniority when working in ground service, is eliminated.

ARTICLE XIV - EXPENSES AWAY PROM HOME

Effective July 1, 1986, the meal allowance provided for in Article II, Section 2 of the June 25, 1964 National Agreement, as amended, is increased from $3.85 to $4.15.

ARTICLE XV –
BENEFITS PROVIDED UNDER THE RAILROAD EMPLOYEES NATIONAL HEALTH AND WELFARE PLAN

Section 1 - Continuation of Plan

Except as provided in this Article, the benefits and other provisions under the Railroad Employees National Health and Welfare Plan will be continued. Contributions to the Plan will be offset byt he expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by the insurer in connection with Group Policy Contract GA-23000, and by the use of funds held in trust that are not otherwise needed to pay claims, premiums or administrative expenses which are payable from trust.

Section 2 - Benefit Changes

The following changes in benefits provided under the Plan and in matters related to such benefits will be made:

(a) Hospita1 Pre-Admission - Utilization Review Program This program shall include a comprehensive guidance and support structure for employees and other beneficiaries covered by the Plan and their physicians beginning prior to planned hospitalization and continuing through recovery period. The program shal1 include, among other things, review of the propriety of hospita1 admission (including the feasibi1ity of ambulatory center or out-patient treatment), the plan of treatment including the length of confinement, the appropriateness of a second surgical opinion, discharge planning and the use of effective alternative faci1ities during conva1escense. Reduced benefits will be provided if the program is not fully complied with. This program shall become effective as soon as practicable in order to provide adequate time to set up and communicate the program.

(b) Extension of Benefits - Vacation pay received by a furloughed employee shall not qualify such employee for any benefits under the Plan and will not generate premium payments on his behalf. This change sha11 become effective January 1, 1988.

(c) Reinsurance - Reinsurance will be discontinued as soon as practicable.

Section 3 - Special Committee

(a) A Special Committee selected by the parties will be estab1ished for the purpose of reviewing and making recommendations concerning ways to contain health care costs consistent with maintaining the quality of medical care; and reviewing the existing Plan structure and financing and making recommendations in connection therewith. In addition, the Committee may review and make recommendations with respect to any other matter included in the parties' notices with respect to the health care plan.

(b) The Committee shall retain the services of a recognized expert on health care systems to serve as a neutral chairman. The fees and expenses of the chairman shall be paid by the parties.

(c) The Committee shall be convened as promptly as possible and meet periodically until all of the matters that it considers are resolved. However, if the Committee has not resolved all issues by August 1, 1986, the neutral chairman will make recommendations on such unreso1ved issues no later than September 1, 1986. Upon voluntary resolution of all issues or upon issuance of recommendations by the neutral chairman, whichever is later, the Committee shall be disso1ved.

(d) The proposa1s of the parties concerning health benefits (specifically, the organization's proposals dated January 17, 1984, entitled "Revise Contract Policy GA-23000" and the carriers' proposa1s dated on

or about January 23, 1984, entitled "C. Insured Benefits") shall not be subject to the moratorium provisions of this Agreement, but, rather, sha11 be held in abeyance pending efforts to reso1ve these issues through the procedure estab1ished above. If, after 60 days from the date the neutral Chairman makes his recommendations, the parties have not reached agreement on all unresolved issues, the notices may be progressed under the procedures of the Railway Labor Act, as amended.

(e) Agreement reached by the parties on these issues will provide for a contract duration consistent with the provisions of Article XVIII of the Agreement, regard1ess of whether such agreement occurs during the time that the proposals of the parties are held in abeyance or subsequent to the time that they may be progressed in accordance with the procedures of the Railway Labor Act as provided for above.

ARTICLE XVI - INFORMAL DISPUITES COMMITTEE.

Disputes arising over the application or interpretation of this agreement will, in the absence of a contrary provision, be referred to an Informal Disputes Committee consisting of an equal number of representatives of both parties.

If the Committee is unable to resolve a dispute, it may consider submitting the dispute to arbitration on a national basis for the purpose of ensuring a uniform application of the provisions of this Agreement.

ARTICLE -XVII - LOCOMOTIVE DESIGN, CONSTRUCTION AND MAINTENANCE

Section 1 - Maintenance Of Locomotives

The parties recognize the importance of maintaining safe, sanitary, and healthful cab conditions on locomotives.

This Agreement affirms the carriers' responsibility to provide and maintain the aforementioned conditions particularly, although not limited to, such locomotive cab conditions as: heating, watercoo1ers, toilet facilities, insulation, ventilation-fumes, level of cab noise, visibility, lighting and footing.

The parties recognize that one way to achieve and maintain safe, sanitary, and healthful cab conditions on locomotives is by establishing procedures on each railroad for monitoring cab conditions and expediting the reporting and correction of maintenance deficiencies.

A. Local Implementation

Each individual carrier will designate an appropriate officia1(s) who will contact the BLE General Chairman (Chairmen) and arrange a meeting within 30 days from the date of this Agreement for the following purpose:

(a) Review the policies on the individual railroad concerning the existing procedures for reporting and correcting locomotive deficiencies, assess the effectiveness of such procedures, and, where appropriate, estab1ish methods for obtaining more satisfactory resu1ts.

(b) Institute a program whereby the Local BLE representative and the carrier's supervisors at each facility will participate in direct discussions regarding any maintenance prob1ems at the locations under their

jurisdiction for the purpose of carrying out the intent of this understanding, including evaluating the reports and suggestions of either party and implementing agreed-upon so1utions thereto.

B. National Committee

A national committee will be estab1ished within 30 days from the date of this Agreement, consisting of two members of the National Carriers' Conference Committee and two representatives of the BLE. The Committee may review and make recommendations with respect to any maintenance problem on an individual property that is referred to it by either party after efforts to resolve such matter on the individual property have been exhausted.

The Committee may also consider any matter where the parties on an individual property have jointly concluded that the subject matter is one that may be addressed more appropriately on a national level.

Section 2 - Dispatchment of Locomotive-

A locomotive will not be dispatched in road service from engine maintenance facilities where maintenance personnel are readily available, and an engineer will not be required to operate the locomotive pending corrective action, if the engineer registers a timely complaint with supervision with respect to the controlling unit of the consist that is determined on investigation to be valid concerning -

(a) the existence of a federal defect, as defined by the Federal Railroad Administration, with respect to the following matters:

Exhaust gases (ventilation)
Cab 1ights
Locomotive cab noise
Cabs, floors and passageways (footing) (cab seats)
(vision) (heat)

and

(b) other conditions as follows:

Lack of clean, sanitary toilet
Lack of adequate cooled, potable water
Lack of adequate toi1et paper or hand towe1s

Should the complaint be found valid, and if there is another unit in that consist or otherwise readily available which will eliminate the protest, the units will be rearranged provided such rearrangement will not result in unreasonable delay to the train. If the engineer performs the work to accomplish the rearrangement, no additional payment(s) will be allowed. If, however, the official makes a good faith determination that the locomotive is suitable for dispatch, the engineer will proceed with the assignment.

An engineer will invoke the foregoing right in good faith and where a reasonab1e person would conclude that the carrier is in substantia1 non-compliance, i.e. more than technical non-compliance.

In determining the reasonableness of an engineer's complaint, among the factors to be considered are the timeliness of the complaint, the accessibility of the means to take corrective action, the seriousness of the deficiency, the engineer's ability or inability to correct the deficiency with means at his disposal and whether or not an unreasonab1e train delay would be incurred.

Section 3 - Locomotive Design and Construction

In recognition of the desirability of consultation with the General Chairman (Chairmen) prior to the ordering of new Locomotives, or while formulating p1ans to modify or retrofit existing locomotives, the parties agree that, before any design and construction changes in locomotives are made which change safety or comfort features of the locomotive, the designated officer of each individual railroad will contact the General Chairman (Chairmen) providing him with the opportunity to furnish the carrier with his recommendations for full and thoughtful consideration by the carrier.

This Section 3 does not disturb existing local agreements that set forth required specifications for particular locomotive appurtenances or components.

ARTICLE XVIII - GENERAL PROVISIONS

Section 1 - Court Approva1

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 served upon the carriers listed in Exhibit A by the organization signatory hereto dated on or about October 20, 1979, January 3, 1984 and January 17, 1984, and the notices served on or about January 23, 1984 by the 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 June 30, 1988 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) Except as provided in Sections 2**(d)** and 2**(e)** of this Article, the parties to this Agreement shall not serve nor progress prior to April 1, 1988 (not to become effective before July 1, 1988) any notice or proposal for changing any matter contained in:

(1) this Agreement,

(2) the proposa1s of the parties identified in Section 2**(a)** of this Article, and

(3) Section 2**(c)(3)** of Article VIII of the Agreement of March 6, 1975, and any pending notices which propose such matters are hereby withdrawn.

(d) The notices of the parties referred to in Article XV of this Agreement may be progressed in accordance with the provisions of Section 3**(d)** of that Article.

(e) New notices or pending notices that are permitted under the terms of the Letter Agreement of this date concerning inter-craft pay relationships shal1 be governed by the terms of that Letter Agreement.

(f) Pending notices and new proposa1s properly served under the Railway Labor Act covering subject matters not specifically dealt with in Sections 2**(c)**, 2**(d)** and 2**(e)** of this Article and which do not request compensation may be progressed under the provisions of the Railway Labor Act, as amended.

(g) This Article will not bar management and committees on individual rai1roads from agreeing upon any subject of mutual interest.

DATED THIS l9th DAY OF MAY, 1986, AT WASHINGTON, D.C.

Rodney E. Dennis
Chairman of Arbitration Board

Charles I. Hopkins, Jr.
Carrier Member

W. J. Wanke
Organization Member

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

 # 1

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

In accordance with our understanding, this is to confirm that the carriers will make their best efforts to provide the lump sum payment provided for in Article III of this Agreement in a single, separate check within sixty (60) days.

If a carrier finds it impossible to make such payments within sixty (60) days, it is understood that such carrier will notify the General Chairmen, in writing, as to why such payments have not been made and indicate when it will be possible to make such payments.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#2

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

It is understood that the lump sum payment provided in Article III of the Agreement of this date will not be used to offset, construct or increase guarantees in protective agreements or arrangements.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#3

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding that the provisions of Article IX - Entry Rates of the July 26, 1978 National Agreement shall no longer apply on railroads parties to this Agreement except, however, that such Article or local rules or practices pertaining to this subject shall continue to apply to employees previously covered by such rules.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#3A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article V of the Agreement of this date concerning the final terminal delay rule, particularly our understanding with respect to the use of the term "deliberately delayed" in Section 1 of that Article.

During the discussions that led to our Agreement, you expressed concern with situations where a crew was instructed to stop and was held outside the terminal between the last siding or station and the point where final terminal delay begins and there was no operational impediment to the crew bringing its train into the terminal; i.e., the train was deliberately delayed by yard supervision. Accordingly, we agreed that Section 1 would comprehend such situations.

On the other hand, the carriers were concerned that the term "deliberately delayed" not be construed in such a manner as to include time when crews were held between the last siding or station and the point where final terminal delay begins because of typical railroad operations, emergency conditions, or appropriate managerial decisions. A number of examples were cited including, among others, situations where a train is stopped: to allow another train to run around it; for a crew to check for hot boxes or defective equipment; for a crew to switch a plant; at a red signal (except if stopped because of a preceding train which has arrived at final terminal delay point and is on final terminal time, the time of such delay by the crew so stopped will be calculated as final terminal delay); because of track or signal maintenance or construction work; to allow an outbound train to come out of the yard; and because of a derailment inside the yard which prevents the train held from being yarded on the desired track, e.g., the receiving track. We agreed that Section 1 did not comprehend such conditions.

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

Very truly yours

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

May 19, 1986 **#3B**

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article V of the Agreement of this date concerning the payment of mileage operated in the final terminal in the application of the final terminal delay rule.

In accordance with Article V, final terminal delay is to be computed from the time the engine reaches the switch used in entering the final yard within a terminal where the train is to be left or yarded until finally relieved from duty.

In the application of such provision, on railroads where road mileage ends at present FTD points, road mileage will be adjusted by the distance between the present FTD point(s) and new FTD point(s) established by this Article V.

On railroads which presently compute trip mileage (1) from center of the yard at the initial terminal to center of the yard at the final terminal, (2) from roundhouse at the initial terminal to the roundhouse at the final terminal, (3) on basis of established mileage as agreed upon regardless of the location in the final terminal where trains are actually yarded, or (4) under similar situations, such trip mileage will continue to apply and the 60-minute period referred to in Article V will be extended pursuant to Section 2 thereof for trip mileage allowed after passing new FTD point(s).

Please indicate your agreement by signing your name in the space provided below:

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

#4

EXAMPLES OF APPLICATION OF DEADHEAD RULE, ARTICLE VI*

The following examples illustrate the application of the rule to employees whose earliest seniority date in engine or train service is established on or after November 1, 1985:

1. An engineer is called to deadhead from his home terminal to an away-from-home point. He last performed service 30 hours prior to commencing the deadhead trip. The deadhead trip consumed 5 hours and was not combined with the service trip. The service trip out of the away-from-home terminal began within 6 hours from the time the deadhead trip was completed. What payment is due?

A. 5 hours at the straight time rate.

2. What payment would have been made to the engineer in example 1 if the service trip out of the away-from-home terminal had begun 17 hours after the time the deadhead trip ended, and the held-away rule was not applicable?

A. A minimum day for the deadhead.

3. What payment would have been made to the engineer in example 1 if the service trip out of the away-from-home terminal had begun 18 hours after the time the deadhead trip ended, and the engineer received 2 hours pay under the held-away rule?

A. 6 hours at the straight time rate.

4. An engineer is deadheaded to the home terminal after having performed service into the away-from-home terminal. The deadhead trip, which consumed 5 hours and was not combined with the service trip, commenced 8 hours after the service trip ended. What payment is due?

A. 5 hours at the straight time rate.

5. What payment would have been made to the engineer in example 4 if the deadhead trip had begun 18 hours after the service trip ended and the held-away rule was not applicable?

A. A minimum day for the deadhead.

6. What payment would have been made to the engineer in example 4 if the deadhead trip had begun 18 hours after the time the service trip ended and the engineer received 2 hours pay under the held-away rule?

A. 6 hours at the straight time rate.

7. An engineer is deadheaded from the home terminal to an away-from-home location. Ten **(10)** hours after completion of the trip, he is deadheaded to the home terminal without having performed service. The deadhead trips each consumed two hours. What payment is due?

A. A minimum day for the combined deadhead trips.

* NOTE: The amount of over-miles shown in the examples are on the basis of a 100 mile day. The number of over-miles will be reduced in accordance with the application of Article IV, Section 2, of this Agreement.

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#5

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article VII, Road Switchers of the Agreement of this date.

In the application of Section 1**(c)** of the Article, it was understood that if a carrier without a pre-existing right to reduce a seven day assignment described in Section 1**(a)** to a lesser number of days reduces such an assignment to six days per week, the 48-minute allowance will be payable to employees on the assignment whose seniority date in engine or train service precedes November 1, 1985. If the carrier reduces the same assignment from seven days to five, an allowance of 96 minutes would be payable.

Conversely, if the carrier had the pre-existing right to reduce a seven day assignment described in Section 1**(a)** to six days per week, but not to five days, and reduced the seven day assignment to six days per week, no allowance would be payable. If it reduced the assignment from seven days to five days, an allowance of 48 minutes would be payable.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#6

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article VIII, Section 1**(b)**, of the Agreement of this date which provides that only two straight pickups or setouts will be made. This does not allow cars to be cut in behind other cars already in the tracks or cars to be picked up from behind other cars already in the tracks. It does permit the cutting of crossings, cross-walks, etc., the spotting of cars set-out, and the re-spotting of cars that may be moved off spot in the making of the two straight setouts or pickups.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

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CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#6A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Section 1**(b)** of Article VIII of the Agreement of this date which provides that two straight pickups or setouts may be made without additional compensation.

It is understood that Section 1**(b)** of Article VIII does not modify the provisions in Article V of the May 13, 1971 National Agreement pertaining to road crews handling solid trains in interchange to or from a foreign carrier.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#7

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article VIII - Road, Yard and Incidental Work - of the Agreement of this date.

This confirms the understanding that the provisions in Section 3 thereof, concerning incidental work, are intended to remove any existing restrictions~~rc6trictions~~ upon the use of employees represented by the BLE to perform the described categories of work and to remove any existing requirements that such employees, if used to perform the work, be paid an arbitrary or penalty amount over and above the normal compensation for their assignment. Such provisions are not intended to infringe upon the work rights of another craft as established on any railroad.

It is further understood that paragraphs **(a)** and **(c)** of Section 3 do not contemplate that the engineer will perform such incidental work when other members of the crew are present and available.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#8

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Section 3, Incidental Work, of Article VIII.

It was understood that the reference to moving, turning, spotting and fueling locomotives contained in Section 3(b) includes the assembling of locomotive power, such as rearranging, increasing or decreas~ing the locomotive consist. It is not contemplated that an engineer will be required to place fuel oil or other supplies on a locomotive if another qualified employee is available for that purpose.

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

Very truly yours,

C. I. Hopkins, Jr.

.

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#9

January 31, 1986

Mr. John F. Sytsma
President Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to Article IX Interdivisional Service of the Agreement of this date.

On railroads that elect to preserve existing rules or practices with respect to interdivisional runs, the rates paid for miles in excess of the number encompassed in a basic day will not exceed those paid for under Article IX, Section 2**(b)** of the Agreement of this date.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#9A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article IX, Interdivisional Service, of the Agreement of this date.

It was understood that except as provided herein, other articles contained in this Agreement, such as (but not limited to) the final terminal delay and deadhead articles, apply to employees working in interdivisional service regardless of when or how such service was or is established. However, overtime rules in interdivisional service that are more favorable to the employee than Article IV, Section 2, of this Agreement will continue to apply to employees who established seniority in engine service prior to November 1, 1985 while such employees are working interdivisional runs established prior to June 1, 1986.

Illustrations of maintaining present overtime rule for existing interdivisional runs without standard overtime rules are shown below: [Based on 104 mile basic day which becomes effective July 1, 1986]

Overtime calculated on basis of 25 m.p.h.

250 mile run
On duty 11 hours (1 Hour overtime)
Basic day of 104 miles
Daily rate $111.43
Mileage rate $1.0819

Pay:	
Basic day	$111.43
Over miles (250-104) x $1.0819	157.96
Overtime 11-(250/25) x (111.43/8) x 1.5	20.89
Total	$290.28

Overtime calculated after 9.5 Hour8 on duty

200 mile run
On duty 10 hours
Basic day of 104 miles
Dally rate $111.43
Mileage rate $1. 0819

Pay:	
Basic day	$111.43
Over miles (200-104) x $1.0819	103.86
Overtime 10-9.5 x ($111.43/8) x 1.5	10.45
Total	$225.74

The overtime provisions of Article IV, Section 2, of th1s Agreement will apply to employees who established seniority in engine service prior to November 1, 1985 while such employees are working interdivisional runs established subsequent to June 1, 1986. They will also apply to employees who established senior1ty in engine service~~serv1ce~~ on or after November 1, 1985 regardless of when the interdivisional~~1nterd1v1sional~~ runs on which they are working were established~~establ1shed~~.

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

Very truly yours,

No signer

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#10

May 19, 1986

Mr. John F. Sytsma
Pres1dent
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Article X of the National Agreement of this date permitting certain locomotives which meet the basic minimum standards of the home railroad or section of the home railroad to operate on other railroads or sections of the home railroad.

In reviewing the current standards that exist on the major railroads with respect to such locomotives, we recognized that while the standards varied from one property to another with respect to various details, the standards on all such railroads complied with the minimum essential requirements necessary to permit their use in the manner provided in Article X. For example, such minimum standards for locomotives would include a requirement that there are a sufficient number of seats for all crew members riding in the locomotive consist.

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

.

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#11

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding during the negotiations of the Agreement of this date that where hostler positions are filled by employees not having firemen's seniority, that before a carrier discontinues a hostler or hostler helper position pursuant to Article XII, Part A, Section 1**(10)** or Part B, Section 7**(b)** of this Agreement, it will be offered to furloughed hostlers who have seniority prior to November 1, 1985, to work as hostler or hostler helper at that location. If such hostlers only have point seniority and there are no furloughed hostlers at such point, but there are such hostlers on furlough with seniority prior to November 1, 1985 at another point in the same geographical area, a vacancy will be offered to such hostlers before a carrier discontinues a hostler or hostler helper position pursuant to Article XII, Part A, Section 1**(10)** or Part B, Section 7**(b)** of this Agreement.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#12

May 19, 1986

Mr. John F. Sytsma
President Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding during the negotiations of the Agreement of this date that before a carrier discontinues a hostler or hostler helper position pursuant to Article XII, Part A, Section 1**(10)** or Part B, Section 7**(b)** of this Agreement, it will be offered to furloughed firemen who have seniority prior to November 1, 1985, to work as hostler or hostler helper at location where hostler or hostler helper job is to be discontinued. Such employees will retain recall rights to engine service in accordance with existing agreements.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#12A

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding that the reference to "another organization" in Article XII, Part A, Section 1 **(10)(b)**, and Part B, Section **(7)(b)** refers to a labor organization which does not hold representation rights for engine or train service employees on the particular railroad involved.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#13

May 1 9, 1 986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1 365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding during the negotiations of the Agreement of this date that the term "active firemen, working as such", appearing in Part A, Section 1, Paragraph **(11)** or Part B, Section 8 of Article XII, includes hostlers who have the right to work as locomotive engineers.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#14

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding that in implementation of Article XII, Part B, of the Agreement reached this date, each carrier on which Part B will become effective will meet with the appropriate BLE General Chairman within 10 days for the purpose of reaching an understanding with respect to existing rules covering locomotive firemen and hostlers which will remain in effect, it being the intention of the parties that railroads which are subject to Part B receive ,the same benefits therefrom as railroads which are subject to Part A. Existing pay rates will remain in effect provided such railroads continue to receive the benefits obtained when such pay rates were negotiated.

In the event a carrier and the appropriate General Chairman do not reach a satisfactory resolution within thirty days from the date of this Agreement, the matter will be referred .o the Informal Disputes Committee established pursuant to Article XVI for expedited handling and final and binding arbitration if required.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

 # 15

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to our discussions leading to the Agreement of this date, particularly those provisions that relate to firemen. The carriers explained that subject to legal requirements the source of supply for firemen positions would be train service personnel as provided in the recent UTU Agreement. We also explained that companion thereto in order to expand the employment potential for present engineers and firemen, whether represented by the BLE or UTU, all of these engine service personnel will be placed in seniority order at the bottom of the appropriate train and/or ground service seniority roster.

The BLE stated that in its capacity as ;the authorized representative of employees who have seniority as engineers or who have seniority as firemen, apprentice engineers or other comparable positions it had a legitimate bargaining interest in negotiating the issue of providing ground service seniority to such employees not now having such seniority even where the ground service crafts are represented by another organization, and insofar as engineers and firemen who now hold or at one time did hold seniority in ground service i8 concerned, BLE proposed that such employees should be granted seniority as of their original date of hire as brakemen or groundmen.

The BLE also stated that in its capacity as the authorized representative of employees who have seniority as engineers and/or firemen, apprentice engineers or other comparable positions, it has a legitimate bargaining interest in negotiating the issue of providing engine service seniority to train and ground service employees not now having engine service seniority where the ground service crafts are represented by another organization.

The carriers responded that in their view the matter of providing brakemen seniority to such BLE represented employees is a matter between the carriers and the organization representing brakemen and groundmen, not between the carriers and the BLE that does not represent those classifications. However, the BLE, UTU and carriers, agree on the desirability of engineers and firemen who do not have seniority in train or ground service being given such seniority if they so desire. Therefore this will be done without prejudice to the position of the BLE or the carriers to the extent those positions differ as stated above.

However, where this occurs the carriers were not agreeable that such seniority should be retroactive to date of hire at brakemen or groundmen.

Insofar as providing engine service seniority to ground service employees, the carriers position was that this was a matter between the carriers and the organization representing firemen, which in many cases is not the BLE; however, it was unnecessary to address any differences among the parties because here, also, all parties agree that the source of supply for engine service should be ground service employees, and will provide preferential promotional opportunities on that basis.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

 # 16

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to incorporating a Hospital Pre-Admission and Utilization Review Program as part of the benefits provided under the Railroad employees National Health and Welfare Plan in accordance with Article XV, Section 2**(a)** of the Agreement of this date.

By agreeing to this benefit program, our principal objectives are to reduce in-patient hospital utilization thereby minimizing exposure to risks of hospitalization or unduly prolonged hospitalization and the risks of unnecessary surgery by encouraging both employee and physician , to make the most patient-sensitive and at the same time cost-effective decisions about treatment alternatives.

The program accomplishes these objectives by providing to employees and other beneficiaries ready access to knowledgeable professional personnel when making decisions about their health care. A number of patient-centered services are provided and designed in a manner so as not to impose significant added burdens on individual employees. The comprehensive guidance and support structure begins prior to planned hospitalization and continues through any recovery period.

Specifically, the program shall include review of the propriety of hospital admission (including consideration of health care alternatives such as the use of ambulatory centers or out-patient treatment) benefit counseling, the plan of treatment including the length of confinement, the appropriateness of a second surgical opinion, discharge planning and the use of effective alternative facilities during convalescence.

We have attached to this letter descriptions of programs currently offered by three leaders in this field that describe in greater detail the operations of these programs and what specifically is involved. These attachments are intended as informational only, describing the kind of program we will establish, and do not suggest that the program we ultimately adopt is limited to what is described or is to be administered by these particular parties.

In order that the program achieves its intended objectives, we have agreed to institute appropriate incentives. For those employees who use the program, plan benefits will be paid as provided and the employee and family will receive the full protection and security of professionals managing their hospital confinement and recovery. For employees who do not use the program, plan benefits will be paid only under the Major Medical Expense 8enefit portion of the Plan with the Plan paying 65%, rather than 80%, of covered expenses. However, a maximum total employee expense limitation - "stop-loss" will be maintained.

We recognize that the program described cannot be implemented overnight but will require careful review and examination on the part of us all and will include, as well, time to inform the employees and other beneficiaries covered under the Plan. Furthermore, it is anticipated that the program will include use of alternative facilities, such as home health care options, hospices, office surgery, ambulatory surgi-centers and birthing centers, some of which are either not covered under the Plan now or are not available in the manner envisioned under this new program. Thus, for these reasons we have agreed that implementation of the program will not occur until practicable and that the intervening time will be used to assure .hat its adoption shall be a constructive and useful addition to the benefits currently provided under the Plan.

Please indicate your agreement by signing your name n the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

Attachments (Descriptive material furnished BLE)

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#17

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to the appointment of a neutral person to serve as chairman of the Special Committee established pursuant to Article XV, Section 3, of the Agreement of this date.

In the event we are unable to agree on such a person, the parties will seek the assistance of an appropriate third party for the purpose of providing assistance in identifying individuals qualified to serve in this capacity.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#18

May 19, 1986

Mr. Charles I. Hopkins, Jr.
Chairman
National Railway Labor Conference
1901 L Street, N.W., Suite 500
Washington, DC 20036

Dear Mr. Hopkins:

This is to advise you that I am agreeable to the provisions of Article XV Health and Welfare Plan except that in Section 2 **(a)**, "Hospital Pre-Admission and Utilization Review Program", I will agree to the concept of the "Pre-Admission and Utilization Review Program" and will agree to its implementation after the Policyholders have met jointly with representatives of Travelers and have agreed on the changes and understandings that will be necessary to implement the program. There must be ample lead time to insure that all covered employees can be notified of the implementation date and will have adequate information about the plan so that they can comply with their responsibilities in the event they qualify for benefits under the plan.

I take no exception to the use of surplus funds, the Reinsurance proposal, the Special Committee and/or the moratorium proposals.

Very truly yours,

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#19

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to incorporating a Hospital Pre-Admission and Utilization Review Program as part of the benefits provided under the Railroad Employees National Health and Welfare Plan in accordance with Article XV, Section 2**(a)** of the Agreement of this date.

We recognize that a similar program would be equally appropriate to include as part of the Early Retirement Major Medical Benefit Plan.

Therefore, this confirms our understanding that the program developed for the Health and Welfare Plan shall also be incorporated, with appropriate revisions, if necessary, as part of the Early Retirement Major Medical Benefit Plan as well.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#20

May 19, 1986

Mr. John F. Sytsma
President Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Avenue
Cleveland, OH 44114

Dear Mr. Sytsma:

This will confirm our understanding with respect to the pay differential for an engineer working without a fireman and other related matters:

(1) Pay Differential

(a) Notwithstanding the provisions of Article 1, Section 8**(g)** and **(i) (ii)** and Article IV, Section 1**(a)** of the Agreement of this date, the differential of $4.00 per basic day in freight and yard service and 4 cents per mile for miles in excess of the number of miles encompassed in the basic day in freight service, currently payable to an engineer working without a fireman on locomotives on which under the former national Diesel Agreement of 1950 firemen would have been required, shall be increased to $6.00 in three installments, $1.00 effective July 1, 1986, $.50 effective January 1, 1987; and $.50 effective January 1, 1988, and to 6 cents per mile in three installments of 1 cent, one-half cent, and one-half cent, respectively, on the same effective dates.

(b) An engineer working with a reduced train crew (established pursuant to a crew consist agreement made subsequent to January 1, 1978) and without a fireman will be allowed the standard reduced train crew allowance for that trip unless the engineer allowance for working without a fireman is greater. In no event will there be any duplication or pyramiding of payments. The term "standard reduced crew allowance" referred to herein, is the $4.00 paid originally to the members of reduced train crews as that amount has been modified by subsequent general and cost-of-living wage increases.

(c) Existing notices with respect to adjusting the pay differential for an engineer working without a fireman are disposed of by this Agreement and notices concerning this subject are governed by the moratorium provisions of Article XVIII, Section 2 of this Agreement. Existing notices designed to change the compensation relationships between the engineer and other members of the crew where such relationships have been changed because of a crew consist agreement are disposed of by this Agreement and notices concerning this subject shall not be served. However,

if the special allowance currently payable to a conductor working with one brakeman is subsequently increased for a conductor working without any brakemen, the organization may serve and pursue to a conclusion as hereafter provided proposals pursuant to the provisions of the Railway Labor Act seeking to adjust compensation relationships for engineers on conductor only assignments.

(d) Any additional allowance shall be limited in amount so that when combined with the differential payable to an engineer working without a fireman, the total amount for that trip or tour of duty shall be no greater than the allowance paid to the conductor of that crew unless the present engineer allowance for working without a fireman is greater. Where the present engineer allowance is greater it shall be converted to the allowance payable to the conductor when the latter allowance exceeds the former.

(e) Where the organization serves such a proposal as above provided, the carrier may serve proposals pursuant to the provisions of the Railway Labor Act for concurrent handling therewith that would achieve offsetting productivity improvements and/or cost savings.

(f) In the event the parties on any carrier are unable to resolve the respective proposals by agreement, the entire dispute will be submitted to final and binding arbitration a L .he request of either party.

(2) Guaranteed Extra Boards

(a) Carriers that do not have the right to establish additional extra boards or discontinue an extra board shall have that right.

(b) Upon thirty days' advance notice to the appropriate general chairman, a carrier may establish additional extra boards. Upon request of the general chairman, a meeting will be held to discuss the proposed action. However, this shall not serve to delay the establishment of any extra board.

(c) When an extra board is established under this rule it will, unless the general chairman is notified otherwise, protect all jobs on that seniority district whose laying off and reporting points are closer to the location of the extra board than to the locations of other extra boards on that seniority district.

(d) The carrier will regulate the number of employees, if any, assigned to such extra boards and will have the right to discontinue such boards.

(e) While on an extra board established under this rule, each employee will be guaranteed the equivalent of 3000 miles at the basic through freight rate for each calendar month unless the employee is assigned to an exclusive yard service extra board in which event the guarantee will be the equivalent of 22 days' pay at the minimum 5-day yard rate for each calendar month. All earnings during the month will apply against the guarantee. The guarantees of employees who are on the extra board for part of a calendar month will be pro rated.

(f) Except as hereinafter provided, if an employee is suspended as a result of disciplinary action, lays off at his own request with permission, is not available for personal reasons, or misses a call, earnings lost as a result thereof will be deducted from the monthly guarantee. Unless the needs of the service dictate otherwise, employees assigned to an extra board which protects yard service exclusively may lay off for a maximum of two days per month without the earnings lost as a result thereof being deducted from the monthly guarantee.

(g) The maximum number of guaranteed extra boards .hat can be in operation on a carrier at any one time under this provision is three in the territory of each regular source of supply point on that carrier.

(h) No existing guaranteed extra board will be supplanted by a guaranteed extra board under this rule if the sole reason for the change is to reduce the guarantee applicable to employees on the extra board.

(i) This rule will not be construed as restricting any existing rights of a carrier to establish or discontinue extra boards. The rights conferred by this rule are in addition to preexisting rights.

This letter of understanding shall not apply on carriers that have agreements with the organization adjusting the compensation of engineers in response to the change in compensation relationships between engineers and other members of the crew brought about by crew consist agreements unless the appropriate BLE General Chairman elects to adopt this letter agreement in lieu of the compensation adjustments provided in such agreement. Such election must be exercised on or before 45 days following the date of this Agreement. If such election is made, the provisions of such local agreements concerning matters other than compensation shall be retained.

Where the General Chairman does not elect to substitute this letter of understanding as provided for in the paragraph above and, therefore, the local agreement remains in effect in its entirety and such local agreement contains a moratorium provision, it is agreed that any special allowance provided for therein that is subject to being increased by general wage increases shall be excluded from the provisions of Article I, Section 8**(a)**, Article II, Section 1**(b)** and **(d)**, and Article IV, Section 5**(a)** and **(b)**..

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#20A

May 19, 1986

Mr. John F. Sytsma
President Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

This refers to Letter of Understanding No. 20 and the application of paragraph **(b)** of **(1)** Pay Differential with respect to railroads where the BLE has outstanding Section 6 notices to change the compensation relationships between the engineer and other members of the crew where such relationships have been changed because of a crew consist agreement subsequent to January 1, 1978.

This confirms our understanding .hat on such properties the provisions of paragraph **(b)** apply automatically without further need to confer.

Futhermore, when, in the future, any carrier makes a crew consist agreement as described in the first paragraph, the provision of paragraph **(b)** under Pay Differential will automatically apply.

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

Very truly yours,

C. I. Hopkins, Jr.

I agree:

John F. Sytsma

APPLICATION OF LETTER AGREEMENT WITH RESPECT TO INTERCRAFT PAY RELATIONSHIPS

The following examples illustrate the maximum allowances that can be obtained under the letter agreement of this date with respect to inter-craft pay relationships:

Example 1 - An engineer i8 on a reduced crew operating a distance of 127 miles in a class of service which has a basic day encompassing 104 miles (July 1, 1986). There is no fireman on the crew, The time consumed on the trip is 9 hours. No duplicate time payments expressed in hours or miles are paid. The conductor is receiving a reduced crew allowance of $7.31. What would the engineer be paid?

A. The differential provided in letter agreement #20 for operating without a fireman would pay him:

104 miles	$5.00
23 miles	1.15
TOTAL	$6.15

Since this is 1ess than the amount the conductor is receiving, the engineer would be paid the $7.31 reduced crew allowance.

Example 2 - What would the engineer in example 1 be paid if the allowance paid to the conductor was subsequent1y increased to $8.00?

A. The engineer would be paid $8.00

Example 3 - What would the allowance be if the engineer in example 1 were on an assignment operating a distance of 204 miles?

A. The differential provided in letter agreement ~~~#20 for operating without a fireman would pay the engineer $10.00. Since this is more than the amount the conductor ~~i9~~is receiving, the engineer would receive nothing additional.

Example 4 - What would the allowance be if the engineer in example 1 had earned two hours overtime on the trip?

A. The standard rule for operating without a fireman would pay the engineer as follows~~~

Basic Day	$5.00
Over-mi1es (23)	1.15
Overtime (2 hours)	1.88
TOTAL	$8.03

This is more than what the conductor received, so the engineer would receive nothing additional,

Example 5 - An engineer is~~i9~~ on a reduced crew operating a distance of 127 miles in a class of service which has a basic day encompassing 106 miles (January 1, 1988). There is no fireman on the crew. The time consumed on the trip is 9 hours. No duplicate time payments expressed in hours or miles are paid. The conductor on that railroad is receiving a reduced crew allowance of $7.87. What would the engineer be paid?

A. The differential provided in letter agreement #20 for operating without a fireman would pay him:

106 miles	$6.00
21 miles	1.26
TOTAL	$7.26

Since this is less than the amount the conductor is receiving, the engineer would be paid the reduced crew allowance of $7.87.

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CHAIRMAN

D.P.LEE
VICE CHAIRMAN AND GENERAL COUNSEL

G. F. DANIELS
VICE CHAIRMAN

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

#22

May 19, 1986

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 Engineers Building
1365 Ontario Street
Cleveland, OH 44114

Dear Mr. Sytsma:

During the negotiations that led to the Agreement of this date, the representatives of the Brotherhood of Locomotive Engineers expressed concern as to the possible erosion of the traditional authority and responsibility vested in the engineer while operating a locomotive in those situations where the conductor and any other train crew members are located on the locomotive because of the elimination of the caboose.

The carriers responded that the responsibility and authority of the engineer is not a collective bargaining subject; rather it... is a matter of operational policy subject to operating rules and/or other management instructions. The BLE did not agree on this point but the matter was resolved on the basis of the carriers' statement that the removal of cabooses and the consequent relocation of train crew personnel to the locomotive cab did not diminish nor otherwise alter the authority and responsibility of the engineer.

Because of the significance the BLE attaches to this matter, I am sending a copy of this letter to the Member Lines to advise them that while nothing has been said or done in our negotiations to change any railroad's rules, policies or management practices, we have assured the BLE that the elimination of cabooses and relocation of train service personnel does not alter those rules, policies or management practices.

Very truly yours,

C. I. Hopkins, Jr.

#23

JOINT STATEMENT CONCERNING EFFORTS TO IMPROVE THE COMPETITIVE ABILITIES OF THE INDUSTRY

This refers to our discussions during the recent negotiations with respect to improving our industry's ability to compete effectively with other modes of transportation and to attract new business to the railroads.

We recognize that opportunities will present themselves on railroads to promote new business and preserve existing business by providing more efficient and more expedient service. It is our mutual objective to provide this improved service by making changes, as may be necessary, in operations and with agreement rule exceptions and accommodations in specific situations and circumstances~~~~.

It is difficult to list specific rules or operations .hat might need modifications or exceptions in order to provide the services that may be necessary to obtain and operate new business that can be obtained from other modes of transportation. We are in agreement, however, that necessary operational changes and rules modifications or exceptions should be encouraged to obtain new business, preserve specifically endangered business currently being hauled, or to significantly improve the transit time of existing freight movements.

We recognize that attracting new business and retaining present business depends not only on reducing service costs, but also on improving service to customers.

During our discussions, the Lake Erie Plan was advanced by BLE, in part, as a collective bargaining proposal and as a representation of the BLE's search for a possible approach to~~LO~~ enhanced competitive strength for the industry. Although the significance of the plan may not necessarily be in the specifics, the underlying goal of realizing the industry's full potential in the transportation marketplace is such that further consideration of such concepts may be warranted as a means of achieving this goal by cooperative, aggressive undertakings by the BLE, the UTU and the railroads.

The Informal Disputes Committee will encourage expedited resolutions on individual railroads consistent with these goals and will provide counsel, guidelines and other assistance in making necessary operational and or agreement rule changes to provide the type service necessary to meet these goals.

We sincerely believe that cooperation between the management and the employees will result in more business and job opportunities and better service which will insure our industry's future strength and growth.

John F. Sytsma President Brotherhood of Locomotive Engineers	C. I. Hopkins, Jr. Chairman National Carriers' Conference Committee

1982 NATIONAL AGREEMENT

ARTICLE I – GENERAL WAGE INCREASES

ARTICLE II – COST-OF-LIVING ADJUSTMENT

ARTICLE III – VACATIONS

ARTICLE IV – HOLIDAYS

ARTICLE V – HEALTH AND WELFARE BENEFITS

ARTICLE VI – DENTAL BENEFITS

ARTICLE VII – EARLY RETIREMENT MAJOR MEDICAL BENEFITS

ARTICLE VIII – NATIONAL HEALTH LEGISLATION

ARTICLE IX – EXPENSES AWAY FROM HOME

ARTICLE X – STUDY COMMISSION

ARTICLE XI – LUMP SUM PAYMENT

ARTICLE XII – GENERAL PROVISIONS

SIDE LETTERS: (NOT NUMBERED)

- SELECTION OF CHAIRMAN OF THE STUDY COMMISSION
- LUMP SUM IN LIEU OF PERSONAL LEAVE DAYS
- TRAINING PROGRAM FOR LOCOMOTIVE ENGINEERS
- JOINT LABOR – MANAGEMENT COMMITTEE
- GRANTING EMPLOYEE'S ADDITIONAL WEEK OF VACATION BEFORE END OF YEAR
- CARRIER'S CONTINUE TO PRESERVE THEIR POSITION
- ARTICLE XII – NOT APPLICABLE TO PENDING NOTICES
- JOINT POLICY HOLDER COMMITTEE ESTABLISHED
- CONTINUATION OF INFORMAL DISPUTES COMMISSION
- ENTRY RATES SUBMITTED TO STUDY COMMISSION
- RETROACTIVE PAY – 60 DAYS

1982 National Agreement

AGREED UPON IMPLEMENTATION OF PUBLIC LAW 97-262

Whereas the Congress on the 22nd day of September, 1982 enacted Public Law 97-262 providing that the Report and Recommendations of Presidential Emergency Board No. 194, dated August 19, 1982, shall be binding on the carriers represented by the National Carriers' Conference Committee of the National Railway Labor Conference and certain of their employees represented by the Brotherhood of Locomotive Engineers and shall have the same effect as arrived at by agreement of the parties and further providing that the parties may implement the terms and conditions established by said Law,

Now, therefore, it is agreed in conformity therewith that this document, dated SEPTEMBER 28, 1982, implements the terms and conditions established by Public Law 97-262:

ARTICLE I - GENERAL WAGE INCREASES

Section 1 - First General Wage Increase

(a) Effective April 1, 1981, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on March 31, 1981 shall be increased by an amount equal to 2 percent. The cost-of-living allowance of 58 cents per hour in effect on March 31, 1981 will not be included with basic rates in computing the amount of this increase.

(b) In computing the increase under paragraph (a) above, 2 percent shall be applied to the standard basic daily rates of pay, and 2 percent shall be applied to the standard mileage rates of pay, respectively, applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily or mileage 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-day rates)

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

Section 2 - Second General Wage Increase

Effective October 1, 1981, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on September 30, 1981, shall be increased by an amount equal to 3 percent, computed and applied in the manner prescribed in Section 1 above. The cost-of-living allowance of 90 cents per hour in effect on September 30, 1981 will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 2, which is a part of this Agreement.

Section 3 - Third General Wage Increase

Effective July 1, 1982, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1982, shall be increased by an amount equal to 3 percent, computed and applied in the manner prescribed in Section 1 above. The cost-of-living allowance of $1.25 per hour in effect on June 30, 1982 will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 3, which is a part of this Agreement.

Section 4 - Fourth General Wage Increase

Effective July 1, 1983, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1983, shall be increased by an amount equal to 3 percent, computed and applied in the manner prescribed in Section 1 above. The amount of the cost-of-living allowance which will be in effect on June 30, 1983 will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 4, which is a part of this Agreement.

Section 5 - Application of Wage Increases

(a) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I.

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

(c) Daily earnings minima shall be increased by the amount of the respective daily increase.

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

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

(f) The differential of $4.00 per basic day in freight ant yard service, and 4 cents per mile for miles in excess of 100 in freight 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.

(g) In computing the increases in rates of pay effective April 1, 1981 under Section 1 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less 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 2 percent increase shall be applied to daily rates in effect March 31, 1981, 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 of 3 percent effective October 1, 1981, 3 percent effective July 1, 1982, and 3 percent effective July 1, 1983. 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 Appendices 1, 2, 3 and 4, which are a part of this Agreement.

(h) Other than standard rates:

(i) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages and amounts as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight 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 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (g) above.

(i) Wage rates resulting from the increases provided for in Sections 1, 2, 3 and 4 of this Article I, and in Section l(g) of Article II, will not be reduced under Article II.

ARTICLE II - COST-OF-LIVING ADJUSTMENTS.

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

(a) A cost-of-living adjustment increase of 32 cents per hour will be made effective July 1, 1981. The amount of such adjustment will be added to the cost-of-living allowance of 58 cents per hour remaining in effect. As result of such adjustment, the cost-of-living allowance effective July 1, 1981 will be 90 cents per hour.

(b) A further cost-of-living adjustment increase of 35 cents per hour will be made effective as of January 1, 1982. The amount of such adjustment will be added to the cost-of-living allowance of 90 cents per hour remaining in effect. As result of such adjustment the cost-of-living allowance effective January 1, 1982 will be $1.25 per hour.

(c) A further cost-of-living adjustment increase of 22 cents per hour will be made effective as of July 1, 1982. The amount of such adjustment will be added to the cost-of-living allowance of $1.25 per hour remaining in effect. As result of such adjustment the cost-of-living allowance effective July 1, 1982 will be $1.47 per hour.

(d) The cost-of-living allowance resulting from the adjustments provided for in paragraphs (a), (b) and (c) above will subsequently be adjusted, in the manner set forth in and subject to all the provisions

of paragraphs (h) and (i) below, 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 BLS Consumer Price Index. The first such cost-of-living adjustment shall be made effective January 1, 1983, based (subject to paragraph (h)(i) below) on the BLS Consumer Price Index for September 1982 as compared with the index for March 1982. Such adjustment, and further cost-of-living adjustments which will be made effective the first day of each sixth month thereafter, will be based on the change in the BLS Consumer Price Index during the respective measurement periods shown in the following table subject to the exception in paragraph (h)(ii) below, according to the formula set forth in paragraph (i) below:

Measurement Periods		Effective Date
Base Month	Measurement Month	of Adjustment
(1)	(2)	(3)
March 1982	September 1982	January 1, 1983
September 1982	March 1983	July 1, 1983
March 1983	September 1983	January 1, 1984

(e) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight time, overtime, vacations, holidays and to special allowances and arbitraries in the same manner as basic wage adjustments have been applied in the past.

(f) The amount of the cost-of-living allowance, if any, which will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(g) On December 31, 1983 the cost-of-living allowance in effect on January 1, 1983 shall be rolled into basic rates of pay and the cost-of-living allowance remaining in effect will be reduced by a like amount. On June 30, 1984, 50% of the cost-of-living allowance then in effect (rounded to the next higher cent if the allowance consists of an odd number of cents) shall be rolled into basic rates and the cost-of-living allowance remaining in effect will be reduced by a like amount.

(h) Cap. (i) In calculations under paragraph (i) below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:

Effective Date of Adjustment	Maximum C.P.I. Increase Which May Be Taken into Account
(1)	(2)
January 1, 1983	4% of March 1982 CPI
July 1, 1983	8% of March 1982 CPI, less the increase from March, 1982 to September, 1982.
January 1, 1984	4% of March 1983 CPI

(ii) If the increase in the BLS Consumer Price Index from the base month of March 1982 to the measurement month of September 1982, exceeds 4% of the March base index, the measurement period which will be used for determining the cost-of-living adjustment to be effective the following July 1 will be the twelve-month period from such base month of March; the increase in the index which will be taken into account will be limited to that portion of increase which is in excess of 4% of such March base index, and the maximum increase in that portion of the index which may be taken into account will be 8% of such March base index less the 4% mentioned in the preceding clause, to which will be added

any residual tenths of points which had been dropped under paragraph (i) below in calculation of the cost-of-living adjustment which will have become effective January 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of March 1982 to the measurement month of March 1983 in excess of 8% of the March 1982 base index, will not be taken into account in the determination of subsequent cost-of-living adjustments.

(i) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph (h) above, will 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 will not be counted.)

The cost-of-living allowance in effect on July 1, 1982 as result of application of Section 1(c) will be adjusted (increased or decreased) effective January 1, 1983 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (h) above, in the BLS Consumer Price Index during the measurement period from the base month of March 1982 to the measurement month of September 1982. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount-of the cost-of-living allowance in effect on July 1, 1982 if the Consumer Price Index will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will have been lower at the end than at the beginning of the measurement period.

The same procedure will be followed in applying subsequent adjustments.

(j) Continuance of the cost-of-living adjustments 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 Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index 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 Index during such measurement period.

Section 2 - Application of Cost-of-Living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living allowance will not become part of basic rates of pay except as provided in Section 1(g). In application of such allowance, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Sections 2, 3 and 4 of Article I and by Section l(g) of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 5 of Article I.

ARTICLE III - VACATIONS

Insofar as applicable to employees represented by the Brotherhood of Locomotive Engineers, the Vacation Agreement dated April 29, 1949, as amended, is further amended effective January 1, 1982, by substituting the following Section 1(c), 1(d) and l(h) for the corresponding provisions contained in Section 1, as previously amended:

(c) Effective January 1, 1982, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having eight or more years of continuous service with employing carrier will be qualified for an annual vacation of three

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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said eight or more years of continuous service renders service of not less than one thousand two hundred and eighty (1280) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 25, 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 l(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 l(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, 1982, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having seventeen or more years of continuous service with employing carrier will be qualified for an annual vacation of four 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said seventeen or more years of continuous service renders service of not less than two thousand seven hundred and twenty (2720) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated September 25, 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 l(d) each basic pay 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 l(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.)

(The NOTE referred to in Sections l(c) and l(d) above reads as follows:

"NOTE: - In the application of Section l(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.")

(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 l(b), one thousand two hundred and eighty (1280) basic days under Section l(c), two thousand seven hundred ant twenty (2720) basic-days under Section l(d), ant four thousand (4000) basic days under Section l(e).

ARTICLE IV - HOLIDAYS

Effective January 1, 1983, the national holiday provisions will be revised to add the day after Thanksgiving Day and to substitute New Year's Eve (the day before New Year's Day is observed) for Veterans Day.

The holiday pay qualifications for Christmas Eve - Christmas shall also be applicable to the Thanksgiving Day - day after Thanksgiving Day and the New Year's Eve - New Year's Day holidays.

ARTICLE V - HEALTH AND WELFARE BENEFITS.

Section 1. Continuation of Plan

The benefits now provided under The Railroad Employees National Health and Welfare Plan, modified as provided below, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to the Plan will be offset by the expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by the insurer in connection with Group Policy Contract GA-23000, and by the use of funds held in trust that are not otherwise needed to pay claims, premiums or administrative expenses which are payable from trust. Detailed contract language effectuating all changes in the Plan called for by this Agreement will be worked out by the Joint Policyholder Committee with the insurer.

Section 2. Benefit Changes

The following benefit changes will be made effective on November 1, 1982:

(a) Life Insurance - The maximum life insurance benefit for active employees will be increased from $6,000 to $10,000.

(b) Accidental Death, Dismemberment and Loss of Sight - The maximum accidental death, dismemberment and loss of sight benefit, called the "Principal Sum" in Group Policy Contract GA-23000, will be increased from $4,000 to $8,000. Those accidental death, dismemberment and loss of sight benefits that are payable in the amount of one-half the Principal Sum will thus be increased from $2,000 to $4,000.

(c) Hospital Miscellaneous Benefits - The provision for reimbursement for hospital charges for medical care and treatment (other than charges for room and board, nurses', and physicians' and surgeons' fees), and the excess of charges for intensive care in an intensive care unit over the amount payable otherwise, shall be increased from "not more than $2,000 plus 80% of the excess over $2,000," to "not more than $2,500 plus 80% of the excess over $2,500."

(d) Surgical Expense Benefit -

(i) The maximum surgical benefit for all surgical procedures due to the same or related causes, as well as the maximum basic benefit for any one surgical procedure, will be increased from $1,000 to $1,500; and the $1,000 E Surgical Schedule will be replaced by a $1,500 E Surgical Schedule.

(ii) No surgical expense benefits described in Part E of Article VII of Group Policy Contract GA-23000 will be payable under the Plan with respect to any non-emergency surgical procedure listed below and described in Schedule I to Policy Contract GA-23000 unless the opinions of two surgeons with respect to the medical necessity of the procedure have first been obtained and at least one of those opinions recommends the procedure. Major medical expense benefits described in Part J of such Article will, however, be payable with respect to such a procedure whether or not the opinion of a second surgeon is obtained. The surgical procedures referred to above are:

1. Breast Surgery	7. Gall Bladder Operations
2. Bunion Surgery	8. Knee Surgery
3. Cataract Surgery	9. Prostate Operations
4. Hemorrhoid Operations	10. Rhinoplasty
5. Hernia Repairs	11. Tonsillectomy & Adenoidectomy
6. Hysterectomy	12. Varicose Vein Operations

(e) Radiation Therapy Expense Benefits - The radiation therapy expense benefits and the schedule listing them will be broadened to include chemotherapy treatments; the overall combined maximum radiation therapy and chemotherapy expense benefits for any one person during any one calendar year will be increased from $400 to $600; and the overall combined maximum radiation therapy and chemotherapy expense benefits for any one person for any one accident or sickness will be increased from $400 to $600.

(f) X-Ray or Laboratory Examinations - The maximum medical expense benefit for x-ray and laboratory examinations of any one person during any one calendar year will be increased from $150 to $250.

(g) Physician's Fee Benefit

(i) The maximum amount payable on behalf of an employee or dependent for physician's charges for visits while the employee or dependent is confined as a hospital in-patient will be increased from $10.00 to $12.00 per day of such confinement, and the maximum so payable during any one period of hospital confinement will be increased from $3,650 to $4,380.

(ii) The maximum amount payable for physician's office visits by an employee shall be increased from $10.00 to $12.00, and for home visits from $12.00 to $15.00, per visit, limited as at present to one home or office visit per day and a maximum of 180 such visits in a 12-month period; no benefit payable for the first visit on account of injury or first three visits on account of sickness.

(h) Major Medical Expense Benefits - The maximum aggregate amount payable as major medical expense benefits with respect to any eligible employee or dependent during such person's entire lifetime will be increased from $250,000 to $500,000.

(i) Hospital Emergency Room - To the extent not otherwise covered under the Plan, benefits will be payable for expenses in excess of $50 incurred for the use of hospital emergency room by a covered employee or dependent. To the extent the first $50 of such expenses are not covered by the Plan, they will count toward reaching the cash deductible amount of $100 under the major medical expense benefits provisions of the Plan.

Section 3. Eligibility

The provision under which a new employee becomes a Qualifying Employee, and may become covered and eligible for benefits, on the first day of the first calendar month starting after such employee has completed 60 continuous days during which he has maintained an employment relationship, will be changed to provide that a new employee (employed on or after the first day of the calendar month following the month in which this agreement is executed) will become a Qualifying Employee on the first day of the first calendar month starting after the day on which such employee first performs compensated service; provided, however, that no employee or dependent health benefits described in Article VII of Group Policy Contract GA-23000, other than the major medical benefits described in Part J thereof, will be payable to or on behalf of an employee until the expiration of twelve months after the month during which he first performs compensated service.

Section 4. Coverage for Dependents Health Benefits

If an employee is covered immediately prior to his death with respect to an eligible dependent's health benefits described in Article VII of Group Policy Contract GA-23000, such coverage will continue with respect to those benefits until the end of the fourth month following the month in which the employee's death occurred.

Section 5. Suspended and Dismissed Employees

An employee who is suspended or dismissed from service and is thereafter awarded full back pay for all time lost as a result of such suspension or dismissal will be covered under the Plan as if he or she had not been suspended or dismissed in the first place.

ARTICLE VI - DENTAL BENEFITS

Section 1. Continuation of Plan

The benefits now provided under The Railroad Employees National Dental Plan, modified as provided below, will be continued subject to the provisions of the Railway Labor Act, as amended. Detailed contract language effectuating all changes in the Plan called for by this Agreement will be worked out by the National Carriers' Conference Committee with the insurer.

Section 2. Benefit Changes

The following benefit changes will be made effective on November 1, 1982:

(a) The maximum benefit (exclusive of any benefits for orthodontia) which may be paid with respect to a covered employee or eligible dependent in any calendar year will be increased from $750 to $1 ,000.

(b) The maximum aggregate benefit payable for all orthodontic treatment rendered to an eligible dependent child under the age of 19 during his or her lifetime will be increased from $500 to $750.

(c) The benefit payable with respect to the Type A dental expenses described below will be increased to 100% (from 75%) of such expenses, but only to the extent that they exceed the deductible amount, which will not be changed:

a. Routine oral examinations and prophylaxis (scaling and cleaning of teeth), but not more than once each in any period of 6 consecutive months.

b. Topical application of fluoride for dependent children, but not more than once in any calendar year.

c. Space maintainers designed to preserve the space created by the premature loss of a tooth in a child with mixed dentition until normal eruption of the permanent tooth takes place.

d. Emergency palliative treatment (to alleviate pain or discomfort).

e. Dental x-rays, including full mouth x-rays (but not more than once in any period of 36 consecutive months), supplementary bitewing x-rays (but not more than once in any period~~periot~~ of 6 consecutive months) and such other dental x-rays as are required in connection with the diagnosis of a specific condition requiring treatment.

ARTICLE VII - EARLY RETIREMENT MAJOR MEDICAL BENEFITS

Section 1. Continuation of Plan

The benefits now provided under The Railroad Employees National Early Retirement Major Medical Benefit Plan, modified as provided below, will be continued subject to the provisions of the Railway Labor Act, as amended. Detailed contract language effectuating all changes in the Plan called for by this Agreement will be worked out by the National Carriers' Conference Committee with the insurer.

Section 2. Benefit Changes

The following benefit change will be made effective on November 1, 1982: The maximum amount payable with respect to any retired or disabled employee covered by the Plan or to any eligible dependent of such a retired or disabled employee will be increased from $50,000 to $75,000.

ARTICLE VIII - NATIONAL HEALTH LEGISLATION

In the event that national health legislation should be enacted, benefits provided under The Railroad Employees National Health ant Welfare Plan, The Railroad Employees National Early Retirement Major Medical Benefit Plan, and The Railroad Employees National Dental Plan with respect to a type of expense which is a covered expense under such legislation will be integrated so as to avoid duplication, and the parties will agree upon the disposition of any resulting savings.

ARTICLE IX - EXPENSES AWAY FROM HOME

Effective December 1, 1982, the meal allowance provided for in Article II, Section 2, of the June 25, 1964 National Agreement, as amended, is increased from $2.75 to $3.85.

ARTICLE X - STUDY COMMISSION

Section 1. Pursuant to the recommendations of Emergency Board No. 194, the parties signatory to this Agreement hereby establish a Study Commission consisting of three partisan members representing the carriers, three partisan members representing the Brotherhood of Locomotive Engineers and a neutral member who shall be Chairman. The Chairman shall be selected by the partisan members within 30 days from the date of this Agreement. If the partisan members of the Commission cannot agree on the Chairman within such 30 days, the partisan members shall request the National Mediation Board to confer with the members and within 15 days of such request select a Chairman.

Section 2. The Commission shall investigate and consider the subject matters listed below:

Basis of pay and related alternatives
Initial and Final terminal delay
Engine exchange
Road/yard restrictions
Supplemental sick pay
Disability pay
Personal leave
Principles and procedures for stabilizing the pay structure of the operating crafts in response to earnings adjustments arising from crew consist agreements.

Additional subject matters may be considered by the Commission by mutual agreement of the partisan members.

Section 3. The Chairman shall confer promptly with the parties to establish the agenda of the Commission. If the parties fail to agree on the agenda in 30 days, it shall be determined by the Chairman. The Chairman shall have authority to resolve any differences between the members with respect to determining the procedures under which it will operate, scheduling and locations of meetings and the priorities for consideration of the issues. In the event the Chairman is unable to continue his assignment or the partisan members unanimously concur that a successor should be appointed, the procedures set forth above shall be followed in selecting a replacement.

Section 4. The Chairman, in consultation with the members, shall establish a time table for negotiations between the parties on the issues submitted to the Commission. If, after 90 days from the date such negotiations begin, the parties have failed to reach agreement or demonstrate evidence of substantial progress in resolving the issues, the Chairman shall convene hearings on the matters in dispute and formulate substantive guidelines to further advance negotiations. The parties shall then negotiate within these guidelines for a period not to exceed 60 days.

Section 5. If, at the end of such 60 day period, agreement has not been reached on all issues, the Chairman shall make non-binding recommendations to the parties for disposing of all unresolved issues not later than December 1, 1983. While the recommendations of the Chairman shall not be considered

final and binding, the parties affirm their good faith intentions to give full consideration to such recommendations as a means of resolving such matters.

Section 6. The Study Commission shall terminate, unless otherwise agreed to by the parties, 30 days from the date the recommendations have been made.

Section 7. If the parties are unable to resolve all of the issues covered thereby, either party may serve proposals on or after January 1, 1984 within the framework of any such recommendations in accordance with the Railway Labor Act and the provisions of Article XII, Section 2(c) of this Agreement.

ARTICLE XI - LUMP SUM PAYMENT

In lieu of personal leave days, a lump-sum payment shall be made not later than the first payroll period ending in July, 1983, to employees covered by this Agreement who (a) have had an employment relationship with their employing carrier under the Agreement with the organization signatory hereto as of April 1, 1981, (b) have continued such employment relationship up to December 31, 1982 and (c) have performed compensated service under such Agreement during the period from April 1, 1981 to December 31, 1982.

Any employee qualifying for the lump-sum payment shall receive $230.00 if the employee's first service performed on or after January 1, 1982 was as a locomotive engineer. For all other employees qualifying therefore the lump-sum payment will be $200.00.

There shall be no duplication of lump-sum payments by virtue of employment under an agreement with another organization.

An employee who otherwise meets all of the qualifications outlined above except that he did not have an employment relationship as of the dates specified above because he had been dismissed from service and such employee subsequently is or has been reinstated with seniority unimpaired will be considered eligible to receive the lump-sum payment.

The receipt of the lump-sum payment by an employee will not be considered a factor in connection with nor trigger any other benefit or compensation provided by agreement, such as health and welfare, vacations and guarantees.

ARTICLE XII - 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 served upon the carriers listed in Exhibit A by the organization signatory hereto dated on or about January 26, 1981 and February 2, 1981, and the notices served on or about February 5, 1981 by the carriers for concurrent handling therewith.

(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 June 30, 1984 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) Except as provided by the Letter of Understanding dated September 28, 1982, concerning compensation relationships, and paragraph (d) of this Section 2, the parties to this Agreement shall not serve nor progress prior to January 1, 1984 (not to become effective before July 1, 1984) any notice or proposal for changing any matter:

(1) contained in this Agreement,

(2) listed in Section 2(c)(3) of Article VIII of the Agreement of March 6, 1975, and

(3) contained in the proposals of the parties identified in Section 2(a) of this Article.

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

(d) Pending notices properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article XII and which do not request compensation need not be withdrawn and may be progressed under the provisions of the Railway Labor Act, as amended. Similarly, new proposals properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article XII and which do not request compensation may be served and progressed under the provisions of the Railway Labor Act, as amended.

(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 28TH DAY OF SEPTEMBER, 1982.

FOR THE PARTICIPATING CARRIERS
LISTED IN EXHIBIT A:

Charles I. Hopkins, Jr.
Chairman
[Others signatory]

FOR THE EMPLOYEES
REPRESENTED BY
THE BROTHERHOOD OF
LOCOMOTIVE ENGINEERS

John F. Sytsma
President
[Others signatory]

SIGNATURES NOT REPRODUCED

SIDE LETTERS TO THIS AGREEMENT- APPENDED BELOW

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This confirms our understanding with respect to the procedure for selecting a Chairman of the Study Commission pursuant to Article X, Section 1 of the September 28, 1982 National Agreement. It is understood that if the partisan members are unable to agree upon a Chairman and the National Mediation Board is requested to select such Chairman, the Board shall refrain from appointing any person that had been rejected by either party during their deliberations and attempts to reach agreement on the selection of a Chairman.

This also confirms our understanding that the salary and expenses of the Chairman of the Study Commission, as provided for in Article X, of the September 28, 1982 National Agreement, will be shared equally by the parties. Furthermore, it is agreed that this understanding will not constitute any precedent concerning the payment of neutrals by the parties for any other purpose whatsoever.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm our understanding that Article XI of the National Agreement dated September 28, 1982, providing a lump-sum payment in lieu of personal leave days, does not affect any local agreement on the subject of personal leave days.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This refers to discussions during negotiations of the September 28, 1982 National Agreement to which this letter is appended concerning a training program for locomotive engineers.

The National Carriers' Conference Committee will join with you at the national level to develop methods of evaluating and improving the quantity and quality of locomotive engineer training which can be recommended to the individual railroads for their consideration in the design ant implementation of their respective training programs.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm the understanding reached during the negotiations of the September 28, 1982 National Agreement that the Joint Labor-Management Committee established pursuant to the provisions of Article XII of the July 26, 1978 National Agreement shall be continued insofar as it was established to investigate the issues raised by the organization's proposals for a uniform Physical Examination Rule and Procedures.

Very truly yours,

C. I. Hopkins, Jr.

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This confirms our understanding that to the extent possible employees eligible for an additional week of vacation in 1982 because of the revisions provided for in Article III of this Agreement should be granted such additional vacation prior to the end of this calendar year. However, if the carrier is unable to grant this additional vacation benefit during the balance of this year, such employees shall be paid in lieu of that additional week of vacation.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE

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CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
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D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm our understanding that the provisions of Article XII of the September 28, 1982 National Agreement are not applicable to the notice served on railroads generally by the organization on October 20, 1979 (NMB Case No. A-10712).

It is understood that the carriers continue to preserve their position concerning the bargain ability and propriety of the proposals contained in the organization's notice under the application of Article XIII of the July 26, 1978 National Agreement or otherwise. It is further understood that the organization disputes any contention that said notice and the proposals therein may not be bargain able and proper, or that negotiations thereon may be barred by the application of Article XIII of the July 26, 1978 National Agreement or otherwise.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

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VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This is to confirm our understanding that the provisions of Article XII of the September 28, 1982 National Agreement are not applicable to pending notices, or new notices which may be served, seeking to adjust compensation with respect to compensation relationships between the engineer and other members of the crew where compensation, regardless of how derived, has been changed for other members of the crew due to a change in crew consist.

Any organization notice served which meets these conditions may be progressed within, but not beyond, the peaceful procedures for resolving disputes which are provided for in the Railway Labor Act, as amended, i.e., into but not beyond mediation.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C.I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

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CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

A committee shall be established by the Joint Policyholders consisting of an equal number of organization and carrier representatives for the purpose of continuing exploration of ways to contain or decrease the costs of maintaining the National Health and Welfare Plan without decreasing the benefits or services that the plan provides. In pursuing cost containment measures the committee will be authorized to obtain and/or develop whatever information is necessary in order to determine where the Plan is incurring unnecessary or excessive expenses. The committee shall make such recommendations as it deems appropriate for implementing any of its findings.

The committee is also authorized to investigate ant recommend the implementation of new experimental programs on a community or other basis for the purpose of determining whether existing benefits can be provided in ways which may reduce costs to the Plan while at the same time preserving the services currently provided.

In addition, the committee may consider alternatives to the current Joint Policyholder arrangement, and consider submitting the Plan to competitive bidding; and in this process identify insurers that are fit and able to provide the services necessary in connection with the Plan, the
election criteria and the bid specifications.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

.

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This will confirm our discussions during the negotiations of the September 28, 1982 National Agreement concerning the continuation of the Informal Disputes Committee which was established following the execution of the July 26, 1978 National Agreement.

Through utilization of the Informal Disputes Committee numerous questions concerning the application of that Agreement were resolved and the invocation of formal disputes procedures avoided.

Accordingly, with the view of continuing the success in this regard insofar as disputes involving the 1978 National Agreement are concerned and with the expectation that the same results can be achieved relative to disputes which may arise under the September 28, 1982 National Agreement, the Informal Disputes Committee previously established shall continue to function through the term of the September 28, 1982 National Agreement and is authorized to consider questions of application of its provisions that may arise for the purpose of providing a uniform application of such provisions.

The Informal Disputes Committee shall consist of two representatives appointed by the organization and two representatives appointed by the National Carriers'- Conference Committee.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

ROBERT BROWN
VICE CHAIRMAN

D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This confirms our understanding reached during negotiations leading to the September 28, 1982 National Agreement that the carriers' withdrawal of their proposal with respect to entry rates is in recognition of the parties' understanding that the subject of entry rates is covered by the subject matters submitted to the Study Commission established pursuant to Article X of this Agreement.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

N**ATIONAL RAILWAY LABOR CONFERENCE**

1901 L STREET, N.W. WASHINGTON, D.C. 20036/AREA CODE 202-862-7200

CHARLES I. HOPKINS, JR
CHAIRMAN

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D.P.LEE
GENERAL COUNSEL

R. .T .KELLY
DIRECTOR OF LABOR RELATIONS

September 28, 1982

Mr. John F. Sytsma
President
Brotherhood of Locomotive Engineers
1112 B of LE Building
1365 Ontario Avenue
Cleveland, Ohio 44114

Dear Mr. Sytsma:

In accordance with our understanding, this is to confirm that the carriers will make their best efforts to provide the retroactive wage increases in a single, separate check within sixty (60) days; however, it is understood a carrier which finds it impossible to make the retroactive payments within eighty (80) days will notify the General Chairman in writing as to why such payments have not been made and indicate when it will be possible to make such retroactive payments.

It is further understood that such retroactive wage increases are due only to employees who (a) have performed service during the period covered by the retroactive wage increases and (b) have continued their employment relationship up to the date hereof or have in the meantime either retired or died.

Please indicate your concurrence by affixing your signature in the space provided below.

Very truly yours,

C.I. Hopkins, Jr.

I concur:

John F. Sytsma

1978 NATIONAL AGREEMENT

ARTICLE I – GENERAL WAGE INCREASES
ARTICLE II – COST-OF-LIVING ADJUSTMENT
ARTICLE III – VACATIONS
ARTICLE IV – HEALTH AND WELFARE BENEFITS; EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFIT; AND DENTAL BENEFITS
ARTICLE V – JURY DUTY
ARTICLE VI – EXPENSES AWAY FROM HOME
ARTICLE VII – APPLICATION FOR EMPLOYMENT
ARTICLE VIII – CONBINATION ROAD-YARD SERVICE ZONES
ARTICLE IX – ENTRY RATES
ARTICLE X – OFF-TRACK VEHICLE ACCIDENT BENEFITS
ARTICLE XI – BREAVEMENT LEAVE
ARTICLE XII – JOINT LABOR-MANAGEMENT COMMITTEE
ARTICLE XIII – GENERAL PROVISIONS

SIDE LETTERS: (NOT NUMBERED)

- TRAINING PROGRAM FOR LOCOMOTIVE ENGINEERS
- XIII- NOTICES SEEKING TO ADJUST COMPENSATION
- SHORT TURNAROUND PASSENGER SERVICE
- RETROACTIVE PAY AS SOON AS POSSIBLE
- ITEM D WITHDRAWN
- AGREE TO ADDRESS HELD-AWAY-FROM HOME ISSUES

BLE
July 26, 197 8

MEDIATION AGREEMENT

DATED JULY 26, 1978

between railroads represented by the

NATIONAL CARRIERS' CONFERENCE COMMITTEE

and

employees of such railroads represented by the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Case No. A - 10224

MEDIATION AGREEMENT

THIS AGREEMENT, made this 26th day of July, 1978, 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 -GENERAL WAGE INCREASES

Section 1 - First General Wage Increase

(a) Effective April 1, 1978, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on March 31, 1978 shall be increased by an amount equal to 3 percent. The amount of cost-of-living allowance which remained in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section l (d) of the Agreement of March 6, 1975 will not be included with basic rates in computing the amount of this increase.

(b) In computing the percentage increases under paragraph (a) above, 3 percent shall be applied to the standard basic daily rates of pay, and 3 percent shall be applied to the standard mileage rates of pay, respectively, applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily or mileage 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 - 250,000 and less than 300,000 pounds (*)
(separate computations covering five-day rates and other than five-day rates)

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

(*) In implementation of the provisions of the Agreement entered into on this date, amending the Agreements of July 19, 1972 relating to Manning and Training, effective September 1, 1978 the rates of pay in the weight-on-drivers bracket 450,000 and less than 500,000 pounds, as increased under this Section 1, will be the minimum standard rates of pay for firemen in yard service.

Section 2 - Second General Wage Increase

Effective October 1, 1978, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on September 30, 1978, shall be increased by an amount equal to 2 percent, computed and applied in the manner prescribed in Section 1 above. The amount of cost-of-living allowance which remains in effect after a portion of the allowance was incorporated into basic rates pursuant to Article II, Section 1(f) hereof will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 2, which is a part of this Agreement.

Section 3 - Third General Wage Increase

Effective July 1, 1979, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 3O, 1979, shall be increased by an amount equal to 4 percent, computed and applied in the manner prescribed in Section 1 above. The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section l(f) hereof, will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase will be subsequently published.

Section 4 - Fourth General Wage Increase

Effective July 1, 1980, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 3O, 1980 shall be increased by an amount equal to 5 percent, computed and applied in the manner prescribed in Section 1 above. The amount of any Cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section l(f) hereof, will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase will be subsequently published.

Section 5 - Application of Wage Increases

(a) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article 1.

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

(c) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(f) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight 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.

(g) In computing the increased rates of pay effective April 1, 1978 under Section 1 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of l00 miles or less which are therefore paid on a daily basis without a mileage component, who rates had been increased by an additional $.40 effective July 1, 1968, 3 percent of the daily rates exclusive of the local freight differential and any other money differential above existing standard daily rates but including the $.40 increase, in effect for such firemen March 31, 1978 applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be added to each applicable weight-on-drivers daily rate of pay. The same procedure shall be followed in computing the increases of 2 percent effective October 1, 1978, 4 percent effective July 1, 1979, and 5 percent effective July 1, 1980. The rates produced by application of the standard local freight differential and the above-referred-to special increase of an additional $.40 to standard basic through freight rates of pay are set forth in Appendices 1 and 2, which are a part of this Agreement, and Appendices which will be subsequently published.

(h) Other than standard rates:

(i) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages and amounts as set forth therein, computed and applied in the same manner as the standard rates were determined.

(ii) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight 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 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided in paragraph (g) above.

(i) Wage rates resulting from the increases provided for in Sections 1, 2, 3 and 4 of this Article I, and in Section l(f) of Article II, will not be reduced under Article II.

ARTICLE II - COST-OF-LIVING ADJUSTMENT

Section 1 - Amount and Effective Dates of Cost-of-living Adjustments

(a) A cost-of-living adjustment increase of 19 cents per hour, based upon the increase in the Consumer Price Index (old series) between March 1977 and September 1977, will be made effective as of January 1, 1978. The amount of such adjustment will be added to the cost-of-living allowance of 15 cents per hour which became effective December 31, 1977 resulting from incorporation into basic rates of 16 cents per hour effective that date, as provided in Article II, Section l(d)(iii) of the 1975 General Wage Increase Agreement and the Letter of Understanding of September 6, 1977 as to the amount to be so incorporated. As result of such adjustment, the cost-of-living allowance effective January 1, 1978 will be 34 cents per hour.

(b) A further cost-of-living adjustment increase of 19 cents per hour, based upon the increase in the Consumer Price Index between September 1977 (old series) and March 1978 (using the old series CPI for September-December 1977 and the new CPI-W identified in paragraph © below for January-March 1978), will be made effective as of July 1, 1978. The amount of such adjustment will be added to the cost-of-living allowance of 17 cents per hour which will become effective as of June 30, 1978 resulting from incorporation into basic rates of 17 cents per hour of the cost-of-living allowance effective that date, as provided in paragraph (f)(i) below. As result of such adjustment, the cost-of-living allowance effective July 1, 1978 will be 36 cents per hour.

(c) The cost-of-living allowance resulting from the adjustments provided for in paragraphs (a) and (b) above will subsequently be adjusted, in the manner set forth in and subject to all the provisions of paragraphs (g) and (h) below, 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 BLS Consumer Price Index. The first such cost-of-living adjustment shall be made effective January 1, 1979, based (subject to paragraph (g)(i) below) on the BLS Consumer Price Index for September 1978 as compared with the index of 189.7 for March 1978. Such adjustment and further cost-of-living adjustments will be made effective the first day of each sixth month thereafter based on the change in the BLS Consumer Price Index during the respective measurement periods shown in the following table subject to the exception in paragraph (g)(ii) below, according to the formula set forth in paragraph (h) below:

	Measurement Periods		Effective Date
	Base Month	Measurement Month	of Adjustment
	(1)	(2)	(3)
March	1978	September 1978	January 1, 1979
September	1978	March 1979	July 1, 1979
March	1979	September 1979	January 1, 1980
September	1979	March 1980	July 1, 1980
March	1980	September 1980	January 1, 1981

(d) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight-time, overtime, vacations, holidays and to special allowances and arbitraries in the same manner as basic wage adjustments have been applied in the past.

(e) The amount of the cost-of-living allowance, if any, which will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

(f)(i) Effective as of June 30 and December 31 of each year, 50% of the cost-of-living allowance then in effect will be incorporated into basic rates of pay for all purposes, and the cost-of-living allowance will be reduced by 50%.

(ii) If as of June 30 or December 31 of any year prior to the incorporation referred to in subparagraph (i) the amount of the cost-of-living allowance in effect should be an odd number of cents, the amount which will be rolled into basic rates of pay will be the number of whole cents next above 50% of the amount of the cost-of-living allowance then in effect, and the cost-of-living allowance will be reduced by that amount.

(iii) The provisions of this paragraph (f) will have no effect on the amount of cost-of-living allowance in effect as of March 31, 1981. Disposition of that allowance or any portion thereof will remain for handling in connection with notices which may be served on or after January 1, 1981.

(g) Cap. (i) In calculations under paragraph (h) below, the maximum increase in the BLS Consumer Price Index (C.P.I.) which will be taken into account will be as follows:

Effective Date of Adjustment (1)	Maximum C.P.I. Increase Which May Be Taken into Account (2)
January 1, 1979	4% of March 1978 CPI
July 1, 1979	8% of March 1978 CPI, less increase from March to September 1978
January 1, 1980	4% of March 1979 CPI
July 1, 1980	8% of March 1979 CPI, less increase from March to September 1979
January 1, 1981	4% of March 1980 CPI

(ii) If the increase in the BLS Consumer Price Index from the base month of March 1978 to the measurement month of September 1978, or from the base month of March 1979 to the measurement month of September 1979, exceeds 4% of the March base index, the measurement period which will be used for determining the cost-of-living adjustment to be effective the following July 1 will be the twelve-month period from such base month of March; the increase in the index which will be taken into account will be limited to that portion of increase which is in excess of 4% of such March base index, and the maximum increase in that portion of the index which may be taken into account will be 8% of such March base index less the 4% mentioned in the preceding clause, to which will be added any residual tenths of points which had been dropped under paragraph (h) below in calculation of the cost-of-living adjustment which will have become effective the January 1 during such measurement period.

(iii) Any increase in the BLS Consumer Price Index from the base month of March 1978 to the measurement month of March 1979 in excess of 8% of the March 1978 base index, or from the base month of March 1979 to the measurement month of March 1980 in excess of 8% of the March 1979 base index, will not be taken into account in the determination of subsequent cost-of-

living adjustments.

(h) Formula. The number of points change in the BLS Consumer Price Index during a measurement period, as limited by paragraph (g) above, will 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 will not be counted.)

The cost-of-living allowance of 18 cents per hour which will become effective December 31, 1978 as result of application of paragraph (f)(i) will be adjusted (increased or decreased) effective January 1, 1979 by the whole number of cents produced by dividing by 0.3 the number of points (including tenths of points) change, as limited by paragraph (g) above, in the BLS Consumer Price Index during the measurement period from the base month of March 1978 to the measurement month of September 1978. Any residual tenths of a point resulting from such division will be dropped. The result of such division will be added to the amount of the allowance which will have become effective December 31, 1978 if the Consumer Price Index will have been higher at the end than at the beginning of the measurement period, and subtracted therefrom only if the index will have been lower at the end than at the beginning of the measurement period.

The same procedure will be followed in applying subsequent adjustments.

(i) Continuance of the cost-of-living adjustments 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 Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the CPI-W Index 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 Index during such measurement period.

Section 2 - Application of Cost-of-living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article-II, the cost-of-living allowance will not become part of basic rates of pay except as provided in Section l(f). In application of such allowance, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Sections 2, 3 and 4 of Article I and by Section l(f) of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 5 of Article I.

ARTICLE III - VACATIONS

Insofar as applicable to employees represented by the Brotherhood of Locomotive Engineers, the Vacation Agreement dated April 29, 1949g, as amended, is further amended effective January 1, 1979, by substituting the following Section l(c) and l(d) for the corresponding provisions contained in Section 1 of Article IX of the Agreement of May 13, 1971:

(c) Effective January 1, 1979, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having nine or more years of continuous service with employing carrier will be qualified for an annual vacation of three 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said nine or more years of continuous service renders service of not less than fourteen hundred forty (1440) basic days in miles or hours paid for as provided in individual schedules. Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section l© 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 a 1.3 days, for purpose 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 l© 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, 1979, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having eighteen or more years of continuous service with employing carrier will be qualified for an annual vacation of four 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said eighteen or more years of continuous service renders service of not less than twenty-eight hundred eighty (2880) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section l(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 l(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.)

(The NOTE referred to in Sections l9(c) and l(d) above reads as follows:

> "NOTE: In the application of Section l(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.")

ARTICLE IV - HEALTH AND WELFARE BENEFITS; EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFITS; AND DENTAL BENEFITS.

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PART A. HEALTH AND WELFARE BENEFITS

Section 1. Continuation of Plan. The benefits now provided under The Railroad Employees National Health and Welfare Plan, modified as provided in Sections 2 and 3 below, will be continued subject to the provisions of the Railway Labor Act, as amended. Contributions to the Plan will be offset by the expeditious use of such amounts as may at any time be in Special Account A or in one or more special accounts or funds maintained by the insurer in connection with Group Policy Contract GA-23000, and by the use of funds held in trust that are not otherwise needed to pay claims, premiums or administrative expenses which are payable from trust. Detailed contract language specifying the new benefits and the changes in existing benefit and eligibility provisions is to be worked out by the Joint Policyholder Committee with the insurer.

Section 2. Benefit Changes. The following benefit changes will be made effective as of January 1, 1979:

a. Alcoholism Treatment. For treatment of alcoholism of an employee which has been diagnosed as such by the employee's attending physician, as a result of which the employee is confined at an approved treatment center which provides medical and therapeutic treatment for alcoholism under a program approved by both the attending physician and the insurer, on an in-patient basis requiring full-time participation by the patient, and certain evaluation, diagnostic and counseling services: a benefit will be provided to cover charges by the treatment center for room and board, care and treatment, exclusive of custodial care, up to $50 per day for not more than 31 days per calendar year with a lifetime maximum of $3,000.

b. Ambulatory Surgical Centers. Charges incurred by an employee or dependent for services rendered and supplies furnished by an approved ambulatory surgical center within the time limits and for the purposes specified in the out-patient expense provisions of the plan shall be treated as if they were hospital out-patient expenses.

c. Second Surgical Opinion. A benefit will be provided to pay reasonable charges incurred by an employee or dependent for consultations (including the reasonable charges for laboratory and X-ray examinations and other diagnostic procedures in connection therewith) with one or more qualified specialist surgeons for additional opinions as to the medical necessity for the performance of a recommended surgical procedure for which benefits are payable under the surgical expense benefits provisions of the Plan, provided the consultant surgeon examines the patient and furnishes the insurer either copy of his written report to the patient or a written report setting forth his opinion.

d. Pre-Admission Testing. Charges incurred by an employee or dependent in connection with pre-admission testing ordered by a physician will be covered as hospital in-patient expenses provided such tests are related to the performance of scheduled surgery in connection with a confirmed hospital admission, and (i) the person involved is subsequently admitted to the hospital as a resident in-patient unless the scheduled confinement is cancelled or postponed because of the unavailability of a bed or a change in his condition which precludes surgery or (ii) the surgery is performed in an out-patient facility (which may be an ambulatory surgical center) unless there is a change in the patient's condition which precludes surgery.

e. Surgical Expense Benefit. The maximum basic benefit for a surgical procedure will be increased from $650 to $1,000; the maximum allowance for administration of anesthetics will be increased

from $162.50 to $250; and the $650 E Surgical Schedule will be replaced by a $1,000 E Surgical Schedule.

f. Hospital Miscellaneous Benefit. The provision for reimbursement for hospital charges for medical care and treatment (other than charges for room and board, nurses', and physicians' and surgeons' fees), and the excess of charges for intensive care in an intensive care unit over the amount payable otherwise, shall be increased from "not more than $1,000 plus 80% of the excess over $1,000," to "not more than $2,000 plus 80% of the excess over $2,000."

g. Out-Patient Expense Benefit, and Supplemental Out-Patient Medical Expense Benefit. The provision for reimbursement for hospital outpatient expenses, and the supplemental out-patient medical expense benefit provision, covering certain emergency medical care and treatment on account of accidental bodily injuries and additional subsequent medical care and treatment in connection with such emergency care, and medical care and treatment in connection with surgical operations, will be increased to provide for reimbursement for such expenses in full on a reasonable and customary basis (an increase from the maximum of $100 plus 80% of the excess over $100).

h. Ambulance Benefit. Necessary ambulance charges for transportation to and from hospital for an employee or dependent who is confined as a hospital in-patient, or who receives out-patient care of a nature referred to in g. above in a hospital, will be provided in full on a reasonable and customary basis (an increase from the maximum of $25 for such benefit).

i. Physician's Fee Benefit.

(i) The maximum amount payable on behalf of an employee or dependent for physician charges for visits while the employee or de-pendent is confined as a hospital in-patient will be increased from $6.00 to $10.00 per day of such confinement, and the maximum so payable during any one period of hospital confinement will be increased from $2,190 to $3,650.

(ii) The maximum amount payable for physicians' office visits by an employee shall be increased from $6.00 to $10.00, and for home visits from $7.50 to $12.00, per visit limited as at present to one home or office visit per day and a maximum of 180 such visits in a 12-month period; no benefit payable for the first visit on account of injury or the first three visits on account of sickness.

j. Major Medical Expense Limit Benefit. A provision will be added to the major medical expense benefit section of the Plan to the effect that if in a calendar year a covered employee or dependent has incurred expenses not otherwise reimbursed under the Plan which aggregate $2,000 including (i) the individual's cash deductible and (ii) the individual's 20% share of co-insurance under the hospital miscellaneous benefits and major medical expense benefit provisions, all further "covered expenses" of that individual in that calendar year which would otherwise come under the 80%/20% coinsurance provisions will instead be reimbursed under the major medical expense benefit provisions on a 100% basis. The four exclusions in the major medical expense benefit section will apply to this benefit.

k. Living Tissue Donor Benefit. Benefit will be provided for the living donor of an organ or tissue to an employee or dependent covered by The Railroad Employees National Health and Welfare Plan, with respect to the donation involved, on the same basis as if the donor were himself an employee covered by the Policy Contract to the extent such donor is not covered under any other health insurance program.

Section 3. Eligibility. The provision under which a new employee becomes a Qualifying Employee, and may become insured and eligible for benefits, on the first day of the first calendar month starting after such employee has completed 30 continuous days during which he has maintained an employment relationship, will be changed to provide that a new employee (employed on or after August 1, 1978) will become a qualifying employee on the first day of the first calendar month starting after such employee has completed 60 continuous days during which he has maintained an employment relationship.

Section 4. Restructuring. The parties to this Agreement will seek to work out with the insurer reasonable and practicable arrangements designed to decrease federal income taxes payable by the insurer in connection with the Plan, to decrease the insurer's reserves for its liabilities under the Plan, or otherwise to lessen the cost of maintaining the Plan without decreasing the benefits or services that the Plan provides.

PART B. EARLY RETIREMENT MAJOR MEDICAL EXPENSE BENEFIT

Section 1. Establishment and Effective Date. The railroads will establish an Early Retirement Major Medical Benefit Plan to provide specified major medical expense benefits for certain retired or disabled railroad employees and their dependents, to become effective August 1, 1978 and to continue subject to the provisions of the Railway Labor Act, as amended, according to the following provisions:

a. Employees **Eligible:**

(i) Age. An employee who, on or after July 1, 1978, retires at or after 61 years of age under the 60/30 provisions of the Railroad Retirement Act of 1974, if immediately prior to the date he retired he was covered for employee or dependent health benefits under the Railroad Employees National Health and Welfare Plan and had a current connection with the railroad industry.

(ii) **Disability.**

(a) An employee of a non-hospital association railroad who on or after July 1, 1978 and at or after age 61 was receiving employee health benefits (or still eligible for such benefits under the disability waiver provisions) under The Railroad Employees National Health and Welfare Plan, and who meets the requirements of subparagraph (c) below.

(b) An employee of a hospital association railroad who would have met the requirements of subparagraph (a) above in full if he had been an employee of a non-hospital association railroad, and who meets the requirements of subparagraph (c) below.

(c) To be eligible as a disabled employee, an employee must, in addition to fulfilling the requirements of subparagraph (a) or subparagraph (b) above, -

(1) solely because of his disability be prevented from working in his regular occupation;

(2) be entitled to an annuity by reason of disability under the Railroad Retirement Act of 1974; however, he need not have filed application for disability annuity under the Railroad Retirement Act if he is receiving sickness benefits under the

Railroad Unemployment Insurance Act, but when he is no longer receiving such sickness benefits if he does not apply for such disability annuity his eligibility under the Plan will terminate;

(3) have had a current connection with the railroad industry on the date immediately prior to the date on which he became entitled to such disability annuity; and

(4) have had by his eligibility date a total period, consisting of his railroad service prior to the onset of such disability plus the period of such disability itself, totaling not less than 30 years.

b. **Dependents Eligible**: Spouse and dependent children of eligible employees who are within definition of "dependent" in The Railroad Employees National Health and Welfare Plan.

c. **Scope of Coverage:**

(i) Eligible employees of non-hospital association railroads, and, to the extent provided in Section 3, of hospital association railroads.

(ii) Dependents of eligible employees of either hospital association or non-hospital association railroads.

d. **Duration of Coverage:**

(i) Coverage for all covered employees and dependents will begin when the employee becomes eligible under paragraph a., but not earlier than the effective date, and except that an employee's or dependent's coverage will not begin earlier than such employee's or dependent's eligibility for benefits under the Railroad Employees National Health and Welfare Plan ceases.

(ii) Coverage for covered employees will terminate on the earlier of -

(a) The date the employee becomes eligible for Medicare (even though his coverage may not yet have begun, e.g., if a disabled employee becomes eligible for Medicare before he becomes eligible under paragraph a.), or

(b) The date the employee's Railroad Retirement annuity terminates.

(iii) Coverage for all dependents of an employee will terminate on the earlier of -

(a) The date the employee's coverage terminates for any cause other than (1) death or (2) eligibility for Medicare by reason of disability, or

(b) If the employee predeceases dependent(s), or becomes eligible for Medicare by reason or disability, the date the employee would have become eligible for Medicare by reason of age if he had not died.

(iv) Coverage for any dependent will terminate if such individual dependent, while covered,-

(a) becomes eligible for Medicare, or

(b) is no longer within the above-referred-to definition of dependent, or

(c) is the widow or widower of a covered employee and remarries.

Note: As used in this paragraph d. Duration of Coverage, "Medicare" means the full measure of benefits under the Health Insurance for The Aged and Disabled Program under Title XVIII of the Social Security Act, as amended and as it may be further amended, which are normally available to an individual at age 65 or on general disability. Benefits under the Plan will be so adjusted to avoid duplication between Plan benefits and any other Medicare benefits.

e. **Plan**:

(i) **Elements**:

(a) Deductible: $100 per calendar year for each individual.

(b) Coinsurance proportions: 80/20, except 65/35 for out-of-hospital mental-nervous treatments.

(c) Lifetime benefit limit: $50,000 for each individual.

(ii) Benefits: Covered benefits will be benefits of the same categories as are covered major medical expense benefits under The Rail-road Employees National Health and Welfare Plan.
(iii) The same Coordination of Benefits provisions as in Group Policy Contract GA-23000 will be included.

Section 2. Administration.

a. The railroads, which will be sole policyholder, will work out arrangements for the Plan to be administered and insurance thereunder to be provided by the same insurer as is handling those functions under The Railroad Employees National Health and Welfare Plan.

b. The railroads will work out with the insurer detailed contract language setting forth the eligibility ant benefit provisions.

c. The insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the organizations in the same detail and at the same time that it furnishes such data to the railroads.

d. Any dividends or retroactive rate refunds or credits will be paid into a special fund or account held by the insurer or into a trust established in connection with the Plan. Withdrawals may be made from such fund, account or trust only to provide or finance benefits.

Section 3. Employees of Hospital Association Railroads.

Hospital association railroads will pay the respective hospital associations such portion of the cost of the plan as is attributable to coverage for retired employees (but not for their dependents) contingent on commitments* from the hospital associations to provide benefits similar to those provided by the plan to such retired employees of the respective railroads as meet the above eligibility requirements and were

members of the hospital association. In absence of such a commitment, no payment such as provided for in this paragraph shall be made to the hospital association involved, and the employees involved will be regarded as employees of a hospital association railroad for purposes of eligibility for early retirement medical benefits but shall be provided such benefits under the national plan the same as employees of non-hospital association railroads. On a railroad on which the hospital association has furnished such a commitment, individual retired or disabled employees who had not been members of the hospital association or who had been such members but elected to leave the association on discontinuing active railroad service, or who forego association benefits, will not have an option of electing coverage under the national plan; nor on a railroad on which there has been no such commitment from the hospital association will individual employees have an option of electing hospital association coverage in place of coverage under the national plan.

*Including acceptance of the following obligation: If a hospital association having furnished the commitment referred to in Section 3 should subsequently withdraw such commitment, the employees involved will thereafter be provided their benefits under the national plan as provided in the second sentence of Section 3. If any special contribution to the national plan is required to cover any liability which the hospital association may have incurred during the period it covered the employees involved (and while it was receiving the contribution identified in the first sentence of Section 3), which liability the national plan assumes by reason of the employees' coverage being transferred from the hospital association to the national plan, such special contribution will be made by the hospital association.

PART C. DENTAL BENEFITS

Section 1. Continuation of Plan. The benefits now provided under The Railroad Employees National Dental Plan, modified as provided in Sections 2 and 3 below, will be continued subject to the provisions of the Railway Labor Act, as amended. Detailed contract language specifying the changes in existing benefit and eligibility provisions is to be worked out by the Policyholder with the insurer.

Section 2. Benefit Changes. The following changes in the benefit area will be made effective as of November 1, 1978.

a. The maximum benefit (exclusive of any benefits for orthodontia) which may be paid with respect to a covered employee or dependent in any calendar year, including the calendar year 1978, will be increased from $500 to $750 for all expenses incurred on or after November 1, 1978.

b. A limit of $100 will be placed on the amount of the deductible per calendar year, including the calendar year 1978, to be paid by all members of an employee's family, to apply as follows:

   (i) Any covered individual who has incurred and paid $50 of covered dental expenses in a calendar year has met the deductible with respect to himself.

   (ii) When a covered employee and/or any one or more of his defined dependents have collectively incurred and paid $100 of covered dental expenses, counting not more than $50 with respect to any individual, in a calendar year, the deductible has been met with respect to such employee and all his defined dependents.

c. Extended coverage will be provided for disabled, pregnant, furloughed and discharged or dismissed employees on exactly the same basis as under The Railroad Employees National Health and Welfare Plan.

Section 3. Orthodontia.

No change will be made with respect to benefits for orthodontia, except for the extended coverage provision described in paragraph c. of Section 2 above.

PART D. GENERAL

National Health Legislation. In the event that national health legislation should be enacted, benefits provided under The Railroad Employees National Health and Welfare Plan, The Early Retirement Major Medical Benefit Plan, and The Railroad Employees National Dental Plan with respect to a type of expense which is a covered expense under such legislation will be integrated so as to avoid duplication, and the parties will agree upon the disposition of any resulting savings.

ARTICLE V - JURY DUTY

Effective fifteen (15) days after the date of this Agreement, Article X of the May 13, 1971 Agreement is amended to read as follows:

When an employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each calendar day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

(1) An employee must furnish the carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.

(2) The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.

(3) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

ARTICLE VI - EXPENSES AWAY FROM HOME

Effective October 1, 1978, the meal allowance provided for in Article II, Section 2, of the June 25, 1964 National Agreement, as amended by the letter agreement of February 9, 1972, is increased from $2.00 to $2.75.

ARTICLE VII - APPLICATION FOR EMPLOYMENT

Section 1 - Probationary Period

Applications for employment will be rejected within sixty (60) calendar days after seniority date is established, or applicant shall be considered accepted. Applications rejected by the carrier must be declined in writing to the applicant.

Section 2 - Omission or Falsification of Information

An employee who has been accepted for employment in accordance with Section 1 will not be terminated or disciplined by the carrier 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 carrier had had timely knowledge of it.

ARTICLE VIII - COMBINATION ROAD-YARD SERVICE ZONES

Section 1 - At points where yard crews are employed, combination road-yard service zones may be established within which yard engine crews may be used to perform specified service outside of switching limits under the following conditions:

(a) Road-Yard Service Zones for industrial switching purposes are limited to a distance not to exceed ten (10) miles, or the entrance switch to the last industry, whichever is the lesser. The distances referred to herein are to be computed from the switching limits existing on the date of this agreement, except where the parties on individual properties may agree otherwise.

(b) Within Road-Yard Service Zones, yard engine crews may be used only to meet customer service requirements for the delivery, switching, or pick up of cars which were not available or ready for handling by the road crew or crews normally performing the service or which are required to be expedited for movement into the yard before arrival of said road crew or crews. Yard engine crews may be used to perform such service without any additional compensation and without penalty payments to road crews.

> NOTE: The use of yard engine crews in Road-Yard Service Zones is restricted to the specific service required or requested by the customer and they may not be used indiscriminately to perform any other additional work.

(c) The use of yard engine crews in Road-Yard Service Zones established under this Article may not be used to reduce or eliminate road crew assignments working within such zones.

(d) Nothing in this Section 1 is intended to impose restrictions with respect to any operation where restrictions did not exist prior to the date of this agreement.

Section 2 - At points where yard crews are employed, combination road-yard service zones may be established within which yard engine crews may be used to perform specified service outside of switching limits under the following conditions:

(a) Road-Yard Service Zones for purposes of this Section 2 are limited to a distance not to exceed fifteen (15) miles for the purpose of handling disabled trains or trains tied up under the Hours of Service Act. The distances referred to herein are to be computed from the switching limits existing on the date of this agreement, except where the parties on individual properties may agree otherwise.

(b) Within Road-Yard Service Zones, yard engine crews may be used to handle disabled road trains or those tied up under the Hours of Service Act outside their final terminal without penalty to road crews. For such service yard engine crews shall be paid miles or hours, whichever is the greater, with a minimum of one (1) hour for the class of service performed (except where existing agreements require payment at yard rates) for all time consumed outside of switching limits. This

allowance shall be in addition to the regular yard pay and without any deduction therefrom for the time consumed outside of switching limits.

(c) Nothing in this Section 2 is intended to impose restrictions with respect to handling disabled road trains or those tied up under the Hours of Service Act beyond the 15 mile road-yard service zones, established under this section where restrictions did not exist prior to the date of this agreement.

(d) This Section 2 shall become effective unless a carrier elects to preserve existing rules or practices by notifying the authorized employee representatives within fifteen (15) days after the date of this agreement.

Section 3 - Time consumed by yard engine crews in Road-Yard Service Zones established under this Article will not be subject to equalization as between road and yard service crews and/or employees**.**

This Article shall become effective fifteen (15) days after the date of this Agreement.

ARTICLE IX - ENTRY RATES

Section 1 - Service First 12-Months

Employees entering service on and after the effective date of this Article shall be paid as follows for all service performed within the first twelve (12) calendar months of service when working in a capacity other than engineer:

(a) For the first twelve (12) calendar months of employment, new employees shall be paid 90% of the applicable rates of pay (including COLA) for the class and craft in which service is rendered, exclusive of arbitraries and/or special allowances which shall be paid at the full amount.

(b) Employees who have had an employment relationship with the carrier and are rehired will be paid at established rate after completion of a total of twelve (12) months' combined service.

(c) Train service employees who transfer to the fireman craft will be paid at established rates after completion of a total of twelve (12) months' combined service in both crafts.

(d) Any calendar month in which an employee does not render compensated service due to voluntary absence, suspension, or dismissal shall not count toward completion of the twelve (12) month period.

Section 2 - Preservation of Lower Rates

Agreements which provide for training or entry rates that are lower than those provided for in Section 1 are preserved. If such agreements provide for payment at the lower rate for less than the first twelve (12) months of actual service, Section 1 of this Article will be applicable during any portion of that period in which such lower rate is not applicable.
This Article shall become effective 15 days after the date of this Agreement except on such carriers as

may elect to preserve existing rules or practices and so notify the authorized employee representative on or before such effective date.

ARTICLE X - OFF-TRACK VEHICLE ACCIDENT BENEFITS

Article IV(b) of the March 10, 1969 Brotherhood of Locomotive Engineers Agreement is hereby amended to read as follows:

(b) Payments to be Made:

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

(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	$150,000
Loss of Both Hands	$150,000
Loss of Both Feet	$150,000
Loss of Sight of Both Eyes	$150,000
Loss of One Hand and One Foot	$150,000
Loss of One Hand and Sight of One Eye	$150,000
Loss of One Foot and Sight of One Eye	$150,000
Loss of One Hand or One Foot or Sight of One Eye	$ 75,000

"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 $150,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care

The carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of $3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or under any other medical or insurance policy or plan paid for in its entirety by the carrier.

(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) hereof and who is unable to work as a result thereof 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 $150.00 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.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to $1,000,000 for any one accident and the carrier shall not be liable for any amount in excess of $1,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

This Article will become effective 90 days after the date of this Agreement**.**

ARTICLE XI - BEREAVEMENT LEAVE

Bereavement leave, not in excess of three calendar days, following the date of death will be allowed in case of death of an employee's brother, sister, parent, child, spouse or spouse's parent. In such cases a minimum basic day's pay at the rate of the last service rendered will be allowed for the number of working days lost during bereavement leave. Employees involved will make provision for taking leave with their supervising officials in the usual manner.

This Article shall become effective fifteen (15) days after the date of this Agreement.

ARTICLE XII - JOINT LABOR-MANAGEMENT COMMITTEE

Section 1 - There is hereby established a joint labor-management committee to consider certain proposals not resolved by this Agreement. The Committee shall consist of four (4) members to be appointed within thirty (30) days of the date of this Agreement - two (2) by the Brotherhood of Locomotive Engineers and two (2) by the National Carriers' Conference Committee.

Section 2 - The Committee established by Section 1 is authorized and directed to investigate the issues raised by the organization's proposals for a uniform Discipline Rule and Procedures and a uniform Physical Examination Rule and Procedures. The method and procedures for handling the issues are left to the discretion of the Committee; however, it shall make its report and recommendations to the parties no later than eighteen (18) months after the date of this Agreement.

Section 3 - The parties to this Agreement shall promptly resume negotiations following receipt of the Committees report and recommendations for the purpose of reaching agreement on discipline rules and procedures and physical examination rules and procedures which can be recommended for adoption to the individual railroads and the individual Brotherhood of Locomotive Engineers' General Committees of Adjustment on such railroads.

ARTICLE- XIII - 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 served upon the carriers listed in Exhibit A by the Organization signatory hereto dated on or about January 20, 1977, February 1, 1977, March 1, 1977 and June 21, 1977 (wage and rules); February 15, 1977 and August 15, 1977 (health and welfare and dental), and proposals served on June 13, 1977 by the carriers for concurrent handling therewith.

(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 March 31, 1981 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) Except as provided by the Letter of Understanding dated July 26, 1978, concerning compensation relationships, and paragraph (d) of this Section 2, the parties to this Agreement shall not serve nor progress prior to January 1, 1981 (not to become effective before April 1, 1981) any notice or proposal for changing any matter:

(1) contained in this Agreement,

(2) listed in Section 29(c)(3) of Article VIII of the Agreement of March 6, 1975, and

(3) contained in the proposals of the parties identified in Section 2(a) of this Article.

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

(d) Pending notices properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article XIII and which do not request compensation need not be withdrawn and may be progressed under the provisions of the Railway Labor Act, as amended. Similarly, new proposals properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article XIII and which do not request compensation may be served and progressed under the provisions of the Railway Labor Act, as amended.

(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 26TH DAY OF JULY, 1978.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

C.I. Hopkins, Jr.
Chairman

FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OP LOCOMOTIVE ENGINEERS:

John F. Sytsma
President

RATE TABLES NOT REPRODUCED

NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET, N. W. WASHINGTON, D.C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr. Chairman
W. L. BURNER, Jr., Director of Research
D. P. Lee, General Counsel

ROBERT BROWN, Vice Chairman
J. F. Griffin, Director of Labor Relations
T. F. Strunck, Administrator of Disputes Committee

July 26, 1978

Nr. John F. Sytsma, President
Brotherhood of Locomotive Engineers
Brotherhood of Locomotive Engineers Building
1365 Ontario Street, Room lll0
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This refers to discussions during negotiations of the July 26, 1978 National Agreement to which this letter is appended in connection with the organization's notices concerning a training program for locomotive engineers.

The National Carriers' Conference Committee will join with you at the national level during the terms of this Agreement to develop methods of evaluating ant improving the quantity and quality of locomotive engineer training which can be recommended to the individual railroads for their consideration in the design and implementation of their respective training programs.
Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET, N. W. WASHINGTON, D.C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr. Chairman
W. L. BURNER, Jr., Director of Research
D. P. Lee, General Counsel

ROBERT BROWN, Vice Chairman
J. F. Griffin, Director of Labor Relations
T. F. Strunck, Administrator of Disputes Committee

July 26, 1978

Mr. John F. Sytsma, President
Brotherhood of Locomotive Engineers,
Brotherhood of Locomotive Engineers Building,
1365 Ontario Street, Room lll0,
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This is to confirm our understanding that the provisions of Article XIII of the Agreement of July 26, 1978, are not applicable to pending notices, or new notices which may be served, seeking to adjust compensation with respect to compensation relationships between the engineer and other members where compensation, regardless of how derived, has been changed for other members of the crew due to a change in crew consist.

Any organization notice served which meets these conditions may be progressed pursuant to the procedures of the Railway Labor Act, as amended.

It is understood that the pending national notice is withdrawn on all railroads except those which have negotiated crew consist agreements on or before the Agreement of July 26, 1978, which have changed the compensation for other crew members and on such railroads the national notice as circumscribed in the first paragraph above will be remanded and negotiations shall proceed on those railroads as if such notice ~~hat~~had been served locally.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET, N. W. WASHINGTON, D.C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr. Chairman
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D. P. Lee, General Counsel

ROBERT BROWN, Vice Chairman
J. F. Griffin, Director of Labor Relations
T. F. Strunck, Administrator of Disputes Committee

Mr. John F. Sytsma, President
Brotherhood of Locomotive Engineers
Brotherhood of Locomotive Engineers Building
1365 Ontario Street, Room 1110
Cleveland, Ohio 44114

Dear Mr. Sytsma:

The parties agree to address the subject of short turnaround passenger service without delay and in a genuine effort to identify problems and seek solutions. The National Carriers' Conference Committee will appoint to a task force an appropriate number of carrier executives who are versed in the subject matter. The Brotherhood of Locomotive Engineers will appoint to the task force an appropriate number of representatives who likewise are knowledgeable of the subject matter.

The task force will be charged with responsibility to convene at an early date to establish guidelines, procedures and timetable. The mission of the task force shall be (1) to identify and define problems of concern to the Brotherhood of Locomotive Engineers and those of concern to the carriers; (2) to weigh alternatives for dealing with any problems so defined; (3) to recommend to the appropriate carriers and the Brotherhood ways and means for reconciling differences and resolving problems.

While the task force shall have reasonable latitude as to its methods and schedule, it is expected that it will complete its work and report to the parties not later than 18 months from the date hereof.

The report and recommendations will be submitted for consideration to the chief labor relation's officials of the carriers and to the President of the Brotherhood of Locomotive Engineers.

Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET, N. W. WASHINGTON, D.C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr. Chairman
W. L. BURNER, Jr., Director of Research
D. P. Lee, General Counsel

ROBERT BROWN, Vice Chairman
J. F. Griffin, Director of Labor Relations
T. F. Strunck, Administrator of Disputes Committee

July 26, 1978

Mr. John F. Sytsma, President
Brotherhood of Locomotive Engineers
Brotherhood of Locomotive Engineers Building
1365 Ontario Street, Room 1110
Cleveland, Ohio 44114

Dear Mr. Sytsma:

In accordance with our understanding, this is to confirm that the carriers will make all reasonable efforts to make the retroactive increase payments provided for in the Agreement signed today as soon as possible.
If a carrier finds it impossible to make the retroactivity payments within sixty days, it is understood that such carrier will notify you in writing as to why such payments have not been made and indicate when it will be possible to make such retroactive payments.

Yours very truly,

C. I. Hopkins, Jr.

NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET, N. W. WASHINGTON, D.C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr. Chairman
W. L. BURNER, Jr., Director of Research
D. P. Lee, General Counsel

ROBERT BROWN, Vice Chairman
J. F. Griffin, Director of Labor Relations
T. F. Strunck, Administrator of Disputes Committee

July 26, 1978

Mr. John F. Sytsma, President
Brotherhood of Locomotive Engineers
Brotherhood of Locomotive Engineers Building
1365 Ontario Street
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This is to confirm our understanding that Item D of the notice served by railroads generally on or about June 13, 1977 for concurrent handling with the organization's proposals served at various times during 1977 (comprising NMB Case A-10224) is hereby withdrawn and that such Item D shall be considered as not having been served.
Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

NATIONAL RAILWAY LABOR CONFERENCE
1901 L STREET, N. W. WASHINGTON, D.C. 20036 / AREA CODE: 202-862-7200

CHARLES I. HOPKINS, Jr. Chairman
W. L. BURNER, Jr., Director of Research
D. P. Lee, General Counsel

ROBERT BROWN, Vice Chairman
J. F. Griffin, Director of Labor Relations
T. F. Strunck, Administrator of Disputes Committee

July 26, 1978

Mr. John F. Sytsma, President
Brotherhood of Locomotive Engineers
Brotherhood of Locomotive Engineers Building
1365 Ontario Street, Room 1110
Cleveland, Ohio 44114

Dear Mr. Sytsma:

This concerns your notice identified as Held-Away-From-Home Terminal served during 1977 and withdrawn as part of this Agreement. In recognition of your organization's continuing intent to correct those situations where in your view employees represented by BLE are held at their away from home terminal for inadequate reasons, the National Carriers' Conference Committee is prepared to confer with you on any such matter that is not resolved on a local basis and to use its best efforts to find a mutually satisfactory resolution.
Will you please indicate your concurrence by affixing your signature in the space provided below.

Yours very truly,

C. I. Hopkins, Jr.

I concur:

John F. Sytsma

BLE
March 6, 197 5

AGREEMENT

DATED MARCH 6, 1975

between railroads represented by the

NATIONAL CARRIERS ' CONFERENCE COMMITTEE

and

employees of such railroads represented by the

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

A G R E E M E N T

THIS AGREEMENT, made this 6th day of March, 1975, 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 - GENERAL WAGE INCREASES

Section 1 - First General Wage Increase

(a) Effective January 1, 1975, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1974 shall be increased by an amount equal to 10 percent.

(b) In computing the percentage increases under paragraph (a) above, 10 percent shall be applied to the standard basic daily rates of pay, and 10 percent shall be applied to the standard mileage rates of pay, respectively, applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily or mileage 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 - 250,000 and less than 300,000 pounds (separate computations covering five day rates and other than five-day rates)

(c) Effective January 1, 1975 and prior to the application of the general wage increase under paragraph (a) of this Section 1, the standard 5-day yard rates of pay for firemen (helpers), hostlers and hostler helpers shall be adjusted to the respective rates set forth in Appendix 1, which is a part of this Agreement.

(d) The standard basic daily and mileage rates of pay produced by application of the increases provided for in this Section 1 are set forth in Appendix 1A, which is a part of this Agreement.

Section 2 - Second General Wage Increase

Effective October 1, 1975, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on September 30, 1975, shall be increased by an amount equal to 5 percent, computed and applied in the same manner as the first general wage increase provided under Section l(a) above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 2, which is a part of this Agreement.

Section 3 - Third General Wage Increase

Effective April 1, 1976, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on March 31, 1976, shall be increased by an amount equal to 3 percent, computed and applied in the same manner as the first general wage increase provided under Section l(a) above. The amount of any cost-of-living allowance which may be in effect will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 3, which is a part of this Agreement.

Section 4 - Fourth General Wage Increase

Effective July 1, 1977, all standard basic daily and mileage rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on June 30, 1977 shall be increased by an amount equal to 4 percent, computed and applied in the same manner as the first general wage increase provided under Section l(a) above. The amount of any cost-of-living allowance which may remain in effect after a portion of the allowance has been incorporated into basic rates pursuant to Article II, Section l(d), will not be included with basic rates in computing the amount of this increase. The standard basic daily and mileage rates of pay produced by application of this increase will be published as soon as the amount to be incorporated into basic rates effective June 30, 1977, referred to above, is known.

Section 5 - Application of Wage Increases

(a) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I.

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

(c) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(f) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight 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.

(g) In computing the increased rates of pay effective January 1, 1975 under Section 1 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less 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, 10 percent of the daily rates exclusive of the local freight differential and any other

money differential above existing standard daily rates but including the $.40 increase, in effect for such firemen December 31, 1974 applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds shall be added to each applicable weight-on-drivers daily rate of pay. The same procedure shall be followed in computing the increases of 5 percent effective October 1, 1975, 3 percent effective April 1, 1976, and 4 percent effective July 1, 1977. The rates produced by application of the standard local freight differential and the above-referred-to special increase of "an additional $.40" to standard basic through freight rates of pay are set forth in Appendixes 1, 2 and 3.

(h) Other than standard rates:

(i) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages and amounts as set forth therein, computed and applied in the same manner as the standard rates were determined; except that the special adjustment for 5-day yard firemen (helpers), hostlers and hostler helpers provided in Section l(c) hereof shall not serve to increase above the rates shown in Appendix 1 other than standard rates of pay of 5-day yard firemen (helpers), hostlers and hostler helpers which already include the equivalent of the adjustment provided in Section l(c) or some portion thereof.

(ii) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight 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 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be increased as of the effective dates specified in Sections 1 through 4 hereof, by the same respective percentages as set forth therein, computed and applied in the same manner as provided n paragraph (g) above.

(i) Wage rates resulting from the increases provided for in Sections 1, 2, 3 and 4 of this Article 1, and in Section l(d) of Article II, will not be reduced under Article II.

ARTICLE II - COST-OF-LIVING ADJUSTMENT

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

(a) Cost-of-living adjustments will be determined from the "Consumer Price Index - United States city average for urban wage earners and clerical workers - All Items - "Unadjusted" (1967 = 1OO) as published by the Bureau of Labor Statistics, U. S Department of Labor, and hereinafter referred to as the BLS Consumer Price Index. The first cost-of-living adjustment shall be made effective January 1, 1976 based on the BLS Consumer Price Index for September 1975 as compared with such index for March 1975. Further cost-of-living adjustments shall be made effective the first day of each sixth month thereafter based on the BLS Consumer Price Indexes for the respective months shown in the following table, as provided in paragraphs (f) and (g):

BLS Consumer Price Index for	Effective Date of Adjustment
September 1975	January 1, 1976
March 1976	July 1, 1976
September 1976	January 1, 1977
March 1977	July 1, 1977

(b) While a cost-of-living allowance is in effect, such cost-of-living allowance will apply to straight-time, overtime, vacations, and holidays, and to special allowances and arbitraries, in the same manner as basic wage adjustments have been applied in the past.

(c) The amount of the cost-of-living allowance, if any, which will be effective from one adjustment date to the next may be equal to, or greater or less than, the cost-of-living allowance in effect in the preceding adjustment period.

.

(d) (i) Effective December 31, 1976, 75 percent of the cost-of-living allowance then payable will be incorporated into basic rates of pay for all purposes, and the cost-of-living allowance will be reduced by 75 percent.

(ii) Effective June 30, 1977, the remainder of the cost-of-living allowance resulting from application of paragraph (d)(i), less the amount of any downward adjustment in the cost-of-living allowance effective January 1, 1977 by reason of a decline in the BLS Consumer Price Index, will be incorporated into basic rates of pay for al1 purposes, ant the cost-of-living allowance will be reduced commensurately.

(iii) Effective December 31, 1977, 50 percent of the cost-of-living allowance then payable will be incorporated into basic rates of pay for all purposes, and the cost-of-living allowance will be reduced by 50 percent.

(e) The cumulative amount of the cost-of-living allowance which say be in effect at any time shall not except the maximum amount shown in the following table:

Adjustment Date	Maximum Cumulative Allowance
January 1, 1976	12 cent per hour
July 1, 1976	28 cents per hour
January 1, 1977	45 cents per hour, as adjusted by Note 1.
July 1, 1977	68 cents per hour, as adjusted by Note 2.

Note 1 - Less 75 percent of the allowance which had been payable as of December 31, 1976 prior to application of paragraph (d)(i).

Note 2 - Less the entire amount of the allowance payable as of December 31, 1976 which was incorporated into basic rates pursuant to paragraphs (d)(i) ant (d)(ii).

(f) (i) The cost-of-living allowance effective January 1, 1976, July 1, 1976, ant January 1, 1977 will be one cent per hour for each full four-tenths point by which the BLS Consumer Price Index for the respective month shown in the first column of paragraph (a) exceeds such index for March l975, but will not be more than the maximum amount for the respective date shown in paragraph (e).

(ii) In determining the cost-of-living allowance effective January 1, 1977, there will be deducted from the amount determined under paragraph (f)(i) above 75 percent of the cost-of-living allowance which had been payable as of December 31, 1976 prior to application of paragraph (d)(i).

> NOTE: As soon as the BLS Consumer Price Index for March 1975 becomes available, a table will be prepared showing the amount of the cost-of-living allowance, prior to the December 31, 1976 incorporation into basic rates of 75 percent of the allowance then payable, for each BLS Consumer Price Index figure.

(g) The cost-of-living allowance effective July 1, 1977 will be the allowance effective January 1, 1977, increased by one cent per hour for each full three-tenths point by which the BLS Consumer Price Index for March 1977 exceeds such Index for September 1976. If the BLS Consumer Price Index for March 1977 is less than such index for September 1976, the cost-of-living allowance effective July 1, 1977 will be the allowance effective January 1, 1977, reduced by one cent per hour for each full three-tenths point by which the BLS Consumer Price Index for March 1977 is less than such index for September 1976. If the amount of the cost-of-living allowance which became effective January 1, 1977 was limited by operation of the 45 cent maximum in paragraph (e) above, the increase or reduction will be applied to the amount of the cost-of- living allowance which would have become effective January 1, 1977 in the absence of such 45-cent maximum. In any event the cost-of-living allowance effective July 1, 1977 will not be more than 68 cents per hour less the entire amount of the allowance payable as of December 31, 1976 which was
incorporated into basic rates pursuant to paragraphs (d)(i) and (d)(ii).

> NOTE: As soon as the BLS Consumer Price Index for September 1976 becomes available, a table will be prepared showing the amount of the cost-of-living allowance for each BLS Consumer Price Index figure.

(h) Continuance of the cost-of-living adjustment is dependent upon the availability of the official monthly BLS Consumer Price Index in its present form and calculated on the same basis as the Index for March 1975, except that, if the Bureau of Labor Statistics, U. S. Department of Labor, should during the effective period of this Agreement revise or change the methods or basic data used in calculating the BLS Consumer Price Index in such a way as to affect the direct comparability of such revised or changed index with the index(es) for March 1975 or the index for September 1976, then that Bureau shall be requested to furnish a conversion factor designed to adjust the revised index to the basis of the indexes for March 1975 and/or September 1976, described in paragraph (a) of this Section 1.

Section 2 - Application of Cost-of-Living Adjustments

In application of the cost-of-living adjustments provided for by Section 1 of this Article II, the cost-of-living allowance will not become part of basic rates of pay except as provided in

Section 1(d). In application of such allowance, each one cent per hour of cost-of-living allowance will be treated as an increase of 8 cents in the basic daily rates of pay produced by application of Sections 2, 3 and 4 of Article I and by Section 1(d) of this Article II. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 5 of Article I.

ARTICLE III - HOLIDAYS

Section 1. In 1976, Christmas Eve (the day before Christmas is observed) will be added to the list of paid holidays for employees receiving holiday pay.

Section 2. The National Carriers' Conference Committee, on behalf of the carriers party to this Agreement, may exercise a national option prior to January 1, 1976 to substitute Good Friday for the birthday holiday effective January 1, 1976, for the employees represented by the Brotherhood of Locomotive Engineers.

ARTICLE IV - EMPLOYEE INFORMATION

Commencing June 1975,the carriers will provide each General Chairman with a list of employees who are hired or terminated, their home addresses, and Social Security numbers if available, otherwise the employees identification numbers. This information will be limited to the employees covered by the collective bargaining agreement of the respective General Chairmen. The data will be supplied within 30 days after the month in which the employee is hired or terminated. Where railroads can not meet the 30-day requirement, the matter will be worked out with the General Chairman.

ARTICLE V - HEALTH AND WELFARE BENEFITS

Subject to the Letter of Understanding of March 6, 1975 (Attachment 1), the benefits now provided under Group Policy Contract GA-23000 are to be continued during the three-year period commencing January 1, 1975, the railroads to pay the premium cost offset by such amounts as may be available from the Special Account. Details of the Agreement covering the foregoing to be worked out by the parties by July 1, 1975.

ARTICLE- VI - NATIONAL DENTAL PLAN

A National Dental Plan will be established to be effective March 1, 1976 with features as described in Memorandum Identified as "Description of National Dental Plan" (Attachment 2). The plan will be established and administered as follows:

(a) The entire cost of the dental plan will be borne by the railroads.

(b) The railroads and the unions will jointly invite insurers to submit proposals, and will select the insurer which submits the most favorable proposal to issue an insurance contract to the railroads as the policyholder.

(c) The insurer will furnish financial data, statistical and actuarial reports, and claim experience information to the unions in the same detail and at the same time that it furnishes such data to the railroads.

(d) Any dividends or retroactive rate refunds or credits will be paid into a special fund established for such purpose, to be held by the insurer. Withdrawals may be made from such fund only to provide dental care benefits to employees unless otherwise agreed to.

(e) No notices relating to dental benefits or the financing thereof shall be served prior to January 1, 1977 (not to become effective before January 1, 1978). If no agreement thereon is reached prior to January 1, 1978 the railroads parties to this agreement will continue payments to the insurer of the dental plan at the rates previously established as the premium rates under such plan until the payment rates are changed or modified under the provisions of the Railway Labor Act, and the policyholder railroads will make arrangements to provide such benefits as can be financed from such payments.

ARTICLE VII - NATIONAL HEALTH LEGISLATION

In the event that national health legislation is enacted during the three-year period commencing January 1, 1975, benefits and payments will be integrated so as to avoid duplication, and any savings resulting from such integration will be credited to the Special Account maintained in connection with the health and welfare plan or to the special fund referred to in Article VI (d), or will be apportioned between such Account and such fund, according to the source of such savings.

ARTICLE VIII - 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 notices served upon the carriers listed in Exhibit A by the Brotherhood of Locomotive Engineers dated on or about September 16, 1974 (Wages) and August 1, 1974 (Health and Welfare).

(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, 1977 ant 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 January 1, 1977 (not to become effective before January 1, 1978) any notice or proposal for changing any matter contained in:

(1) this Agreement,

(2) paragraph (a) of Article XIV of the Agreement of May 13, 1971, except that notices may be served regarding vacations or holidays so long as they do not relate to length of

paid vacations in excess of the maximum provided in the national agreement, or number of paid holidays in excess of the maximum provided in the national agreement,

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* With respect to the Penn Central Transportation Company, the power of attorney to the National Carriers' Conference Committee was conditioned upon the right of the trustees to approve the agreement, and the trustees have so approved.

(3) except as hereinafter provided in paragraph (d) of this Section 2, the following items, as to which the parties will meet on a voluntary basis during the term of this Agreement, and which they will endeavor to resolve:

Basis of pay - road service
Graduated rates - road & yard service
Arbitraries - road & yard service
Road-yard proposals not disposed of in the May 13, 1971 Agreement
Hostler assignments
Holidays for road service employees
Manning - slave units
Mileage rates for miles over 100 Rates of pay - short turnaround passenger service
Overtime
Guarantees
Shift differential
Sick leave

(4) or regarding bereavement or funeral pay and any pending notices which propose such matters are hereby withdrawn.

(d) If either party (National Carriers' Conference Committee or B.L.E. national committee) signatory to this Agreement decides that the procedure set forth in paragraph (c)(3) of this section should no longer be continued, the individual carriers in concert or the B.L.E. committees in concert may after December 31, 1975 serve national (but not local) Section 6 notices on a matter or matters listed in such paragraph (c)(3), which notices will be the subject of national handling.

(e) Pending notices properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article VIII and which do not request compensation need not be withdrawn and may be progressed under the provisions of the Railway Labor Act, as amended. Similarly, new proposals properly served under the Railway Labor Act covering subject matters not specifically dealt with in Section 2(c) of this Article VIII and which do not request compensation may be served and progressed under the provisions of the Railway Labor Act, as amended.

(f) The Standing Committee procedure established under Article XII of the May 13, 1971 Agreement and continued under Article III of the April 27, 1973 Agreement is hereby discontinued.

(g) This Article will not debar management ant committees on individual railroads from agreeing upon any subject of mutual interest.

SIGNED AT WASHINGTON, D. C. THIS 6th DAY OF MARCH, 1975.

FOR THE PARTICIPATING CARRIERS
LISTED IN EXHIBIT A:

William H. Dempsey
Chairman

FOR THE EMPLOYEES
REPRESENTED BY THE
BROTHERHOOD OF
LOCOMOTIVE ENGINEERS:

B.N. Whitmire
President

SIGNATURES NOT REPRODUCED

SIDE LETTERS TO THE AGREEMENT

March 6, 1975

Mr. Burrell N. Whitmire
President
Brotherhood of Locomotive Engineers
1365 Ontario Street
Cleveland, Ohio 44114

Dear Mr. Whitmire:

As I indicated during our recent discussions respecting health and welfare and related matters, while the carriers are prepared to continue the present benefits provided under Group Policy Contract GA-23000 for a three-year period commencing January 1, 1975, that willingness is conditioned upon the policyholder labor organizations' agreeing to certain changes designed to avoid unnecessary expense without affecting the benefits to the employees or participation of the organizations in the administration of this program.

The changes are:

1. Agreement by the organizations to expeditious use of the amounts in the Special Account to offset premium payments, with the objective of maintaining the necessary balance in the Account consistent with the assurance of continued Medicare premium payments.

2. Agreement in principle to adoption of a premium-plus account approach to funding GA-23000, provided that further thorough exploration confirms the advice given us jointly by Travelers that the interests of the Policyholder will not be adversely affected.

3. Inclusion of a subrogation provision similar to that included in the several recent supplemental sickness benefits agreements.

What we have in mind, as a typical case, is this:

An employee is injured on duty. He sues the employer for $10,000, and includes in his claim $1,000 of medical expenses which have already been paid under GA-23000. If he wins the suit, he should collect $9,000, not $10,000, for otherwise he would be collecting twice for the same thing.

Our understanding is that, in light of the terms agreed to by the carriers, on behalf of your organization you do not object to these changes, but that you do not purport to speak for any other organizations.

If you concur, would you please sign below.

Yours very truly

William H. Dempsey

I concur.

Burrell N. Whitmire
President
Brotherhood of Locomotive Engineers

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ATTACHMENT 2

DESCRIPTION OF NATIONAL DENTAL PLAN

EFFECTIVE DATE - March 1, 1976

ELIGIBILITY

Employee - An employee of a railroad who is eligible for employee or dependent coverage under GA-23000, provided he has completed one year of service with the railroad.

Dependent - For other than orthodontia, the spouse and children of a covered employee, as they are defined in GA-23000 (i.e. unmarried children under age 19, between 19 and 25 if in school, or over 19 if physically or mentally incapacitated). For orthodontia, unmarried children under age 19.

INDIVIDUAL TERMINATION OF INSURANCE

Upon termination of railroad service; i.e., no special extensions such as those for furloughed or disabled employees as provided under GA-23000.

BENEFITS FOR OTHER THAN ORTHODONTIA

What is Payable - The plan pays the dentist's charges for covered expenses on the following basis:

75%	Group A - Preventive and Basic Services and Emergency Visits
50%	Group B - Prosthetic Services, including Crowns and Gold Restorations

Deductible - $50 per individual for each calendar year.

Maximum - The maximum benefit for each calendar year is $500. This maximum applies separately to each insured family member.

What Dental Expenses are Covered - The plan covers charges up to those made by most dentists in the area for the services and supplies described in the following section.

What Dental Services are Covered - The plan covers the following services and supplies, for which a charge is made by a dentist or physician, that are required in connection with the dental care and treatment of any disease or defect. In addition, the plan covers certain preventive services.

GROUP A - Preventive and Basic Services and Emergency Visits

1. Oral Examinations and Prophylaxis

Routine oral examination and prophylaxis (scaling and cleaning of teeth), but not more than once for each covered person during any period of six (6) consecutive months.

2. Fluoride Treatment

The plan covers a fluoride treatment once each calendar year for children.

3. Space Maintainers

The plan covers all space maintainers.

4. Emergency Visits

Emergency palliative treatment.

5. X-rays

Dental x-rays, including full mouth x-rays (but not more than once in any period of thirty-six (36) consecutive months), supplementary bitewing xrays (but not more than once in any period of six (6) consecutive months) and such other dental x-rays as are required in connection with the diagnosis of a specific condition requiring treatment.

6. Extractions

The plan covers all extractions. Allowances for extraction include routine post-operative care.

7. Oral Surgery

The plan covers all necessary oral surgery. Allowances include routine post-operative care.

8. Fillings

The plan covers amalgam, acrylic, synthetic porcelain and composite fillings that are necessary to restore the structure of teeth that have been broken down by decay.

9. General Anesthetic

The plan covers a separate charge for general anesthetic in conjunction with oral surgery ant periodontics.

10. Treatment of Gum Disease

The plan covers necessary periodontic treatment of the gums and supporting structure of the teeth.

11. Endodontic Treatment

The plan covers endodontic treatment, including root canal therapy.

12. Drugs

The plan covers charges for injectable antibiotics administered by a dentist or physician.

13. Repair and Rebasing

Repair or recementing of crowns, inlays, onlays, bridgework or dentures; or relining or rebasing of dentures more than six (6) months after the installation of an initial or replacement denture, but not more than one relining or rebasing in any period of thirty-six (36) consecutive months. If the plan pays for a new denture it will not also cover the repair or rebasing of the old denture.

GROUP B - Prosthetic Services

1. Initial Installation

The plan covers initial installation of fixed bridgework, including inlays and crowns used as abutments, and partial or full removable dentures (including any adjustments during the six (6) month period following installation).

2. Replacement of Existing Prosthetic Appliances

The plan covers replacement of an existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:

(a) The replacement or addition of teeth is required to replace one or more teeth extracted after the existing denture or bridgework was installed, or

(b) The existing denture or bridgework cannot be made serviceable and is more than 5 years old, or

(c) The existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of initial installation of the immediate temporary denture. When a permanent denture replaces an immediate temporary denture for which benefits were provided under this plan, the allowance for both appliances will be limited to the maximum benefit for a permanent denture.

3. Crowns and Gold Restorations

The plan covers crowns, inlays, onlays and gold fillings that are necessary to restore the structure of teeth that have been broken down by decay, provided the tooth cannot be reconstructed by an amalgam, acrylic, synthetic porcelain or composite filling.

Benefit Determination - The plan covers treatment performed while insured. Treatment will be considered to have been performed when the service is actually rendered, except as specified for the following procedures:

(a) Dentures, Full or Partial - when the impression is taken for the appliances.

(b) Fixed bridgework, crowns and gold restorations - when the tooth is first prepared.

(c) Endodontics, including root canal therapy - when the tooth is opened.

Extended Benefits - For the procedures listed under Benefit Determination, benefit payments will be made for treatment performed while insured with respect to services rendered within 30 days following termination of insurance.

Dental Charges Not Covered - Covered Dental Expenses do not include and no benefits are payable for:

... Charges for services for which benefits are otherwise provided under surgical and major medical coverage under Group Policy Contract GA-23000.

... Charges for treatment by other than a legally licensed dentist or physician, except that scaling or cleaning of teeth and topical application of fluoride may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist.

... Charges for veneers or similar properties of crowns and pontics placed on or replacing teeth, other than the ten upper and lower anterior teeth.

... Charges for services or supplies that are cosmetic in nature, including charges for personalization or characterization of dentures, specialized techniques, or precision attachments

... Charges for the replacement of a lost, missing, or stolen prosthetic device.

..Charges for appliances or procedures to increase vertical dimension or occlusion.

... Charges for orthodontic diagnostic procedures and treatment, including appliance therapy, surgical
therapy and functional or myofunctional therapy.

... Charges for services or supplies which are compensable under a Workmen's Compensation or Employer's Liability Law.

.. Charges for services rendered through a medical department, clinic, or similar facility provided or maintained by the patient's employer.

.. Charges for services or supplies for which no charge is made that the employee is legally obligated to pay or for which no charge would be made in the absence of dental expense coverage.

.. Charges for services or supplies which do not meet or are not necessary according to accepted standards of dental practice, including charges for services or supplies which are experimental in nature.

... Charges for services or supplies received as a result of dental disease, defect or injury due to an act of war, declared or undeclared.

... Charges for any services to the extent for which benefits are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof.

... Charges for education or training and supplies used for personal oral hygiene or dental plaque control, or dietary or nutritional counseling.

... Charges for implantology.

... Charges for sealants.

... Charges for failure to keep a scheduled visit with the dentist or hygienist.

... Charges for the completion of any forms.

Optional Treatment - Occasionally, a patient may select a more expensive procedure rather than a suitable alternate procedure. In such case, plan benefits will be paid on the basis of a less expensive procedure that is consistent with good dental care.

Co-ordination of Benefits - If the individual is eligible to receive dental benefits under another program, co-ordination of benefits will be applied between the two with respect to dental charges.

BENEFITS FOR ORTHODONTIA

What Is Payable -	The plan pays the dentist's charge at 50% of covered orthodontic expenses up to a lifetime maximum amount payable of $500 for each child under 19 years of age.
Covered Orthodontic Treatment -	The plan covers orthodontic treatment that is required to correct malposed teeth, and which begins while the child is covered by the plan. Treatment consists of appliance therapy, surgical therapy, functional and myofunctional therapy, and includes related diagnostic procedures, surgery and extractions performed by a dentist.
Payment Sequence -	The sequence of payments for orthodontic services is determined in the following manner. If the dentist estimates that active treatment will continue for two or more years, then the total benefit is divided into eight equal portions. The first portion will be payable when the orthodontic appliance is installed and subsequent installments will be payable at 90 day intervals until the maximum has been paid or until insurance terminates. If the estimated course of treatment is less than two years, the total charge is divided into portions so as to make payments at 90 day intervals, beginning with the date the appliance is inserted.

Payment Sequence (Cont'd) - Orthodontic benefits will be payable While treatment continues provided insurance remains in force with respect to the individual. Benefits will be payable provided the individual is covered at the beginning of the 90 day interval. Orthodontic coverage will terminate at the end of the quarter during which the child attains his l9th birthday.

If an employee's insurance is terminated and he subsequently again becomes insured, he will be entitled to any unpaid remainder of the original payable benefit, as long as active orthodontic treatment is continued. Such remainder will be payable at 90 day intervals calculated in accordance with the original payment sequence.

Orthodontic Charges Not Covered - Since it is contemplated that this plan would be written in conjunction with a plan covering other dental services, the appropriate exclusions set forth in the description of such plan would also apply to this plan.

Co-ordination of Benefits - If the individual is eligible to receive rthodontic benefits under another program, co-ordination of benefits will be applied between the two with respect to orthodontic charges.

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EXHIBIT A

LIST OF RAILROADS SIGNATORY TO THIS AGREEMENT -- NOT REPRODUCED HERE

FOR THE CARRIERS: FOR THE BLE:

W.H. Dempsey *B.N. Whitmire*

Washington. D. C.
January 29, 1975

SIDE LETTERS TO THE AGREEMENT

March 6, 1975

Mr. Burrell N. Whitmire
President
Brotherhood of Locomotive Engineers
1365 Ontario Street
Cleveland, Ohio 44114

Dear Mr. Whitmire:

This confirms our understanding that an engineer who, while working as fireman, had become eligible to count in qualifying for a vacation prior service rendered for the carrier in a class or classes of service not covered by the operating employees' Vacation Agreement of April 29, 1949, may continue to count such prior service while working as engineer.

If you concur would you please sign below.

Yours very truly,

William H. Dempsey

I concur:
Burrell N. Whitmire

March 6, 1975

Mr. Burrell N. Whitmire
President
Brotherhood of Locomotive Engineers
1365 Ontario Street
Cleveland, Ohio 44114

Dear Mr. Whitmire:

This is to confirm our understanding that the provisions of Article VIII, Section 2, of the Agreement of March 6, 1975, are not applicable to notices seeking to adjust compensation with respect to compensation relationships between the engineer and other members of the crew on a carrier where compensation has been changed for other members of the crew due to a change in crew consist.

Any organization (BLE) notice pending on the date of this letter of understanding which relates to the subject matter of this letter need not be withdrawn and may be progressed pursuant to the procedures of the Railway Labor Act provided that the General Chairman advises the carrier in writing that the notice is limited to the subject matter of this letter and affords the carrier a reasonable opportunity to serve for concurrent handling counter-proposals which are limited by the provisions of Article VIII, Section 2, of the Agreement of March 6, 1975.

Will you please record your confirmation by signing a copy of this letter.

Yours very truly,

William H. Dempsey

CONFIRMED

Burrell N. Whitmire,
President
Brotherhood of Locomotive Engineers

March 6, 1975

Mr. Burrell N. Whitmire
President
Brotherhood of Locomotive Engineers
1365 Ontario Street
Cleveland, Ohio 44114

Dear Mr. Whitmire:

This records our understanding with respect to Article VIII, Sections 2(c)(1), 2(c)(2) and 2(c)(4) of the Agreement of March 6, 1975 -- the moratorium provision -- that if the procedures of the Railway Labor Act are exhausted prior to January 1, 1978, with respect to any Section 6 Notices of either the organization or the carriers on proposals covered by the moratorium, self-help will not be available prior to January 1, 1978.

This understanding is not applicable with respect to matters covered by the provisions in Section 2(c)(3) of the moratorium. As to such matters the provisions of Section 2(d) will apply and notices referred to therein served after December 31, 1975 may be progressed under the provisions of the Railway Labor Act, as amended.

If you concur, would you please sign below.

Yours very truly,

William H. Dempsey

I concur:

Burrell N. Whitmire,
President
Brotherhood of Locomotive Engineers

A G R E E M E N T

THIS AGREEMENT, made this 27th day of April, 1973, 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 - GENERAL WAGE INCREASE

(a) Effective January I, 1974, all standard basic daily rates of pay of employees represented by the Brotherhood of Locomotive Engineers in effect on December 31, 1973, shall be increased by an amount equal to 4.0%.

(b) Effective January 1, 1974, all standard mileage rates of pay of employees represented by Brotherhood of Locomotive Engineers in road service in effect on December 31, 1971 shall be increased by an amount equal to 4.0%.

(c) In computing the percentage increases under paragraphs (a) and (b) above, 4.0% shall be applied to standard basic daily rates of pay, and 4.0% shall be applied to standard mileage rates of pay, respectively, applicable in the following weight-on-driver brackets, and the amounts so produced shall be added to each standard basic daily or mileage 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 -	250,000 and less than 300,000 pounds (separate computations covering five-day rates and other than five-day rates)

(d) Application of Wage Increase

(i) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I**.**

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

(iii) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(vi) The differential of $4.00 per basic day in freight and yard service, and 4c per mile for miles in excess of 100 in freight 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.

(vii) In computing the increased rates of pay effective January 1, 1974 for firemen employed in local freight service, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less 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, 4.0% of the daily rates, exclusive of the local freight differential and any other money differential above existing standard daily rates but including the $.40 increase, in effect for such firemen December 31, 1973 applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds, shall be added to each applicable weight-on-drivers daily rate of pay.

(viii) Other than standard rates:

(a) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of January I, 1974 by the equivalent of 4.0%, computed and applied in the same manner.

(b) The differential of $4.00 per basic day in freight and yard service, and 4c per mile for miles in excess of 100 miles in freight 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.

(c) 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 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be in creased by 4.0% effective January 1, 1974, computed and applied in the same manner as provided in paragraph (vii) above.

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

ARTICLE II - COST-FREE UNION DUES DEDUCTION AGREEMENT

Within 60 days following request by the organization, each railroad party to this Agreement and the organization signatory to this Agreement will reach an understanding or agreement to modify their union dues deduction agreement (or, if there is no dues deduction agreement, the parties on the individual railroads will negotiate a union dues deduction agreement), effective with the first calendar month following 60 days after the date of such agreement (unless otherwise agreed to), which will conform to the following guidelines:

1. Deductions will be limited to periodic union dues, initiation fees, and assessments (not including fines and penalties) which are uniformly required as a condition of acquiring or retaining membership.

2. No costs will be charged against the organization or the affected employees in connection with the dues deduction agreement.

3. Appropriate written assignment form executed by the individual involved must be in the hands of the designated railroad officer at least 30 days in advance of the first payroll deduction scheduled for that individual; provided, however, that dues deduction assignments currently in effect need not be re-executed and may be continued in effect subject to their terms and conditions.

4. The dues deduction amounts may 'not be changed more often than once every three months.

5. The parties to the dues deduction agreement will mutually agree on the payroll period on which the deductions uniformly will be made.

6. The dues deduction agreement will include appropriate priorities of deductions in cases where the individual's pay check is insufficient to permit deduction of the full amounts specified on the deduction lists. The following payroll deductions, as a minimum, will have priority over the deductions called for by the dues deduction agreement:

Federal, State, and Municipal taxes; premiums on any life insurance, hospital-surgical insurance group accident or health insurance, or group annuities; other deductions required by law, such as garnishments and attachments; and amounts due the carrier by the individual.

7. In the event there is insufficient earnings to permit the full amount of the union dues deduction, no deduction will be made.

8. The carrier will furnish uniform alphabetical deduction lists (in triplicate) for each local lodge each month. Such lists will include the employee's name, Social Security number or pay roll identification number, and the amount of union dues deducted from the pay of each employee.

This Article II becomes effective 60 days after the date of this Agreement on each of the carriers' party to this Agreement, unless within 45 days after the date of this Agreement the

General Chairman of the organization signatory hereto advises the designated railroad officer in writing that the organization desires to retain the existing dues deduction agreement. In that event, all of the provisions of the existing dues deduction agreement will be retained, subject to the provisions of Article III of this Agreement.

ARTICLE III - 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.

(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, 1974 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 July 1, 1974 (not to become effective before January 1, 1975) any notice or proposal for changing any matter contained in:

(1) this Agreement,

(2) paragraph (a) of Article XIV of the Agreement of May 13, 1971, except that notices may be served regarding vacations and holidays so long as they do not relate to length of paid vacations in excess of the maximum provided in the national agreement, or, number of paid holidays in excess of the maximum provided in the national agreement,

(3) the list of items referred to the Standing Committee by Article XII of the Agreement of May 13, 1971 (plus the following additional items: overtime, guarantees, shift differential and sick leave), except as hereinafter provided in paragraph (d) of this Section 2, or

(4) bereavement or funeral pay and any pending notices which propose such matters are hereby withdrawn.

(d) The parties to this Agreement will continue in effect during the term of this Agreement the Standing Committee established by Article XII of the Agreement of May 13, 1971, including the procedures worked out by the parties. However, if either party signatory to this Agreement decides that the Standing Committee procedure should no longer be continued, the carriers or the union may serve national (but not local) Section 6 notices on the matters enumerated in said Article XII of the May 13, 1971 Agreement and paragraph (c) (3) of this Section 2.

(e) Pending or new proposals served or to be served on individual railroads dealing with training of engineers are excepted from the provisions of this Section 2.

(f) This Section 2 will not debar management and committees on individual railroads from agreeing upon any subject of mutual interest.

ARTICLE IV - RAILROAD RETIREMENT AMENDMENTS CONTINGENCY

This Agreement is contingent upon the enactment of legislation accomplishing the purposes specified in Appendix 2 attached hereto and hereby made a part hereof.

SIGNED AT WASHINGTON, D. C. THIS 27th DAY OF APRIL, 1973.

FOR THE PARTICIPATING BY THE CARRIERS LISTED IN EXHIBIT A:	**FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS:**
s/ SIGNATURES OMITTED	*s/ SIGNATURES OMITTED*

APPENDIX 1 -- (STANDARD BASIC DAILY AND MILEAGE RATES OF PAY: NOT REPRODUCED HEREIN.)

EXHIBIT A – (LIST OF RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE: NOT REPRODUCE HEREIN.)

APPENDIX 2:

Railroad Retirement Legislation

The carriers and the railway labor unions will jointly support legislation which will accomplish the following:

(a) The temporary benefit increases of 1970, 1971 and 1972 (P.L. 91-377, P.L. 92-46, and P. L. 92-460, respectively) scheduled to expire June 30, 1973, will be extended through December 31, 1974.

(b) A joint Standing Committee consisting of members representing the railway labor unions and the carriers will be established to consider all of the matters relating to restructuring the Railroad Retirement System, including but not limited to such matters as financing the deficiencies, dual Railroad Retirement and Social Security benefits, adoption of a two tier system (i.e., a Social Security tier and a supplementary Railroad Retirement tier), restructuring of the benefit formulas, consideration of any matters considered by the Commission on Railroad Retirement, and any other subjects which the parties may propose. The joint Standing Committee will report to the Congress by July 1, 1974. If the joint Committee can not agree on a joint report and recommendations, the railway labor unions and the carriers will submit ex parte reports to the Congress by July 1, 1974. .

(c) The Railroad Retirement Tax Act to be amended to provide that commencing October 1, 1973 the employers will assume the 4.75% of the employee taxable compensation in excess of the 5.85% employee Social Security tax (a maximum of $42.75 per employee per month in 1973, and a maximum of $47.50 per employee per month in 1974.)

(d) The Railroad Retirement Act to be amended to provide that commencing July 1, 1974 employees with 30 years of service and attained age of 60 may retire without actuarial reduction in their annuities.

(e) If during the period July 1, 1973 through December 31, 1974 the Social Security Act is amended to provide for increased benefits, the dollar amount of such benefit increases will be "passed through" to the Railroad Retirement benefit structure effective on the same date or dates the Social Security benefits are increased. .

(f) Except as specifically provided herein, neither the carriers nor the railway labor unions will propose or support legislation seeking changes in benefit levels or new types of benefits to become effective prior to January 1, 1975.

BLE
May 13, 1971

AGREEMENT

DATED MAY 13, 1971

BETWEEN RAILROADS REPRESENTED

by the

NATIONAL RAILWAY LABOR CONFERENCE

and the

EASTERN, WESTERN AND SOUTHEASTERN CARRIERS' CONFERENCE COMMITTEES
and

EMPLOYEES OF SUCH RAILROADS REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

A G R E E M E N T

THIS AGREEMENT, made this 13th day of May, 1971, by and between the participating carriers listed in Exhibits A, B and C, attached hereto and made a part hereof, and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGE INCREASES

Section 1 - First General Wage Increase

(a) Effective January 1, 1970, all standard basic daily rates of pay of employees represented by the BLE in effect on December 31, 1969, shall be increased by an amount equal to 5.0%.

(b) Effective January 1, 1970, all standard mileage rates of pay of employees represented by BLE in road service in effect on December 31, 1969, shall be increased by an amount equal to 5.0%.

(c) In computing the percentage increases under paragraphs (a) and (b) above, 5.0% shall be applied to standard basic daily rates of pay, and 5.0 shall be applied to standard mileage rates of pay, respectively, applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily or mileage 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 -	250,000 and less than 300,000 pounds (separate computations covering five-day rates and other than five-day rates)

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

Section 2 - Second General Wage Increase

Effective November 1, 1970, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on October 31, 1970, shall be increased by the equivalent of 32 cents per hour or $2.56 per day, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 2, which is a part of this Agreement.

Section 3 - Third General Wage Increase

Effective April 1, 1971, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on March 31, 1971, shall be increased by an amount equal to 4.0%, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 3, which is a part of this Agreement.

Section 4 - Special Adjustments

On carriers or segments thereof where the BLE standard five-day yard service rates of pay for yard engineers are in effect on May 12, 1971 effective May 13, 1971 the standard basic daily and mileage rates of pay of road engineers shall be reduced by the equivalent of 8 cents per day, and the five-day yard service standard basic daily rates of yard engineers shall be increased by 67 cents per day. The standard basic daily and mileage rates of pay produced by application of these adjustments, for the classes of service specified, are set forth in Appendix 4, which is a part of this Agreement.

Section 5 - Fourth General Wage Increase

Effective October 1, 1971, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on September 30, 1971, shall be increased by an amount equal to 5.0%, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 5, which is a part of this Agreement.

Section 6 - Fifth General Wage Increase

Effective April 1, 1972, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on March 31, 1972, shall be increased by an amount equal to 5.0%, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 6, which is a part of this Agreement.

Section 7 - Sixth General Wage Increase

Effective October 1, 1972, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on September 30, 1972, shall be increased by an amount equal to 5.0% computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 7, which is a part of this Agreement.

Section 8 - Seventh General Wage Increase

Effective January 1, 1973, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on December 31, 1972, shall be increased by the equivalent of 15 cents per hour or $1.20 per basic day, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage

rates of pay produced by application of this increase are set forth in Appendix 8, which is a part of this Agreement.

Section 9 - Eighth General Wage Increase

Effective April 1, 1973, all standard basic daily and mileage rates of pay of employees represented by the BLE in effect on March 31, 1973, shall be increased by the equivalent of 10 cents per hour or 80 cents per basic day, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 9, which is a part of this Agreement.

Section 10 - Application of Wage Increases

(a) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I.

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

(c) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(f) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight service, will be maintained for engineers working without firemen, the firemen's position having been eliminated pursuant to the provisions of Award 282. Effective as of the date of this Agreement such differential shall be applied in the same manner as the local freight differential.

(g) In computing the increased rates of pay effective January 1, 1970 under Section 1 for firemen employed in local freight ser vice, or on road switchers, roustabout runs, mine runs, or in other miscellaneous service, on runs of 100 miles or less 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, 5.0% of the daily rates, exclusive of the local freight differential and any other money differential above existing standard daily rates but including the $.40 increase, in effect for such firemen December 31, 1969 applicable in the weight-on-drivers bracket 950,000 and less than 1,000,000 pounds, shall be added to each applicable weight on drivers daily rate of pay. The same procedure shall be followed in applying the percentage increases of 4.0%, 5.0%, 5.0%, and 5.0% effective April 1, 1971, October 1, 1971, April 1, 1972, and October 1, 1972, respectively.

(h) Other than standard rates:

(i) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of the effective dates specified in Sections 1 through 9 hereof, by the same respective percentages and amounts as set forth therein, computed and applied in the same manner; except that the special adjustments provided in Section 4 hereof shall not serve to increase other than standard five-day yard service rates of pay of yard engineers which already include the equivalent of the 67 cents per basic day adjustment for five-day yard service rates of engineers provided in Section 4.

(ii) The differential of $4.00 per basic day in freight and yard service, and 4 cents per mile for miles in excess of 100 in freight service, will be maintained for engineers working without firemen, the firemen's position having been eliminated pursuant to the provisions of Award 282. Effective as of the date of this Agreement such differential shall 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 100 miles or less which are therefore paid on a daily basis without a mileage component, shall be increased by 5.0% effective January 1, 1970 and by the percentage increases of 4.0%, 5.0%, 5.0%, and 5.0% effective April 1, 1971, October 1, 1971, April 1, 1972, and October 1, 1972, respectively, computed and applied in the same manner as provided in paragraph (g) above.

(i) Coverage -

All employees who had an employment relationship after December 31, 1969, shall receive the amounts to which they are entitled under this Article I regardless of whether they are now in the employ of the carrier except persons who prior to the date of this Agreement have voluntarily left the service of the carrier other than to retire or who have failed to respond to call-back to service to which they were obligated to respond under the Rules Agreement.

ARTICLE II - SWITCHING LIMITS

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 Chairmen 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 way 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.

ARTICLE III - SWITCHING SERVICE FOR NEW AND OTHER INDUSTRIES

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 therefore 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 therefore 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 than 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.

ARTICLE IV - INTERCHANGE SERVICE - YARD, BELT LINE AND TRANSFER CREWS

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 carrier's 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 committees 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.

ARTICLE V - ROAD/YARD MOVEMENTS

1. A road freight engine crew may be required to perform the following work in connection with its own train at points where yard crews or hostlers are employed:

(a) After picking up train and commencing outbound trip, may make an additional pick up of cars within the limits of its initial terminal.

(b) Set out cars at one location within the limits of its final terminal in addition to the final yarding of its train.

(c) Make one pick up and/or set out at each intermediate point between the limits of the crew's initial and final terminals.

(d) All movements referred to in paragraphs (a), (b) and (c) above, including picking up train to commence out-bound trip at initial terminal and final yarding of train at final terminal shall be confined to straight pick ups and set outs not involving the handling of cars not in its train or to be placed in its train, and the minimum number of tracks will be used provided that the carrier shall have the right to select the tracks used, and provided further that where it is necessary to use more than one such track to hold the cars it is not required that any track be filled to capacity.

Note: For purposes of this rule, the crew's initial and final terminal shall be the recognized terminals established by agreement or practice, and locations shall be those embraced within the confines of the established and recognized switching limits of such terminals.

(e) Set out defective or bad order cars in its own train.

(f) Handle engine and caboose in connection with its own train as follows:

Initial Terminal: Take charge of its engine (units) to be used in its train at the engine house or ready track and handle the engine (units) (including all units connected to the operating unit or units) to the departure track; handle its caboose car and connect it to its own train, except that the crew will not be required to switch out its caboose from the caboose or lay-up track.

Final Terminal: Handle a caboose car of its own train to the caboose or lay-up track and/or couple its own caboose to another outbound train; deliver all units connected to the operating unit or units to the engine house facilities or lay-up track.

Note: The foregoing provisions of this subsection (f) shall not be construed to change existing rules covering the preparation or laying up of locomotives.

(g) Exchange engine and caboose of its own train.

2. Work that may be required of a road freight engine crew under paragraph 1 above, may include the performance of interchange movements as specifically set forth below:

(a) Receive its over-the-road train from a connecting carrier or deliver its over-the-road train to a connecting carrier with or without the motive power and/or caboose, provided such train is a solid train and moves from one carrier to another intact, and further provided, that such movements are confined to tracks on which the carrier now has the right to operate with road, yard or transfer engine crews. The acceptance of a solid train from a connecting carrier shall be considered a pick up, either the original pick up to commence outbound trip or the additional pick up, as provided for under paragraph 1(a) of this Article V. A road freight engine crew performing interchange movements may only deliver its over-the-road train to the connecting carrier, and shall not be required to make any set outs at its final terminal.

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

(b) When a road freight engine crew engaged in a solid train movement referred to in (a) above is not required to receive its motive power at its on-duty point, or deliver same to its off-duty point, the carrier shall authorize and provide suitable transportation for the engine crew from its on, or to its off-duty point.

Note: Suitable transportation includes carrier owned or provided passenger carrying motor vehicles or a taxi, but excludes other forms of public transportation.

(c) Crews engaged in solid train movements referred to in paragraph (a) above will not have their on or off-duty points changed by reason of such movements, except by agreement.

3. Except as may be provided for in this Article V, road engine crews will not be required to perform work on tracks of another carrier where road and /or yard crews do not now have the right to do so.

Note: This provision does not preclude the carrier from acquiring the right to perform work on the connecting railroad with road and/or yard crews, nor does it preclude the employees from opposing the granting of such rights.

4. When work is performed by a road freight engine crew, as provided in paragraphs 1 and 2 above, such work shall be considered as part of its road trip, and additional compensation for such work shall not be paid under either road, yard or hostling rules or regulations. Provided further, however, that rules or regulations which now provide for payments to road crews for performing work in excess of, or other than that enumerated herein, will not be affected by the provisions of this Article V.

Note: Rules or regulations not affected include, but are not limited to, initial and final terminal delay rules and conversion rules.

5. When a road crew performs work as provided herein, neither yard engine crews nor hostlers shall be entitled to any penalty pay or other compensation. There will be no change in work permitted or in the compensation paid to combination assignments, such as mine runs, tabulated assignments, etc.

6. The foregoing provisions of this Article are not intended to impose restrictions with respect to any operation where restrictions did not exist prior to the date of this Agreement.

7. 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.

8. 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.

ARTICLE VI - USE OF RADIO/TELEPHONES ON LOCOMOTIVES

1. Arbitraries or additional payment for using the radio/telephone shall be eliminated effective June 1, 1971.

2. Where such arbitraries or additional pay were preserved under Article II of the March 10, 1969 Agreement, any rate of pay effected thereby will be adjusted as if such arbitraries or

additional pay had not been preserved. This adjustment shall be reflected in such rates of pay prior to the application of the wage increases provided for under Article I of this Agreement.

3. It is recognized that the use of radio/telephones 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 carriers.

It is further agree that the carrier shall require strict compliance by other carrier personnel or employees involved in the use of radio/telephone equipment, with the operating and safety rules of the individual carrier and any applicable Federal and State regulations.

ARTICLE VII - EXPENSES AWAY FROM HOME

1. Effective June 1, 1971 Article II (Expenses Away From Home) of the June 25, 1964 Agreement is amended to cover extra men filling temporary vacancies at outlying points subject to the following additional conditions:

(a) The outlying point must be either 30 miles or more from the terminal limits of the location where the extra list from which called is maintained, or 60 miles or more from the reporting point of the extra list from which called.

(b) Lodging or allowances in lieu thereof where applicable will be provided only when extra men are held at the outlying point for more than one tour of duty and will continue to be provided for the periods held for each subsequent tour of duty.

2. It is agreed that the parties signatory to this agreement will continue negotiations on the matter of further increasing expenses-away-from home allowances. Any such increase agreed upon to become effective January 1, 1973.

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ARTICLE VIII - INTERDIVISIONAL, INTERSENIORITY DISTRICT, INTRADIVISIONAL AND/OR INTRASENIORITY DISTRICT SERVICE (PREIGHT OR PASSENGER)

Article 4 of the May 23, 1952 Agreement is amended to read as follows:

1. Where an individual carrier not now having the right to establish interdivisional, interseniority district, intradivisional or intraseniority district service, in freight or passenger service, considers it advisable to establish such service, the carrier shall give at least thirty days' written notice to the General Chairman or Chairmen of the committee(s) of the Brotherhood of Locomotive Engineers involved, of its desire to establish service, specifying the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishment of such service.

The parties will negotiate in good faith on such proposal and shall recognize each others fundamental rights and reasonable and fair arrangements shall be made in the interest of both parties. Such rights and arrangements shall include, but not be limited to the following:

(a) Runs shall be adequate for efficient operations and reasonable in regard to the miles run, hours on duty and in regard to other conditions of work.

(b) All miles run over one hundred (100) shall be paid for at the mileage rate established by the basic rate of pay for the first one hundred (100) miles or less.

(c) When an engine crew is required to report for duty or is relieved from duty at a point other than the on and off duty points fixed for the service established hereunder, the carrier shall authorize and provide suitable transportation for the engine crew.

Note: Suitable transportation includes carrier owned or provided passenger carrying motor vehicles or taxi, but excludes other forms of public transportation.

(d) On runs established hereunder engine crews will be allowed a $1.50 meal allowance after 4 hours at the away from home terminal and another $1.50 allowance after being held an additional 8 hours.

2. The foregoing provisions (a) through (d) do not preclude the parties from negotiating on other terms and conditions of work.

3. In the event the carrier and such committee or committees cannot agree on the matters provided for in Section 1(a) and the other terms and conditions referred to in Section 2 above, the parties agree that such dispute shall be submitted to arbitration under the Railway Labor Act, as amended, within 60 days from the date of notice by the carrier of its intent to establish services pursuant to this Article VIII.
The decision of the arbitration board shall be final and binding upon both parties, except that the award shall not require the carrier to establish interdivisional, interseniority district, intradivisional, or intraseniority district service in the particular territory involved in each such dispute but shall be accepted by the parties as the conditions which shall be met by the carrier if and when such interdivisional, interseniority district, intradivisional, or intraseniority district service is established in that territory. Provided further, however, if carrier elects not to put the award into effect, carrier shall be deemed to have waived any right to renew the same request for a period of one year following the date of said award, except by consent of employees party to said arbitration. In its decision the Arbitration Board shall include among other matters decided the provisions set forth in Section 5 below for protection of employees adversely affected as a result of the discontinuance of any existing runs or the establishment of new runs resulting from application of this rule.

4. Interdivisional, interseniority district, intradivisional or intraseniority district service and/or agreements in effect on the date of this Agreement are not affected by this Article VIII.

5. Every employee adversely affected either directly or indirectly as a result of the application of this rule shall receive the protection afforded by Sections 6, 7, 8, and 9 of the Washington Job Protection Agreement of May 1936, except that for the purposes of this Agreement Section 7(a) is amended to read 100% (less earnings in outside employment) instead of 60% and extended to provide period of payment equivalent to length of service not to exceed 5 years and to provide further that allowances in Sections 6 and 7 be increased by subsequent general wage increases.

Any employee required to change his residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Job Protection Agreement and in addition to such benefits shall receive a transfer allowance of four hundred dollars ($400.00) and five working days instead of the "two working days" provided by Section 10(a) of said agreement. Under this Section, change of residence shall not be considered "required" if the reporting point to which the employee is changed is not more than 30 miles from his former reporting point.

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.

6. 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.

ARTICLE IX VACATIONS

Insofar as applicable to employees represented by the Brotherhood of Locomotive Engineers, the vacation agreement dated April 29, 1949, as amended, is further amended effective January 1, 1973, by substituting the following Section 1 f or the amended Section 1 contained in the agreement of November 17, 1964 as amended, substituting the following Section 2 for the amended Section 2 contained in the agreement of August 17, 1954 as amended, and substituting the following Section 9 for Section 9 as amended:

Section 1 (a) - Effective January 1, 1973, 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 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 one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated 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, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having two or more years of continuous service with employing carrier will be qualified for an annual vacation of two 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said two 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 effective date of the provisions of Article 3 of Agreement "A" dated May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section l(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, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having ten or more years of continuous service with employing carrier will be qualified for an annual vacation of three 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said ten or more years of continuous service renders service of not less than sixteen hundred (1600) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated 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, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty or more years of continuous service with employing carrier will be qualified for an annual vacation of four 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said twenty or more years of continuous service renders service of not less than thirty two hundred (3200) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated 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, 1973, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty-five or more years of continuous service with employing carrier will be qualified for an annual vacation of five 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said twenty-five 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 effective date of the provisions of Article 3 of Agreement "A" dated 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 l(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) - (Not applicable.)

(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 sixty (60) such days, will be included in the determination of qualification for vacation; also, calendar days, not in excess of thirty (30), on which an employee is absent from and unable to perform service because of injury received on duty will be included.

The 60 and 30 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), sixteen hundred (1600) basic days under Section 1(c) thirty- two hundred (3200) 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 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.

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

General

(a) - An employee receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52 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).

(b) - Beginning on the date Agreement "A" between the parties, dated 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, who are represented by the Brotherhood of Locomotive Engineers, are concerned:

Yard Service

(1) An employee receiving a vacation, or pay in lieu thereof, under Section 1 shall be paid for each week of such vacation 1/52 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.

Combination of Yard and Road Service

(2) 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 1/52 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 be not 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 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, understanding or custom. 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, such additional vacation days shall be reduced by l/6th.

ARTICLE X - JURY DUTY

When an employee is summoned for jury duty and is required to lose time from his assignment as a result thereof, he shall be paid for actual time lost with a maximum of a basic day's pay at the straight time rate of his position for each calendar day lost less the amount allowed him for jury service for each such day, excepting allowances paid by the court for meals, lodging or transportation, subject to the following qualification requirements and limitations:

(1) An employee must exercise any right to secure exemption from the summons and/or jury service under federal, state or municipal statute and will be excused from duty when necessary without loss of pay to apply for the exemption.

(2) An employee must furnish the carrier with a statement from the court of jury allowances paid and the days on which jury duty was performed.

(3) The number of days for which jury duty pay shall be paid is limited to a maximum of 60 days in any calendar year.

(4) No jury duty pay will be allowed for any day as to which the employee is entitled to vacation or holiday pay.

This rule shall become effective January 1, 1973, except that existing rules on individual properties may be retained by the organizations in lieu of this rule by the General Chairman or General Chairmen giving written notice to the carrier or carriers involved at any time within ninety days after the date of this Agreement.

ARTICLE XI - HOLIDAYS

Effective January 1, 1973, the existing rule covering pay for holidays, set forth in Article I of the Agreement of June 25, 1964, as amended, is hereby amended to designate Veterans Day as a ninth paid holiday and to add it to the list of enumerated holidays now provided in such Agreement, as amended.

ARTICLE XII - STANDING COMMITTEE

The parties signatory to this Agreement will establish within sixty days of the date of this Agreement, a Standing Committee consisting of two partisan members representing the individual carriers listed in Exhibits A, B and C; two partisan members from the Brotherhood of Locomotive Engineers representing employees of such individual carriers; and a disinterested chairman.

If the partisan members of the Standing Committee cannot agree on the Chairman within the sixty day period, the partisan members shall request the Chairman of the National Mediation Board and/or the Secretary of Labor to confer with the members and within ninety days of the date of this Agreement select such disinterested Chairman. The Standing Committee, as so constituted, shall determine the procedures under which it will operate; with the understanding such procedures will not include arbitration procedures unless agreed upon by the partisan members of the Standing Committee.

The life of the Standing Committee shall extend over the terms of this Agreement, at which time it will be terminated unless continued by mutual agreement of the partisan members. The Standing Committee may be terminated at any time by mutual agreement of the partisan members.

Proposals of the parties regarding the following items shall be considered by the Committee:

Basis for pay - road service

Graduated raises - road & yard service

Arbitraries - road & yard service

Road - yard proposals not disposed of in this agreement

Hostler assignments

Holidays for road service employees

Manning - slave units

Notices served locally covered by Item 6 of paragraph (a) of Article XIV of this Agreement

(to be screened by Standing Committee; those notices not accepted for handling by the Standing Committee will be handled on the individual carrier in accordance with paragraph (e) of Article XIV)

Mileage rates for miles over 100

Rates of pay - short turnaround (commuter) passenger service.

Additional items may be considered by the Committee by mutual agreement of the partisan members.

ARTICLE XIII - COURT APPROVAL

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

ARTICLE XIV - 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 to settle the disputes growing out of the notices served upon the carriers listed in Exhibits A, B and C by the organization signatory hereto relating to (1) Manning, including manning of so-called "Slave Units" served on or after January 1, 1967; (2) Rates of Pay and Basis of Pay served on or about November 24, 1969; (3) Assignment and Use of Assistant Engineers served on or about December 11, 1969; (4) Vacations with Pay, Paid holidays, Expenses Away From Home and Paid Sick Leave served on or about June 15, 1970; (5) Proposals served by the carriers on or about November 6, 1969 for concurrent handling therewith; and (6) Other Proposals served locally which relate to the issues covered by Items 1 through 5 hereof.

(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 until June 30, 1973 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(c) No party to this Agreement shall serve, prior to January 1, 1973 (not to become effective before July 1, 1973), any notice or proposal for changing the provisions of this

Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Article, and any pending notices which propose such matters are hereby withdrawn.

(d) Pending or new proposals served or to be served on individual railroads dealing with training of engineers or health and welfare are excepted from the provisions of this Article XIV.

(e) During the term of this Agreement pending proposals covering subject matters not specifically dealt with in paragraphs (a), (c) and (d) of this Article XIV need not be withdrawn and new proposals covering such subject matters may be served, and such pending or new proposals may be progressed within, but not beyond, the specific procedures for peacefully resolving disputes which are provided for in the Railway Labor Act, as amended.

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

(g) Nothing in this Article XIV will prevent the handling of matters by the Standing Committee pursuant to Article XII of this Agreement.

SIGNED AT WASHINGTON, D. C., THIS 13th DAY OF MAY, 1971.

NOTE: SIGNATURES NOT REPRODUCED

FOR THE CARRIERS:	FOR THE BLE:
J.W. Oram	*C.J. Coughlin*
M.E. Parks	*B.N. Whitmire*
W.S. MacGill, et al	*V.F. Davis*
	H.A. Ross

SIDE LETTERS TO THE AGREEMENT

May 13, 1971

Mr. Charles J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
1112 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

This will confirm our understanding that the execution of the Agreement signed today with the Brotherhood of Locomotive Engineers is without prejudice to either parties' position concerning national handling of the matters covered by such Agreement. Further, while we are agreed that such Agreement makes moot the case entitled General Committee of Adjustment of the Brotherhood of Locomotive Engineers for the Seaboard Coast Line Railroad Company, a labor organization, and, Marvin L. Geiger, as General Chairman of the aforesaid General Committee v. Seaboard Coast Line Railroad Company, a corporation, No. 70-422-Civ.-J., pending in the United States District Court for the Middle District of Florida, Jacksonville Division, the Brotherhood of Locomotive Engineers will take immediate steps to dismiss such case with prejudice. Also, the training situation on the Seaboard Coast Line Railroad will be the subject of immediate discussions between the Brotherhood of Locomotive Engineers and that railroad.

Will you please confirm this by adding your signature below.

Very truly yours,

J.P. Hiltz, Jr.

Accepted:
C.J. Coughlin

May 13, 1971

Mr. Charles J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
1112 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

This will confirm our understanding that the parties to the Agreement signed today will promptly resume negotiations for the purpose of working out a practical agreement relating to the matter of training of engineers with the understanding that any such agreement will not infringe upon the rights of employees represented by any other railway labor organization or result in any liability to the carrier in that connection.

Will you please confirm this by adding your signature below.

Very truly yours,

J.P. Hiltz, Jr.

Accepted:

C.J. Coughlin

May 13, 197 l

Mr. Charles J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
1112 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

This will confirm our understanding that the effective dates specified in Articles II, III, IV, V, and VIII will be advanced on any individual carrier to coincide with any earlier effective date of a comparable provision applicable to other members of a crew than those represented by your organization as to any or all of the Articles enumerated above.

Will you please confirm this by adding your signature below.

Yours very truly,

J.P. Hiltz, Jr.

Accepted:

C.J. Coughlin

May 13, 1971

Mr. Charles J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
1112 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

This will confirm our understanding in connection with the Agreement signed today that, if the organization feels that on any individual railroad any of the provisions of the Agreement are not being properly applied, you will bring such matters to the attention of the appropriate Chairman of the Regional Carriers Conference Committee or the undersigned for the purpose of promptly looking into and advising that carrier of the propriety of its application of the terms of this Agreement.

Will you please confirm this by adding your signature below.

Yours very truly,

J.P. Hiltz, Jr.

Accepted:

C.J. Coughlin

May 13, 1971

.

Mr. Charles J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
1112 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin

In connection with the Agreement signed today this will confirm our understanding that, in consonance with paragraph (f) of Article XIV thereof, management and committees on individual railroads may mutually agree to discuss and, if practicable, workout appropriate arrangements for combing road and yard seniority.

Will you please confirm this by adding your signature below.

Very truly yours,

J.P. Hiltz, Jr.

Accepted:

C.J. Coughlin

May 13, 1971

Mr. Charles J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
1112 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

Referring to Article XI of the agreement signed today, captioned "Holiday Pay". We will advise you prior to January 1, 1972 whether the carriers desire to substitute Good Friday for the Birthday Holiday. It is our understanding that this is in accord with our mutual understanding.

Will you please confirm this by adding your signature below.

Yours very truly,

J.P. Hiltz, Jr.

Accepted:

C.J. Coughlin

AGREEMENT

DATED MARCH 10, 1969

BETWEEN RAILROADS REPRESENTED BY THE

NATIONAL RAILWAY LABOR CONFERENCE

AND THE

EASTERN, WESTERN, AND SOUTHEASTERN CARRIERS ‘ CONFERENCE COMMITTEES

AND THE EMPLOYEES OF SUCH RAILROADS

REPRESENTED BY THE

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

A G R E E M E N T

This Agreement, made this 10th day of March, 1969 by and between the participating carriers listed in Exhibits A, B and C, attached hereto and made a part hereof, and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGE INCREASES

Section 1 - First General Wage Increase

(a) Effective July 1, 1968 all standard basic daily rates of pay of locomotive engineers (motormen) in effect June 30, 1968 shall be increased by an amount equal to 5.0%.

(b) Effective July 1, 1968 all standard mileage rates of pay of locomotive engineers (motormen) in road service in effect June 30, 1968 shall be increased by an amount equal to 3.5%.

(c) In computing the percentage increases under paragraphs (a) and (b) above, 5.0% shall be applied to standard basic daily rates of pay, and 3.5% shall be applied to standard mileage rates of pay, respectively, applicable-in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily or mileage rate of pay:

Passenger -	600,000 and less than 650,000 pounds
Freight -	950,000 and less than l,000,000 pounds (through freight rates)
Yard -	450,000 and less than 500,000 pounds (separate computations covering five-day rates and other than five-day rates).

(d) The standard basic daily and mileage rates of pay produced by application of the increases provided for in this Section 1 are set forth in Appendix 1, which is a part of this Agreement

Section 2 - Second General Wage Increase

Effective January 1, 1969 all standard basic daily and mileage rates of pay of locomotive engineers (motormen) in effect December 31, 1968 shall be increased by an amount equal to 2.0%, computed and applied in the same manner as the first general wage increase provided under Section 1 above. The standard basic daily and mileage rates of pay produced by application of this increase are set forth in Appendix 2, which is a part of this Agreement.

Section 3 - Third General Wage Increase

Effective July 1, 1969 all standard basic daily and mileage rates of pay of locomotive engineers (motormen) in effect June 30, 1969 shall be increased by an amount equal to 3.0%,

computed and applied in the same manner as the first general wage increase provided under Section 1 above.

Section 4 - Special Adjustment in Road Service

Effective July 1, 1969, after application of all the general wage increases provided for above, all standard basic daily and mileage rates of pay of locomotive engineers (motormen) in road service shall be adjusted by an amount equal to an additional 2.0%, computed and applied in the same manner as the first general wage increase provided under Section 1 above.

Section 5 - Minimum Rate in Yard Service

. .

Effective July 1, 1969, the rates of pay in the weight-on-drivers bracket 450,000 and less than 500,000 pounds, as increased under Section 3 above, will be the minimum standard rates of pay in yard service.

Section 6 - Differential for Engineers Working Without Firemen

(a) Effective July 1, 1969, in lieu of the rates of pay as increased under Sections 3, 4 and 5 above for engineers working without firemen, a uniform differential of $4.00 per basic day in freight and yard service, ant 4 cents per mile for miles in excess of 100 in freight service, will be established for engineers working without firemen, the fireman's position having been eliminated pursuant to the provisions of Award 282.

(b) The standard basic daily and mileage rates of pay effective July 1, 1969, resulting from application of Sections 3, 4, 5 and 6 of this Article I, are set forth in Appendix 3, which is a part of this Agreement.

Section 7 - Application of Wage Increases

(a) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided for in this Article I.

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

(c) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(f) Other-than-standard rates:

(i) Existing basic daily and mileage rates of pay other than standard shall be increased, effective as of the effective dates specified in Sections 1, 2, 3 and 4 hereof, by the same respective percentages and amounts as set forth therein, computed and applied in the same manner.

(ii) Effective July 1, 1969, the rates of pay in the weight-on drivers bracket 450,000 and less than 500,000 pounds, as increased above, will be the minimum rates of pay in yard service.

(iii) Effective July 1, 1969, in lieu of the rates of pay as increased above for engineers working without firemen, a uniform differential of $4.00 per basic day in freight and yard service, and 4cents per mile for miles in excess of 100 in freight service, will be established for engineers working without firemen, the fireman's position having been eliminated pursuant to the provisions of Award 282.

ARTICLE II - USE OF RADIO

(1) Section 3 of the BLE proposal of April 30, 1968, covering special increase for engineers on locomotives equipped with radio, is disposed of on the basis that it is recognized that the use of radio, pursuant to the operating rules of the individual carriers, is a part of the engineer's duties.

(2) Where existing agreements provide for arbitraries or additional pay for using radios, the General Chairman on the carrier involved will have the option of accepting this Agreement in its entirety or preserving such existing arbitrary or additional pay. If the General Chairman decides to preserve such arbitrary or additional pay, effective July 1, 1969, the amount by which the increases in yard rates of pay, exclusive of the general wage increases provided for in this Agreement, and the increases resulting from establishment of minimum yard rates, exceed 40 cents per day will be applied against such arbitraries or additional pay for using radios.

ARTICLE III - HOLIDAY PAY

Effective January 1, 1969, the existing rule covering pay for holidays, set forth in Article I of the Agreement of June 25, 1964 and letter of understanding dated July 28, 1967, is hereby amended to provide that:

(a) An eighth paid holiday, to be designated and added to the list of the seven enumerated holidays now provided in the above identified Agreements, shall be included and identified as -

". . . and the Employee's Birthday"

(b) The requirement that a designated holiday must fall on a workday of the workweek of the individual employee for him to receive holiday pay will be eliminated by making the following changes in Article I of the Agreement of June 25, 1964:

(i) Striking out the following language now contained in Section 2(a):

". . . when such holidays fall on the assigned work day of the work week of the individual employee"

and the following language now contained in Section 2(c):

". . . and the holiday falls on a workday of his assignment."

(ii) In Section 3(a), changing the phrase "any of the following holidays" preceding the list of holidays to "each of the following holidays" and striking out the following language which now follows such list:

". . . if any of the above-designated holidays falls on a work day of the work week as defined in paragraph (c) hereof,"

(iii) Eliminating the provisions of Section 3(c) of Article I of the Agreement of June 25, 1964.

(c) The provisions of Section 3 of Article I of the Agreement of June 25, 1964, will apply to extra employees on a common extra list protecting both road and yard service, to whom compensation for yard or hostling service has been credited on eleven (11) or more of the thirty (30) calendar days immediately preceding the holiday; and Section 3(a) will be amended accordingly.

(d) The eighth paid holiday, the "Birthday Holiday", shall be applied in the following manner:

(i) The employee must qualify for his birthday holiday in the same manner as other designated holidays, except that he will not be required to work or be available for work on the birthday holiday to qualify for holiday pay if he so elects by giving reasonable notice to his supervisor of his intention to be off on the birthday holiday.

(ii) An employee whose birthday falls on February 29, may, on other than leap years, by giving reasonable notice to his supervisor, have February 28 or the day immediately preceding the first day during which he is not scheduled to work following February 28 considered as his birthday for the purpose of this Article. If an employee's birthday falls on one of the seven listed holidays, he may, by giving reasonable notice to his supervisor, have the following day or the day immediately preceding the first day during which he is not scheduled to work following such holiday considered as his birthday for the purposes of the Article.

(e) When one or more designated holidays fall during the vacation period of the employee, his qualifying days for holiday pay purposes shall be his workdays immediately preceding or following the vacation periods. In road service, lost days preceding or following the vacation period due to the away-from-home operation of the individual's run shall not be considered to be workdays for qualifying purposes.

(f) Not more than one time and one-half payment will be allowed in addition to the "one basic day's pay at the pro rata rate," for service performed during a single tour of duty on a holiday.

ARTICLE IV - PAYMENTS TO EMPLOYEES INJURED UNDER CERTAIN CIRCUMSTANCES

Where employees sustain personal injuries or death under the conditions set forth in paragraph (a) below, the carrier will provide and pay such employees, or their personal representative, the applicable amounts set forth in paragraph (b) below, subject to the provisions of other paragraphs in this Article.

(a) Covered Conditions:

This Article is intended to cover accidents involving employees covered by this Agreement while such employees are riding in, boarding, or alighting from off-track vehicles authorized by the carrier and are

(1) deadheading under orders or

(2) being transported at carrier expense.

(b) Payments to be Made:

In the event that any one of the losses enumerated in subparagraphs (1), (2) and (3) below results from an injury sustained directly from an accident covered in paragraph (a) and independently of all other causes and such loss occurs or commences within the time limits set forth in subparagraphs (1), (2) and (3) below, the carrier will provide, subject to the terms and conditions herein contained, and less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance Company or any other medical or insurance policy or plan paid for in its entirety by the carrier, the following benefits:

(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	$100,000
Loss of Both Hands	100, 000
Loss of Both Feet	100,000
Loss of Sight of Both Eyes	100,000
Loss of One Hand and One Foot	100,000
Loss of One Hand and Sight of One Eye	100,000
Loss of One Foot and Sight of One Eye	100,000
Loss of One Hand or One Foot or Sight of One Eye	50,000

"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.

Not more than $100,000 will be paid under this paragraph to any one employee or his personal representative as a result of any one accident.

(2) Medical and Hospital Care

The carrier will provide payment for the actual expense of medical and hospital care commencing within 120 days after an accident covered under paragraph (a) of injuries incurred as a result of such accident, subject to limitation of $3,000 for any employee for any one accident, less any amounts payable under Group Policy Contract GA-23000 of The Travelers Insurance

Company or under any other medical or insurance policy or plan paid for in its entirety by the carrier.

(3) Time Loss

The carrier will provide an employee who is injured as a result of an accident covered under paragraph (a) hereof and who is unable to work as a result thereof 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 $100.00 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.

(4) Aggregate Limit

The aggregate amount of payments to be made hereunder is limited to $1,000,000 for any one accident and the carrier shall not be liable for any amount in excess of $1,000,000 for any one accident irrespective of the number of injuries or deaths which occur in or as a result of such accident. If the aggregate amount of payments otherwise payable hereunder exceeds the aggregate limit herein provided, the carrier shall not be required to pay as respects each separate employee a greater proportion of such payments than the aggregate limit set forth herein bears to the aggregate amount of all such payments.

(c) Payment in Case of Accidental Death:

Payment of the applicable amount for accidental death shall be made to the employee's personal representative for the benefit of the persons designated in, and according to the apportionment required by the Federal Employers Liability Act (45 U.S.C. 51 et seq., as amended), or if no such person survives the employee, for the benefit of his estate.

(d) Exclusions:

Benefits provided under paragraph (b) shall not be payable for or under any of the following conditions:

(1) Intentionally self-inflected injuries, suicide or any attempt thereat, while sane or insane;

(2) Declared or undeclared war or any act thereof;

(3) Illness, disease, or any bacterial infection other than bacterial infection occurring in consequence of an accidental cut or wound;

(4) Accident occurring while the employee driver is under the influence of alcohol or drugs, or if an employee passenger who is under the influence of alcohol or drugs in any way contributes to the cause of the accident;

(5) While an employee is a driver or an occupant of any conveyance engaged in any race or speed test;

(6) While an employee is commuting to and/or from his residence or place of business.

(e) Offset:

It is intended that this Article IV is to provide a guaranteed recovery by an employee or his personal representative under the circumstances described, and that receipt of payment thereunder shall not bar the employee or his personal representative from pursuing any remedy under the Federal Employers Liability Act or any other law; provided, however, that any amount received by such employee or his personal representative under this Article may be applied as an offset by the railroad against any recovery so obtained.

(f) Subrogation:

The carrier shall be subrogated to any right of recovery an employee or his personal representative may have against any party for loss to the extent that the carrier has made payments pursuant to this Article.

The payments provided for above will be made, as above provided, for covered accidents on or after July 1, 1969.

It is understood that no benefits or payments will be due or payable to any employee or his personal representative unless such employee, or his personal representative, as the case may be, stipulates as follows:

"In consideration of the payment of any of the benefits provided in Article IV of the Agreement of March 10, 1969 (employee or personal representative) agrees to be governed by all of the conditions and provisions said and set forth by Article IV."

Savings Clause

This Article IV supersedes as of July 1, 1969 any agreement providing benefits of a type specified in Paragraph (b) hereof under the conditions specified in Paragraph (a) hereof; provided, however, any individual railroad party hereto, or any individual committee representing employees party hereto, may by advising the other party in writing by June 2, 1969, elect to preserve in its entirety an existing agreement providing accident benefits of the type provided in this Article IV in lieu of this Article IV.

ARTICLE V - GENERAL PROVISIONS

(1) APPROVAL

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

(2) EFFECT OF THIS AGREEMENT

(a) This Agreement is in settlement of the dispute growing out of notices served on the carriers listed in Exhibits A, B and C on or about April 30, 1968, and of the notices served by the individual railroads on organization representatives of the employees involved for handling concurrently with the employees' notice, and shall be construed as a separate agreement by and on behalf of each of said carriers and its employees represented by the organization signatory

hereto, and shall remain in effect until January 1, 1970 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(b) No party to this Agreement shall serve, prior to September 1, 1969 (not to become effective before January 1, 1970), any notice for the purpose of changing the provisions of this Agreement. Any pending notices served by the organization party hereto which are similar to the notices served on the carriers parties hereto on or about April 30, 1968 are hereby withdrawn and no such notices may be served by the organization prior to September 1, 1969 (not to become effective before January 1, 1970). Any pending notices served by a carrier party hereto on the organization party hereto which are similar to the notices served by the carriers for handling concurrently with the employees' notice are hereby withdrawn, and no such notices may be served by a carrier prior to September 1, 1969 (not to become effective before January 1, 1970).
(c) Pending employee notices covering the following subject matters:

(i) Installation of storm windows on locomotives,
(ii) Installation of cab heaters in locomotives,
(iii) Disputes involving mileage limitations which, as of the date of this Agreement, have been docketed by the National Mediation Board, are excepted from the coverage of this Article.

(d) If a carrier party hereto undertakes a merger, coordination or any similar transaction involving joint action by more than one carrier requiring I.C.C. approval, notices relating to protective conditions covering such employees who may be adversely affected thereby are not subject to the provisions of this Article.

(e) During the term of this Agreement, pending notices covering subject matters not specifically dealt with in paragraphs (a), (b), (c), or (d) of this Article need not be withdrawn and new notices covering such subject matters may be served, and such pending or new notices may be progressed within, but not beyond, the specific procedures for peacefully resolving disputes which are provided for in the Railway Labor Act, as amended.

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

SIGNED AT WASHINGTON, D. C., THIS 10TH DAY OF MARCH, 1969.

FOR THE PARTICIPATING CARRIERS	FOR THE EMPLOYEES (BLE)
J.W. Oram, et al	*C.J. Coughlin, et al*
Chairman	President

NOTE: Signatures Not Reproduced

SIDE LETTERS TO THE AGREEMENT

March 10, 1969

Mr. C. J. Coughlin
First Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers
1118 Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

In connection with Article III of the Agreement of March 10, 1969:

Employees who would be entitled to holiday pay for holidays commencing with January 1, 1969, for which they were not eligible under the former agreement provisions, may file claims for such holiday pay. Time limit provisions in relation to such claims start running from March 10, 1969, the date of the Agreement.

Will you please confirm your acceptance of this understanding by affixing your signature in the space provided therefore below?

Yours very truly,

J.P. Hiltz

ACCEPTED:

C.J. Coughlin

April 21, 1969

Mr. C. J. Coughlin
Grand Chief Engineer
Brotherhood of Locomotive Engineers
Engineers Building
Cleveland, Ohio 44114

Dear Mr. Coughlin:

It will be appreciated if you will confirm, by affixing your signature in the space provided therefore below, that paragraph (e) of Article III of the Agreement of March 10, 1969 which reads-

"(e) When one or more designated holidays fall during the vacation period of the employee, his qualifying days for holiday pay purposes shall be his workdays immediately preceding or following the vacation period. In road service, lost days preceding or following the vacation period due to the away-from-home operation of the individual's run shall not be considered to be workdays for qualifying purposes."

is corrected to read -

"(e) When one or more designated holidays fall during the vacation period of the employee, his qualifying days for holiday pay purposes shall be his workdays immediately preceding and following the vacation period. In road service, lost days preceding or following the vacation period due to the away-from-home operation of the individual's run shall not be considered to be work days for qualifying purposes."

Yours very truly,

J.P. Hiltz

ACCEPTED:

C.J. Coughlin

A G R E E M E N T

DATED JUNE 22, 1967

BETWEEN RAILROADS REPRESENTED BY THE

NATIONAL RAILWAY LABOR CONFERENCE

AND THE

EASTERN, WESTERN, AND SOUTHEASTERN

CARRIERS' CONFERENCE COMMITTEES

AND THE EMPLOYEES OF SUCH RAILROADS

REPRESENTED BY THE

BORTHERHOOD OF LOCOMOTIVE ENGINEERS

This Agreement, made this 22nd day of June, 1967 by and between the participating carriers listed in Exhibits A, B and C, attached hereto and made a part hereof, and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers.

ARTICLE I - GENERAL INCREASE IN BASIC DAILY RATES OF PAY - LOCOMOTIVE ENGINEERS

(a) Effective August 12, 1966, all standard basic daily rates of pay of locomotive engineers (motormen) in effect August 11, 1966, shall be increased by an amount equal to six per cent.

(b) The application of the increase provided for in Paragraph (a) of this Article in all classes of road service shall be limited to daily rates and shall not apply to existing mileage rates paid for miles over 100.

(c) Effective August 12, 1966, the increase in rates of pay provided for in Paragraph (a) of this Article will result in the following standard basic daily and mileage rates of pay for locomotive engineers (motormen): (Rate Tables Shown on Pages 2, 3 and 4 : Not reproduce herein.)

(d) Effective August 12, 1966, the increase in rates of pay provided for in Paragraph (a) of this Article
will result in the following standard basic daily and mileage rates of pay for locomotive engineers (motormen) in through freight and yard service when the engineer is working without a fireman, the fireman's position having been eliminated pursuant to the provisions of Award 282: (Rate Tables Shown on Pages5 and 6 : Not reproduce herein.)

ARTICLE II – ADDITIONAL INCREASE FOR ENGINEERS OPERATING WITHOUT FIREMEN

(a) Effective January 1, 1966, the standard basic rates of pay of locomotive engineers (motor men) in all classes of freight and yard service in effect December 31, 1966, will be increased by an amount equal to six percent when the engineer is working without a fireman, the fireman's position having been eliminated pursuant to the provisions of Award 282.

(b) The application of the increase provided for in Paragraph (a) of this Article in all classes of freight service shall not be limited to daily rates and shall apply to existing mileage rates (c) paid for miles over 100.

(c) Effective January 1, 1967, the increase in rates of pay provided for in Paragraph (a) of this Article will result in the following standard basic daily and mileage rates of pay for locomotive engineers (motormen) operating without firemen: (Rate Tables Shown on Pages 7 and 8 : Not reproduce herein.)

ARTICLE III- FURTHER APPLICATION OF WAGE INCREASES SET FORTH IN ARTICLES I AND II

In further application of the increases provided for in Article I and II –

(a) All arbitraries, miscellaneous rates or special allowances, based upon mileage, hourly or daily rate of pay, as provided in the schedules or wage agreements, shall be increased commensurately with the wage increases provided in Article I and II.

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

(c) Daily earnings minima shall be increased by the amount of the respective daily increases.

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

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

(f) Under Articles I and II, existing basic daily rates of pay, other than standard, of locomotive engineers (motormen) shall be increased by six percent. Under Article II, where other than standard mileage rates are in effect for locomotive engineers (motormen) working without a firemen, the fireman's position having been eliminated pursuant to the provisions of Award 282, such mileage rates shall be increased by six percent.

ARTICLE IV – VACATIONS

Insofar as applicable to employees represented by the Brotherhood of Locomotive Engineers the vacation agreement dated April 29, 1949, as amended is further amended by substituting the following revised portions of paragraphs (c) and (g), effective January 1, 1967 for the corresponding paragraphs in amended Section 1 contained in the Agreement of November 17, 1964:

> **(c)** – Effective January 1, 1967, each employee, subject to the scope of schedule agreements held by the organization signatory to the April 29, 1949 Vacation Agreement, having ten or more years of continuous service with employing carrier will be qualified for an annual vacation of three weeks with pay, or pay in lieu thereof, if, during the vacation of three 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 one hundred sixty (160) days in miles or hours paid for as provided in individual schedules and during the said ten or more years of continuous service renders service of not less than sixteen hundred (1600) basic days in miles or hours paid for as provided in individual schedules.
>
> **(g)** – Where an employee is discharged form 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 an restoration shall be included in computing four hundred eight (480) basic days under Section 1(b) and sixteen hundred (1600) basic days under Section 1(c), and thirty-two hundred (3200) basic days

under Section 1(d).

ARTICLE V – GENERAL PROVISIONS

(1) APPROVAL

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

(2) EFFECT AND DURATION OF THIS AGREEMENT

(a) This agreement is in full and final settlement of the dispute growing out of notices served on the carriers listed in Exhibits A, B and C on or about May 18 and July 19, 1966, by the Brotherhood of Locomotive Engineers and the proposals served by the Carriers, parties hereto, for concurrent handling, except that the proposal to increase the rates of pay of firemen and hostlers represented by the Brotherhood of Locomotive Engineers shall be held in abeyance; and shall be construed as a separate agreement by and on behalf of each or said carriers and its employees represented bu the Brotherhood of Locomotive Engineers.

(b) This Agreement shall remain in effect until changed or modified in accordance with the Railway Labor Act, as amended, subject to the following:

(i) All pending Section 6 notices served by the Brotherhood of Locomotive Engineers to establish new arbitraries, special allowances, or constructive payment, or to restrict or prohibit the use of radios, will be withdrawn and no such notices will be initiated prior to January 1, 1968

(ii) The rates of pay established by Article I and II will remain in effect to and including June 30, 1968, with the understanding that Section 6 notices may be served by either party on or after March 1, 1968, provided the change requested may not become effective prior to July 1, 1968.

SIGNED AT WASHINGTON, D. C. THIS 22ND DAY OF JUNE, 1967

FOR THE PARTICIPATING CARRIERS REPRESENTED BY LISTED IN EXHIBIT A: LOCOMOTIVE	**FOR THE EMPLOYEES THE BROTHERHOOD OF ENGINEERS:**
s/ SIGNATURES OMITTED	*s/ SIGNATURES OMITTED*

APPROVED:

s/ SIGNATURE OMITTED

EXHIBIT A- EASTERN RAILROADS REPRESENTED BY THE NCCC – NOT REPRODUCED HEREIN.

EXHIBIT B - WESTERN RAILROADS REPRESENTED BY THE NCCC – NOT REPRODUCED HEREIN.

EXHIBIT C - SOUTHEASTERN RAILROADS REPRESENTED BY THE NCCC – NOT REPRODUCED HEREIN.

NATIONAL RAILWAY LABOR CONFERENCE

At Washington, D. C.
June 22, 1967

Mr. Perry S. Heath
Grand Chief Engineer,
Brotherhood of Locomotive Engineers,
1118 B. of L. E. Building,
Cleveland, Ohio.

Dear Mr. Heath:

In connection with the agreement signed at Washington, D. C., today, it is understood that in the event Section 6 notices are served on or after January 1, 1968 by one or more of the unions representing toad service operating employees to increase the mileage rates applicable to miles in excess of 100, the moratorium provision applicable to Articles I and II (Article V(2)(B)(ii) will mot act as a bar to the serving of such a notice by the Locomotive Engineers.

Will you please indicate your understanding and acceptance of the foregoing by affixing your signature in the space provided therefore in the lower left hand corner of the communication.

Yours very truly,

s/ Signature not reproduce.

ACCEPTED:

s/ Signature not reproduce.

NATIONAL RAILWAY LABOR CONFERENCE

At Washington, D. C.
June 22, 1967

Mr. Perry S. Heath
Grand Chief Engineer,
Brotherhood of Locomotive Engineers,
1118 B. of L. E. Building,
Cleveland, Ohio.

Dear Mr. Heath:

In connection with the agreement signed at Washington, D. C., today, it is understood that representatives of the carriers parties to Group Policy Contact 2200-G of the Metropolitan Life Insurance Company will meet with representatives of the Brotherhood of Locomotive Engineers as soon as practicable after July 1, 1967, and will take such action as may be required to insure the solvency of the hospital, surgical and medical plan to and including February 29, 1968.

The carriers will also provide the financing of $2,000 life insurance for the period to and including February 29, 1968, for locomotive engineers who retire form active service subsequent to September 1, 1967.

Will you please indicate your understanding and acceptance of the foregoing by affixing your signature in the space provided therefore in the lower left hand corner of the communication.

Yours very truly,

s/ Signature not reproduce.

ACCEPTED:

s/ Signature not reproduce.

1964 AGREEMENT

JUNE 25, 1964

AGREEMENT

DATED JUNE 25, 1964

BETWEEN CARRIERS REPRESENTED BY THE

NATIONAL RAILWAY LABOR CONFERENCE
and the
EASTERN, WESTERN AND SOUTHEASTERN CARRIERS' CONFERENCE COMMITTEES

AND THE EMPLOYEES OF SUCH CARRIERS REPRESENTED BY THE

BROTHERHOOD OF LOCOMOTIVE ENGINEERS
BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN
ORDER OF RAILWAY CONDUCTORS AND BRAKEMEN
BROTHERHOOD OF RAILROAD TRAINMEN
and

SWITCHMEN'S UNION OF NORTH AMERICA

A G R E E M E N T

This Agreement made this 25th day of June, 1964, by and between the participating carriers listed in Exhibits A, B and C attached hereto and made a part hereof and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors and Brakemen, Brotherhood of Railroad Trainmen, and the Switchmen's Union of North America.

IT IS HEREBY AGREED:

ARTICLE I - PAID HOLIDAYS

Section 1 -

Holiday provisions currently applicable to regularly assigned and extra yard ground service employees (conductors (foremen), brakemen (helpers), switchtenders and car retarder operators) are unchanged, except
in the following respects:

(a) Add the following provision to be applicable to the qualifying conditions for extra yard service employees:

For purposes of this Agreement, the work week for extra yard service employees shall be Monday through Friday, both days inclusive. If the holiday falls on Friday, Monday of the succeeding week shall be considered the work day immediately following. If the holiday falls on Monday, Friday of the preceding week shall be considered the work day immediately preceding the holiday.

NOTE: This work week shall not be applied to yard service employees who have scheduled days off other than Saturday and Sunday, in which event the same principles outlined above will apply in determining the work days immediately preceding and following the holiday.

(b) Substitute the following provision in lieu of existing rules governing payment for service rendered on the seven specified paid holidays:

Yard service employees who work on any of the seven specified holidays shall be paid at the rate of time one-half for all services performed on the holiday with a minimum of one and one-half times the rate for the day.

Section 2 -

The following provisions shall apply to regularly assigned engineers, firemen, hostlers and hostler helpers represented by an organization party hereto in yard service, and regularly assigned road service employees paid on a daily basis:

(a) Each regularly assigned engineer, fireman, hostler and hostler helper represented by an organization party hereto in yard service, and each regularly assigned road service employee in local freight service, including road switchers, roustabout runs, mine runs, or other miscellaneous

service employees, who are con-fined to runs of 100 miles or less and who are therefore paid on a daily basis without a mileage component, and who meet the qualifications set forth in paragraph (c) hereof, shall receive one basic day's pay at the rate for the class and craft of service in which last engaged for each of the following enumerated holidays when such holidays fall on the assigned work day of the work week of the individual employee:

New Year's Day
Washington's Birthday
Decoration Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day

Only one basic day's pay shall be paid for the holiday irrespective of the number of shifts or trips worked.

NOTE: When any of the above-listed holidays fall on Sunday, the day observed by the State or Nation shall be considered the holiday.

(b) Any of the employees described in paragraph (a) hereof who works on any of the holidays listed in paragraph (a) hereof shall be paid at the rate of time and one-half for all services performed on the holiday with a minimum of one and one-half times the rate for the basic day.

(c) To qualify for holiday pay, a regularly assigned employee referred to in paragraph (a) hereof must be available for or perform service as a regularly assigned employee in the classes of service referred to on the work days immediately preceding and following such holiday, and if his assignment works on the holiday, the employee must fulfill such assignment. However, a regularly assigned employee whose assignment is annulled, cancelled or abolished, or a regularly assigned employee who is displaced from a regular assignment as a result thereof on (1) the workday immediately preceding the holiday,(2) the holiday, or (3) on the workday immediately following the holiday will not thereby be disqualified for holiday pay provided he does not lay off on any of such days and makes himself available for service on each of such days excepting the holiday in the event the assignment does not work on the holiday, and the holiday falls on a workday of his assignment. If the holiday falls on the last day of an employee's work week, the first workday following his "days off" shall be considered the work day immediately following. If the holiday falls on the first work day of his work week, the last workday of the preceding work week shall be considered the workday immediately preceding the holiday.

(d) Weekly or monthly guarantees shall be modified to provide that where a holiday falls on the work day of the assignment, payment of a basic day's pay pursuant to paragraph (a) hereof, unless the regularly assigned employee fails to qualify under paragraph (c) hereof, shall be applied toward such guarantee. Nothing in this Section shall be considered to create a guarantee where none now exists, or to change or modify rules or practices dealing with the carrier's right to annul assignments on the holidays enumerated in paragraph (a) hereof.

(e) That part of all rules, agreements, practices or understandings which require that crew assignments or individual assignments in the classes of service referred to in paragraph (a) hereof be worked a stipulated number of days per week or month will not apply to the seven holidays herein referred to; but where such an assignment is not worked on a holiday, the holiday payment to qualified employees provided by this rule will apply.

(f) As used in this rule, the terms "workday" and "holiday" refer to the day to which service payments are credited.

Section 3 -

The following provisions shall apply to extra engineers, firemen, hostlers and hostler helpers represented by an organization party hereto on seniority rosters that confine exercise of seniority to a particular yard or yards:

(a) Extra engineers, firemen, hostlers and hostler helpers represented by an organization party hereto on seniority rosters which confine the exercise of seniority to a particular yard or yards, who meet the qualifications provided in paragraph (b) of this Section 3 shall receive one basic day's pay at the pro-rata rate on any of the following holidays:

New Year's Day
Washington's Birthday
Decoration Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day

if any of the above-designated holidays falls on a work day of the work week as defined in paragraph (c) hereof.

Only one basic day's pay shall be paid for the holiday irrespective of the number of shifts worked. If more than one shift is worked on the holiday, the allowance of one basic day's pay shall be at the rate of pay of the first tour of duty worked.

NOTE: When any of the above-listed holidays falls on Sunday, the day observed by the State or Nation shall be considered the holiday.

(b) to qualify, an extra yard service employee must -

(1) perform yard service on the calendar days immediately preceding and immediately following the holiday, and be available for yard service the full calendar day on the holiday, or,

(2) be available for yard service on the full calendar days immediately preceding and immediately following the holiday and perform yard service on such holiday, or,

(3) if such employee cannot qualify under Section 3 (b)(1) or (b)(2), then in order to qualify he must be available for yard service on the full calendar days immediately preceding and immediately following and the holiday, or perform yard service on any one or more of such days and be so available on the other day or days.

r NOTE: For the purpose of Section 3(b) (1), (2) and (3), an extra yard service employee will be deemed to be available if he is ready for yard service and does not lay off of his own accord, or if he is required by the carrier to perform other service within that yard in accordance with rules and practices on the carrier.

(c) For purposes of this Section 3, the work week for extra yard service employees shall be Monday through Friday, both days inclusive. If the holiday falls on Friday, Monday of the succeeding week shall be considered the work day immediately following. If the holiday falls on Monday, Friday of the preceding week shall be considered the work day immediately preceding the holiday.

NOTE: This work week shall not be applied to extra yard service employees who have scheduled days off other than Saturday and Sunday, in which event the same principles outlined above will apply in determining the work days immediately preceding and following the holiday.

(d) Any of the extra yard service employees described in paragraph (a) of this Section 3 who works on any of the holidays listed therein shall be paid at the rate of time and one-half for all services performed on the holiday with a minimum of one and one-half times the rate for the basic day.

(e) As used in this Section 3, the terms "calendar day" and "holiday" on which yard service is performed refer to the day to which service payments are credited.

NOTE 1: An employee subject to this Section 3 whose service status changes from an extra yard service employee to a regularly assigned yard service employee or vice versa on one of the qualifying days shall receive the basic day's pay provided in paragraph (a) of Section 3 provided (1) he meets the qualifications set forth in paragraph (b) of Section 3 on the day or days he is an extra service employee, and (2) he meets the qualifications set forth in paragraph (c) of Section 2 on the day or days he is a regularly assigned yard service employee, provided further, that a regularly assigned yard service employee who voluntarily changes his service status to an extra yard service employee on any of the three qualifying days shall not be entitled to receive the pay provided for in paragraph (a) of Section 3.

NOTE 2: The term "yard service" as used herein applies only to yard service paid for on an hourly or daily basis and subject to yard rules and working conditions.

ARTICLE II - EXPENSES AWAY FROM HOME:

Section 1 -

When the carrier ties up a road service crew (except short turnaround passenger crews), or individual members thereof, at a terminal (including tie-up points named by assignment bulletins, or presently listed in schedule agreements, or observed by practice, as regular points for tying up crews) other than the designated home terminal of the crew assignment for four (4) hours or more, each member of the crew so tied up shall be provided suitable lodging at the carrier's expense or an equitable allowance in lieu thereof. Suitable lodging or an equitable allowance in lieu thereof shall be worked out on a local basis. The equitable allowance shall be provided only if it is not reasonably possible to provide lodging.

If an allowance is being made in lieu of lodging as well as other considerations under provisions of existing agreements, the amount attributed only to lodging shall be removed if suitable lodging is supplied, or offset against an equivalent allowance. This shall be worked out on a local basis.

The provisions of this Section shall be made effective at a date no later than 30 days following the effective date of this Agreement.

Section 2 -

When the carrier ties up a road service crew (except short turnaround passenger crews), or individual members thereof, at a terminal (as defined in Section 1 of this Article II) other than the designated home terminal for four (4) hours or more, each member of the crew so tied up shall receive a meal allowance of $1.50.

NOTE : For the purposes of Sections 1 ant 2 of this Article II, extra board employees shall be provided with lodgings and meal allowance in accordance with the rule governing the granting of such allowance to the crew they join; that is, the designated home terminal will be the designated terminal of the crew assignment.

ARTICLE III - SELF-PROPELLED MACHINES:

Section 1 -

The following shall govern the manning of self-propelled vehicles or machines by train service employees (conductors and brakemen) used in the maintenance, repair; construction or inspection work:

(a) Road Service - A conductor will be employed on on-rail self-propelled vehicles or machines when operating in main line territory, provided such machines are equipped with a drawbar ant are operating under train orders.

NOTE 1: Self-propelled machines for the purpose of this Article means such equipment operated on rails.

NOTE 2: Drawbar means a device capable of being used in moving standard freight cars.

NOTE 3: Main-line territory means main line and branch lines in Road Territory outside of Switching limits but not spurs or the like.

NOTE 4: Train orders is used in the vernacular of train men as defined in the Operating Book of Rules.

(b) Yard Service - A yard conductor (foreman) will be employed on on-rail self-propelled vehicles or machines operating within general switching limits provided such machines have sufficient power to move freight cars; and, if more than two cars are handled at any one time a yard brakeman (helper) will also be employed.

This provision will not apply to the operation of self-propelled vehicles or machines in confined areas such as shop tracks, supply areas, tie yards and so forth, except that with respect to such self-propelled machines now working in the confined areas where rules or practices require the employment of a yard ground man, such rules and practices are preserved and the yard conductor's (foreman's) rate will apply to this service.

Section 2 -

Rules or practices under which a locomotive engineer, or fireman where presently required, is employed on on-rail self-propelled vehicles or machines for the purpose of operating the machine in the performance of all the work for which such machines are designed are retained.

Section 3 -

Except under the conditions herein specifically prescribed, operating employees need not be used on self-propelled vehicles or machines. It should be noted in addition that this Agreement does not alter any existing rules or practices except as specifically stated herein.

Section 4 -

Every employee deprived of employment as the immediate and proximate application of this rule, shall be entitled to the schedule of allowances set forth in Section 7(a) of the Washington Agreement of May 21, 1936; or to the option of choosing the lump sum separation allowance set forth in Section 9 of said Agreement. In addition to the foregoing, employees who do not elect to accept the lump-sum separation allowance set forth in Section 9 of said Agreement, if qualified, may elect within one year from the date of their furlough to prepare themselves for some other occupation for which training is available (of the type approved by the Veterans Administration under the Veterans' Readjustment Assistance Act of 1952), with the carrier paying 75 per cent of the tuition costs of such training for a period not exceeding two years. Whenever and to the extent that the United States Government makes provisions for retraining out of public funds, the obligation of the carrier shall be reduced correspondingly. Those employees who elect to accept the lump-sum separation allowance set forth in Section 9 of the Washington Agreement of May 21, 1936 will not be entitled to retraining benefits.

Section 5 -

Nothing contained in this Article III shall be construed to require the employment of engine and train service employees where not now required.

ARTICLE IV - PAY STRUCTURE - INEQUITY ADJUSTMENTS:

Section 1 - Road Service -

The application of any wage increases which become effective before January 1, 1968 will be limited to basic daily rates and shall not apply to existing mileage rates.

Section 2 - Yard Ground Service -

(a) The hourly rates for yard foremen and yard helpers will be increased to $3.10 ant $2.90, respectively, including the 4 cents holiday adjustment; and there will be a commensurate increase in the hourly rates of other yard service employees.

(b) Application of the foregoing increases will result in the following standard basic hourly and daily rates of pay:

	Pro rata hourly	Daily

	rate	rate
Yard Foremen (Conductors)	$3.10	$24.80
Yard Helpers (Brakemen)	$2.90	$23.20
Switchtenders	$2.65	$21.20
Car Retarter Operators	$3.20	$25.60

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

Section 3 - Yard Engine Service -

(a) The basic daily rates of yard engine service employees presently on a five-day work week will be increased as follows: yard engineers - 4.11%; yard firemen, hostlers and hostler helpers represented by an organization party hereto - 3.11%. These increases will be applied to yard engine service employees who may hereafter elect to adopt the five-day work week on a railroad by railroad basis or on that part of a railroad, where there are more than one General Committee, in the event one or more General Committees elect to adopt the five-day work week. The basic rates of yard engine service employees who are not on a five-day work week are not changed hereby, except that the 32 cents per day holiday adjustment applicable to yard engine service employees represented by the Brotherhood of Locomotive Engineers shall no longer be deductible.

(b) Application of the foregoing increases will result in the following standard basic daily rates of pay for yard engine service employees on the five-day work week.

RATE TABLES NOT REPRODUCED IN THIS COMPUTERIZED VERSION

Section 4 -

The increases herein provided shall be effective, subject to Article VIII hereof, as of May 7, 1964 except that the increases which are contingent upon adoption of a five-day work week will be applied on the date the five-day work week agreement becomes effective.

ARTICLE V - COMBINATION ROAD-YARD:

The last yard crew assignment in a yard, or on a shift where more than one yard assignment is employed, may be discontinued under the following conditions: (Yard as used herein is defined to mean a common terminal point where a seniority roster for yard ground men is maintained.)

l. In the case of the last yard crew assignment in a yard, such assignment may be discontinued if a joint study indicates that the average time consumed in switching is less than four hours within a spread of ten hours for ten consecutive working days. The ten hours referred to will begin concurrently with the starting time of the particular yard crew assignment. If

switching increases to the point where there is an average of more than four hours of such work within any spread of the same ten hours for ten consecutive working days, as previously assigned, the yard crew assignment will be restored.

In the case of a yard crew assignment on a particular shift (in yards where more than one yard crew is operated), such yard crew assignment may be discontinued if a joint study indicates that there is an average of less than four hours switching within the spread of 12 hours for ten consecutive working days, this spread to begin at the starting time of the yard crew assignment which the carrier seeks to discontinue. In computing the time engaged in switching only the time consumed by the yard engine the carrier seeks to discontinue will be considered, subject to the provisions of section 10 hereof. The same formula will be adhered to in the restoration of the discontinued assignment, using the second twelve-hour period as set forth in section 5.

NOTE: The studies referred to in this Section 1 shall be conducted in the following manner:

Where a carrier proposes to discontinue the last yard crew assignment in a yard or on a shift where more than one yard assignment is employed, it shall give ten (10) days' written notice of the proposed discontinuance to the representatives of the employees involved, advising the names of the carrier's officials who are designated as its representatives for the purpose of the study, and the date on which the study will begin. At anytime prior to the date the study is to begin, the representatives of the employees involved shall advise the carrier of the names of their representatives for the purpose of the study. If such representatives are not so named, or fail to participate, the study may be conducted by the representatives of the carrier. In either event, the result of the study shall be binding on the parties for the purpose of this rule.

The same procedure will be adhered to in conducting studies proposed by the representatives of the employees for the restoration of assignments that have been discontinued under the provisions of this Section 1.

2. The provisions of section 1 hereof are not intended to impose restrictions in regard to discontinuing yard crew assignments where restrictions do not now exist.

3. Road crews may perform any yard service at yards where yard crews are not employed.

4. Road crews may continue to perform any yard service now permitted, without additional payments, if such payments are not now required.

5. At points where a yard crew or yard crews are employed the starting time of the first yard crew assignment shall begin a twelve-hour period (herein called the first twelve-hour period) within which road crews may not perform yard service not permitted on the day immediately preceding the effective date of this agreement. Road crews may be required to perform any yard service during a second twelve-hour period beginning at the expiration of the first twelve-hour period provided yard crew assignments are not assigned to start or terminate during such second twelve-hour period.

6. No change in work permitted or compensation paid to combination assignments, such as Mine Run, Tabulated assignments, etc.

7. Switching service in yards by road crews when yard crew is not on duty, as a result of the discontinuance of yard crew assignment pursuant to section 1 hereof, shall be paid for on the minute basis, with a minimum of l hour at appropriate yard rates.

8. If overtime accrues under applicable road overtime rules during the period switching is being performed, such overtime payments will be made in addition to the payments required under section 7 hereof.

9. Initial and final terminal delay rules shall not be disturbed by this agreement except that when road crews perform yard service for which they are compensated under the provisions of section 7 hereof during a period to which initial terminal delay or final terminal delay rules are otherwise applicable, such road
crews will be paid either terminal delay or switching, whichever will produce the greater amount of compensation.

10. The yard switching work for which compensation is previously allowed to road crews for that specific yard work and yard switching work by road crews which required penalty payments to yard crews will be considered switching for the purpose of section 1 of this Article.

11. Every employee deprived of employment as the immediate and proximate application of this rule, shall be entitled to the schedule of allowances set forth in Section 7(a) of the Washington Agreement of May 21, 1936; or to the option of choosing the lump-sum separation allowance set forth in Section 9 of said Agreement. In addition to the foregoing, employees who do not elect to accept the lump-sum
separation allowance set forth in Section 9 of said Agreement, if qualified, may elect within one year from the date of their furlough to prepare themselves for some other occupation for which training is available (of the type approved by the Veterans Administration under the Veterans' Readjustment Assistance Act of 1952),
with the carrier paying 75 per cent of the tuition costs of such training for a period not exceeding two years. Whenever and to the extent that the United States Government makes provisions for retraining out of public funds, the obligation of the carrier shall be reduced correspondingly. Those employees who elect to accept the
lump-sum separation allowance set forth in Section 9 of the Washington Agreement of May 21, 1936 will not be entitled to retraining benefits.

ARTICLE VI - INTERDIVISIONAL SERVICE:

The interdivisional runs issue shall be submitted to a committee, established on a national basis, of which the public members shall be Dr. George W. Taylor and Theodore W. Kheel. Procedures for mediation to a conclusion shall be established by the public members.

ARTICLE VII - SETTLEMENT OF DISPUTES:

Any disputes involving the interpretation or application of this Agreement shall be settled by the parties in accordance with the established procedures therefore, including the creation of Special Boards of Adjustment and other procedures of Section 3 of the Railway Labor Act.

ARTICLE VIII - EFFECT OF THIS AGREEMENT:

This agreement shall become effective upon ratification by all of the organizations signatory hereto except that upon such ratification the adjustments in rates of pay provided by Article IV shall be effective as of May 7, 1964, and the requirements of Section 1 of Article II with respect to the furnishing of suitable lodging or an equitable allowance in lieu thereof shall be made effective at a date no later than 30 days following such ratification.

This agreement is in settlement of the dispute growing out of notices served by the carriers listed in Exhibits A, B, and C on or about November 2, 1959, and by the organizations signatory hereto
on September 7, 1960, as implemented by notices of April 6, 1961, not including issues disposed of by the Award of Arbitration Board No. 282, and shall remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended, except that rates for miles in excess of those comprising the basic day shall remain unchanged until January 1, 1968.

This agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented respectively by the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors and Brakemen, Brotherhood of Railroad Trainmen, and the Switchmen's Union of North America, as heretofore stated; and shall remain in effect
until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

ARTICLE IX -

This agreement is subject to approval of the Courts with respect to Carriers in the hands of Receivers or Trustees.

Signed this 25th day of June, 1964.

SIGNATURES NOT REPRODUCED IN THIS COMPUTERIZED VERSION

May 23, 1952

AGREEMENT

for

1. WAGE INCREASES
2. COST-OF-LIVING BASIS FOR WAGE RATE ADJUSTMENTS
3. RULES CHANGES

and

in YARD, BELT LINE, TRANSFER and HOSTLING SERVICE

for

4. 5-DAY WORK-WEEK, AND INTERIM 6-DAY WORK-WEEK

applicable to

ENGINEERS, FIREMEN, HOSTLERS AND HOSTLER HELPERS

represented by

Brotherhood of Locomotive Engineers

I N T E R I M A G R E E M E N T

This agreement made this twenty-third day of May, 1952 by and between the participating carriers listed in Exhibits A, B, and C, attached hereto and hereby made a part hereof, and represented by EASTERN, WESTERN and SOUTHEASTERN CARRIERS' CONFERENCE COMMITTEES and the employees shown thereon and represented by the BROTHERHOOD OF LOCOMOTIVE ENGINEERS through their conference committee.

WITNESSETH:

WHEREAS on or about January 6, 1950 and November 3, 1950, certain proposals were served on the carriers parties hereto by the Brotherhood of Locomotive Engineers on behalf of employees represented by that organization; and

WHEREAS on or about the same dates certain proposals on behalf of the carriers parties hereto were served on the employees of said carriers represented by the Brotherhood of Locomotive Engineers.

NOW THEREFORE IT IS AGREED:

ARTICLE 1 - WAGE INCREASES

(a) Effective October 1, 1950, an increase of 18 cents per hour or $1.44 per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and, in consideration of other provisions of this agreement, a further increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power in road service.

(b) Effective January 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(c) Effective March 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 2.5 cents per hour or 20 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(d) Blank.

(e) Yard rates shall apply to belt line, transfer and yard service, or combinations thereof, effective October 1, 1950.

(f) The interim increase of 12.5 cents per hour for yardmen, and 5 cents per hour for employees in road service, effective October 1, 1950, as provided in General Order No. 2, issued

February 8, 1951 by Assistant Secretary of the Army Karl R. Bondetsen, shall be credited against the increases provided for in this Article 1.

(g) In application of increases provided for in paragraphs (a), (b), and (c) -

1. All arbitraries, miscellaneous rates, or special allowances as provided in the schedules or wage agreements shall be increased under this agreement in proportion to the daily increase herein granted.

2. In determining new hourly rates, fractions of a cent will be disposed of by applying next higher quarter of a cent.

3. Mileage rates shall be determined by dividing the new daily rates by the miles constituting a basic day's work in the respective classes of service.

4. Daily earnings minima shall be increased by the amount of the respective daily increase.

5. Existing money differentials above existing standard daily rates shall be maintained.

6. In local freight service the same differential in excess of through freight rates shall be maintained.

ARTICLE 2 - COST-OF-LIVING ADJUSTMENT

(a) A cost-of-living adjustment will be determined in accordance with changes in the Consumers' Price Index for Moderate Income Families for Large Cities Combined" - All Items (1935-1939 = 100) (Old Series) - as published by the Bureau of Labor Statistics, U. S. Department of Labor, and hereafter referred to as the BLS Consumers' Price Index. For the purpose of this computation an arbitrary base index of 178.0 is agreed to. The cost-of-living adjustment as hereinafter provided shall be made commencing April 1, 1951 and each three months thereafter based on the BLS Consumers' Price Index as of February 15, 1951 and the BLS Consumers' Price Index each third month thereafter as illustrated by the following table:

BLS Consumers' Price Index as of:	Effective date of adjustment - first pay period on or after:
February 15, 1951	April 1, 1951
May 15, 1951	July 1, 1951
August 15, 1951	October 1, 1951
November 15, 1951	January 1, 1952
February 15, 1952	April 1, 1952
May 15, 1952	July 1, 1952
August 15, 1952	October 1, 1952
November 15, 1952	January 1, 1953
February 15, 1953	April 1, 1953
May 15, 1953	July 1, 1953
August 15, 1953	October 1, 1953

(b) The cost-of-living adjustment, when provided for, shall remain in effect to date of subsequent adjustment, as provided for in paragraph (a).

(c) Wage rates in effect March 1, 1951 will not be reduced during the life of this agreement. However, such rates are subject to a cost-of-living adjustment in accordance with the following table; adjustments to be made on the dates as illustrated in paragraph (a):

BLS Consumers' Price Index	Cost-of-living allowance
178.0 and less than 179.0	None
179.0 and less than 180.0	1 cent per hour (8 cents per basic day)
180.0 and less than 181.0	2 cents per hour (16 cents per basic day)
181.0 and less than 182.0	3 cents per hour (24 cents per basic day)
182.0 and less than 183.0	4 cents per hour (32 cents per basic day)

and so forth, with corresponding 1 cent per hour (8 cents per basic day) adjustment for each 1 point change in the index. The initial allowance of 1 cent per hour (8 cents per basic day) made when the index reaches 179.0 will not be eliminated unless the index reaches 178.0 or less.

Examples:

If the BLS Consumers' Price Index as of February 15, 1951 should be 179.0 and less than 180.0, 1 cent per hour (8 cents per basic day) shall be added effective April l, 1951 as a cost-of-living adjustment; if such index as of May 15, 1951 should be 178.0 or less, then effective July 1, 1951 the cost-of-living adjustment established under this example will be eliminated.

If the BLS Consumers' Price Index as of February 15, 1951 should be 180.0 and less than 181.0, 2 cents per hour (16 cents per basic day) shall be added effective April 1, 1951 as a cost-of-living adjustment; if such index as of May 15, 1951 should be 179.0 and less than 180.0, then effective July 1, 1951 the cost-of-living adjustment established under this example will be reduced by 1 cent per hour (8 cents per basic day).

The cost-of-living adjustment will be applied as a wage increase or a wage reduction in the same manner as the wage increase provided for in Article 1 hereof.

(d) In the event the Bureau of Labor Statistics does not issue the specified BLS Consumers' Price Index on or before the effective dates specified in paragraph (a), the cost-of-living adjustment will become effective on the first day of the pay period during which the index is released.

(e) No adjustments, except as provided in paragraph (f), shall be made because of any revision which may later be made in the published figures of the BLS Consumers' Price Index for any base month.

(f) The parties to this agreement agree that the continuance of the cost-of-living adjustment is dependent upon the availability of the official monthly BLS Consumers' Price Index in its present form and calculated on the same basis as the Index for August 15, 1950, except that, if the Bureau of Labor Statistics, U. S. Department of Labor, should during the effective period of

this agreement revise or change the methods or basic data used in calculating the BLS Consumers' Price Index in such a way as to affect the direct comparability of such revised or changed index with the index for August 15, 1950, then that bureau shall be requested to furnish a conversion factor designed to adjust to the new basis the base index of 178.0 described in paragraph (a) hereof, and the several indexes listed in paragraph (c) hereof.

(g) The parties agree that this Article 2 shall remain in effect until October 1, 1953 and thereafter subject to change under the provisions of the Railway Labor Act as amended.

ARTICLE 3 - SIX-DAY WORK WEEK

Note:

The provisions of this Article 3 shall apply on those railroads or railroad systems where employees represented by the Brotherhood of Locomotive Engineers notify their Management that hey elect to become subject to the provisions of this Article 3. Unless and until such notice is given, the provisions of this Article 3 shall not become applicable. On those railroads or railroad systems where the employees elect not to become subject to the provisions of this Article 3, such employees may nevertheless elect to take the five-day work week referred to, and in accordance with, the provisions of "Agreement 'B'" dated May 23, 1952.

Section 1

(a) Effective with the first payroll period after ninety days from the date of the notice referred to in the preceding Note of this Article 3, any carrier so notified will establish for engineers and firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, and hostlers and hostler helpers, represented by the Brotherhood of Locomotive Engineers, a work week of six basic days. Except as otherwise provided in this Article 3, the work week will consist of six days with one day off in each seven. The foregoing work week rule is subject to all other provisions of this agreement.

(b) The designated officer or officers on each railroad and the representative or representatives designated by the Brotherhood of Locomotive Engineers will meet and agree on details and methods for rebulletining and reassigning jobs to conform with the six-day week. After all initial changes have been made to place the six-day week in effect, subsequent changes will be made in accordance with schedule agreement rules.

Section 2

The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.

Section 3

(a) When service is required by a carrier on a day off of regular assignments it may be performed by other regular assignments, by regular relief assignments, by a combination of regular and regular relief assignments, or by extra employees when not protected in the foregoing manner. (This does not disturb rules or practices on roads involving the use of emergency men or unassigned employees.) Where regular relief assignments are established, they shall, except as otherwise provided in this agreement, have six days of work, designated days of service, and definite starting times on each shift within the time periods specified in the starting time rules.

They may on different days, however, have different starting times within the periods specified in the starting time rules, and have different points for going on and off duty within the same seniority district which shall be the same as those of the employee or employees they are relieving.

(b) Where regular relief assignments cannot be established for six days on the same shift within the time periods specified in the starting time rules, as provided for in Section 3(a), such assignments may be established for six days with different starting times on different shifts on different days, within the time periods specified in the starting time rules, and on different days may have different points for going on and off duty in the same seniority district which shall be the same as those of the employee or employees they are relieving.

(c) After the starting times and days of service have been established, changes therein may be made only in accordance with schedule or bulletin rules.

(d) Rules providing for assignments of crews "for a fixed period of time which shall be for the same hours daily" will be relaxed only to the extent provided in (a) and (b) of this Section 3.

(e) Except as otherwise provided for in this Section 3, regular relief assignments shall be established in conformity with rules in agreements or practices in effect on individual properties governing starting times and bulletining of assignments, and when so established may be changed thereafter only in accordance with schedule and bulletin rules.

Section 4

(a) Accumulation - Agreements may be made on the individual properties to provide for the accumulation of days off over a period not to exceed six consecutive weeks.

(b) Days Off - 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 carrier and the organization, such day or days may be filled by using the regular men and be paid for at straight-time rate.

Section 5 - Regular Employees

(a) Existing rules which relate to the payment of daily overtime for regular assigned employees and practices thereunder are not changed hereby snd shall be understood to apply to regular assigned relief men, except that work performed by regular assigned relief men on assignments which conform with the provisions of Section 3 of this article shall be paid for at the straight-time rate.

(b) Regular assigned yard and hostling service employees worked as such more than six straight-time eight-hour shifts in the work week shall be paid one and one-half times the basic straight-time rate for such excess work except:

(1) As provided in Section 4 (a) and (b);

(2) When changing off where it is the practice to work alternately days and nights for certain periods;

(3) When working through two shifts to change off;

(4) Where exercising seniority rights from one assignment to another;

(5) Where paid straight-time rates under existing rules or practices for a second tour of duty in another grade or class of service.

In the event an additional day's pay at the straight-time rate is paid to an employee 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 six straight-time eight-hour shifts referred to in this paragraph (b).

(c) 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 (b) of this Section 5, be utilized in computing the six straight-time eight-hour shifts referred to in such paragraph (b) of this Section 5, 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. Existing rules or practices regarding the basis of payment of arbitraries or special allowances and similar rules are not affected by this agreement.

(d) Any tour of duty in road service shall not be considered in any way in connection with the application of this agreement, nor shall service under two agreements be combined in computations leading to overtime under the six-day week.

Section 6 - Extra Employees

(a) Existing rules which relate to the payment of daily overtime for extra employees and practices thereunder are not changed hereby. Any shift in yard and hostling service in excess of thirteen straight-time shifts in yard and hostling service in a semi-monthly period will be paid for at time and one-half rate.

Note: It is recognized that the carrier is entitled to have an extra employee work thirteen straight-time shifts in yard and hostling service in a semi-monthly period without regard to overtime shifts which may be worked under provisions of the Agreement of August 11, 1948. After an extra man has worked thirteen straight-time shifts in yard and hostling service in a semi-monthly period he will remain on the extra board, but will not be used in yard and hostling service during the remainder of that period if other extra men are available who can work in such service at the straight-time rate.

(b) In the event an additional day's pay at the straight-time rate is paid to an extra employee for other service performed or started during the course of his tour of duty in yard or hostling service, such additional day will not be utilized in computing the thirteen straight-time shifts referred to in paragraph (a) of this Section.

(c) The principles outlined in Section 5 (c) and (d) shall be applicable to extra employees in the application of this Section 6.

Section 7 - Blank

Section 8

Existing weekly or monthly guarantees in yard or hostling service producing more than six days per week shall be modified to provide for a guarantee of six days per week. Nothing in this Article 3 shall be construed to create a guarantee where none now exists.

Section 9

(a) All regular or regular relief assignments shall be for six days per week of not less than eight consecutive hours per day, except as otherwise provided in this Article 3.

(b) An employee on a regular or regular relief assignment who takes another regular or regular relief assignment, will take the conditions of that assignment, but if this results in the employee working more than six 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.

(c) A regular assigned employee in yard and hostling service, who under schedule rules goes on an extra board, may work on a board for the remainder of the semi-monthly period, provided the combined days worked in yard and hostling service on the regular assignment and an extra board do not exceed thirteen straight time days. He will then be subject to the "Note" under Section 6 of this Article 3.

(d) An employee who leaves an extra board for a regular or regular relief assignment will work the days of his new assignment at straight time rate, without regard to the number of days he may have worked on an extra board.

(e) Except as provided in paragraphs (b), (c) and (d) of this Section -

Regular employees will not be permitted to work more than six straight time eight-hour shifts in a work week

Extra employees will not be permitted to work more than thirteen straight time eight-hour shifts in a semi-monthly period in yard or hostling service, and each excluding the exceptions from the computations provided for in Section 5, paragraphs (b) and (c).

Section 10

(a) The provisions of this Article 3 applicable to yard service shall apply to yard, belt line and transfer service and combinations thereof.

(b) None of the provisions of this Article 3 relating to starting time shall be applicable to any classification of employees included within the scope of this Article 3 which is not now subject to starting time rules.

Section 11

Existing rules and practices, including those relating to the establishment of regular assignments, the establishment and regulation of extra boards and the operation of working lists, etc., shall be changed or eliminated to conform to the provisions of this Article 3 in order to implement the operation of the work week on a straight-time basis.

Section 12

The parties hereto having in mind conditions which exist or may arise on individual carriers in the application of the six-day work week 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 Article 3, provided that such understandings shall not be inconsistent with this Article 3.

ARTICLE 4 - INTERDIVISIONAL, INTERSENIORITY DISTRICT, INTRADIVISIONAL, AND/OR INTRASENIORITY DISTRICT SERVICE (FREIGHT OR PASSENGER)

Where a carrier desires to establish interdivisional, interseniority district, intradivisional, or intraseniority district runs in passenger or freight service, the carrier shall give notice to the General Chairman of the organizations involved of its desire to establish such runs, giving detailed information specifying the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishment of such service, the purpose being to furnish the employees with all the necessary information.

The parties will negotiate in good faith on such proposals and failing to agree, either party may invoke the services of the National Mediation Board. If mediation fails and the parties do not agree to arbitrate the dispute under the Railway Labor Act, then at the request of either party, the proposal will be considered by a National Committee consisting of the chiefs of the employee organizations involved and an equal number of carrier representatives who shall be members of the Carriers' Conference Committees, signatories hereto, or their successors or representatives, provided, however, that this procedure of appeal to the National Committee thus created shall not be made in any case for a period of six months from the date of this agreement.

If said National Committee does not agree upon the disposition of the proposal, then the conferees will in good faith undertake to agree upon a neutral chairman who will sit with the Committee, hear the arguments of the parties, and make representations and recommendations to the parties with the view in mind of disposing of the controversy. In the event the parties do not agree upon such neutral chairman, then upon the request of the parties, or either of them, the National Mediation Board will appoint the chairman.

While the recommendations of the Chairman are not to be compulsory or binding as an arbitration award, yet the parties hereto affirm their good intentions of arranging through the above procedure for the final disposition of all such disputes on a fair and reasonable basis.

Every effort will be made to settle disputes over interdivisional service on the property and thus to minimize the number of appeals to the above National Committee.

This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 5 - MORE THAN ONE CLASS OF ROAD SERVICE

The dispute as to this rule shall be submitted to arbitration. The arbitrator shall have the right to consider whether or not any rule covering more than one class of road service should be granted, and if so, the language of such rule.

Each party shall designate the exact questions, conditions or issues relating to such rule which it desires to submit to arbitration, and same shall constitute the questions to be submitted to arbitration.

The Board of Arbitration shall be composed of three members, one appointed by the Chairmen of the three Carriers' Conference Committees; one by the organization or organizations executing this agreement. The arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator, and failing therein, said neutral shall be appointed by the President of the United States. Procedures, including time limits within which all actions provided for herein are to be taken, shall be according to the forms, procedures and stipulations contained in the Railway Labor Act, as amended.

The arbitration proceedings shall be commenced on or before August 12, 1952.

ARTICLE 6 - SWITCHING SERVICE FOR NEW INDUSTRIES

(a) Where, after the effective date of this agreement, an industry desires to locate outside of existing switching limits at points where yard crews are employed, the carrier may assure switching service at such location even though switching limits be not changed, and may perform such service with yard crews from a yard or yards embraced within one and the same switching limits without additional compensation or penalties therefore to yard or road crews, provided the switch governing movements from the main track to the track or tracks serving such industry is located at a point not to exceed four miles from the then existing switching limits. Road crews may perform service at such industry only to the extent they could do so if such industry were within switching limits. 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.

The yard engineer - fireman or yard engineers - firemen 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 industry 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-firemen by the carrier each month. The BLE General Chairman or General Chairmen involved may at periodic intervals of not less than three months designate a plan for apportionment of time whereby road engineers - firemen from the seniority district on which the industry is 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.

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

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 7 - CHANGING SWITCHING LIMITS

(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 Chairmen 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, any party involved may invoke the services of the National Mediation Board.

If mediation fails, the parties agree that the dispute shall be submitted to arbitration under the Railway Labor Act, as amended. Upon such failure of mediation, 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 arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator or arbitrators in accordance with the provisions of the Railway Labor Act, as amended. In the event they fail to agree, the neutral arbitrator or arbitrators shall be appointed by the National Mediation Board, all in accordance with the provisions of the Railway Labor Act, as amended. The jurisdiction of the Arbitration Board shall be limited to the questions submitted to it. The award of the Board shall be final and binding upon the parties.

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

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 8 - REPORTING FOR DUTY

(a) In assigned road service where under existing rules employees report for duty without being notified or called and it is desired on any day to defer the reporting time, advance notice shall be given not less than the usual advance calling time for reporting for duty at each terminal and in accordance with usual calling practices at such terminal. The employee shall be notified at such time when he is to report and only one such deferment may be made. In such cases the time of the trip or tour of duty shall begin at the time the employee is required in accordance with said notice of change to report for duty. If not so notified, the reporting time shall be as provided in the assignment.

(b) Where employees are notified by call of time at which to report, existing rules or practices are not changed or affected by this rule.

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 9 - APPROVAL

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

This agreement is subject to such approval as may be necessary under the terms of the executive order by the President of the United States taking over the railroads and the laws of the United States pertaining to stabilization of prices, wages, etc.

ARTICLE 10 - MORATORIUM

No proposals for changes in rates of pay, rules or working conditions will be initiated or progressed by the employees against any carrier or by any carrier against its employees, parties hereto, within a period of three years from October 1, 1950, except such proposals for changes in rules or working conditions which may have been initiated prior to June 1, 1950. Provided, however, that if government wage stabilization policy permits so-called annual improvement wage increases, the parties may meet with the President of the United States, or such other person as he may designate, on or after July 1, 1952, to discuss whether or not further wage adjustments for employees covered by this agreement are justified, in addition to increases received under the cost-of-living formula. At the request of either party for such a meeting, the President or his representative shall fix the time and place for such meeting. The President or his representative and the parties may secure information from the wage stabilization authorities or other government agencies. If the parties are unable to agree at such conferences whether or not further wage adjustments are justified they shall ask the President of the United States to appoint a referee who shall sit with them and consider all pertinent information, and decide promptly whether further wage increases are justified and, if so, what such increases should be, and the effective date thereof. The carrier representatives shall have one vote, the employee representatives shall have one vote and the referee shall have one vote.

The foregoing will not debar management and committees on individual railroads from mutually agreeing upon changes in rates, rules and working conditions of employees covered by this agreement; nor does it bar committees of either organization from service of notice to change mileage limitations on individual properties.

ARTICLE 11 - DISPUTES COMMITTEE

Any dispute arising between parties to this agreement in connection with the revision of individual agreements so as to make them conform to this agreement shall be referred jointly, or by either party, for decision to a committee, the carrier members of which shall be three members of the Carriers' Conference Committees, signatories hereto, or their successors, and the employee members of which shall be three representatives selected by the organization signatory hereto.

In the event the Committee is unable to reach a decision with respect to any such disputes, a neutral referee shall be selected by the members of the Committee, to sit with the Committee and act as a member thereof.

If a majority of the Committee is unable to agree upon the selection of a neutral referee, any three members of the Committee may request the National Mediation Board to appoint such neutral referee.

Decisions of a majority of all the members of the Committee shall be final and binding upon the parties to any dispute in which a decision may be rendered.

ARTICLE 12 -

This interim agreement is during its life, as provided in agreement of this date identified as "AGREEMENT 'B', in full and final settlement of all issues, not withdrawn by the parties, growing out of notices served by the employees, parties hereto, and by the carriers, parties hereto, on or about January 6, 1950 and November 3, 1950, in accordance with Section 6 of the Railway Labor Act, of intended changes in agreements affecting rates of pay, rules and working conditions.

ARTICLE 13 -

This agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented by the Brotherhood of Locomotive Engineers as heretofore stated.

SIGNED AT WASHINGTON, D. C., this TWENTY-THIRD day of MAY, 1952.

For The Carriers: For The BLE:

(SIGNATURES NOT REPRODUCED IN THIS COMPUTERIZED VERSION)

A G R E E M E N T "B"

The Agreement dated May 23, 1952, and identified as AGREEMENT "A", is hereby deferred of application and an interim agreement, identified as "INTERIM AGREEMENT" is substituted in lieu thereof.

The "INTERIM AGREEMENT" will remain in effect subject to termination on not less than three months' advance notice from the Brotherhood of Locomotive Engineers that they desire to place the five-day work week agreement in effect on a railroad system or systems but the parties agree that the carriers are entitled to have six and seven day service performed at straight-time rates with reasonable regularity, and if it is claimed that the manpower situation is such that the adoption of the five-day work week agreement would not permit this, the question of whether there is sufficient manpower available to permit the adoption of the five-day work week shall be submitted for final decision to the nominee of the President of the United States.

Coincident with termination of such three months' advance notice, and in conformity with the preceding paragraph, the "INTERIM AGREEMENT" will be cancelled and AGREMENT "A" will become fully effective.

SIGNED AT WASHINGTON, D. C., this TWENTY-THIRD day of MAY, 1952.

SIGNATURES NOT REPRODUCED IN THIS VERSION

A G R E E M E N T "A"

This Agreement made this twenty-third day of May, 1952, by and between the participating carriers listed in Exhibits A, B, and C, attached hereto and hereby made a part hereof and represented by EASTERN, WESTERN and SOUTHEASTERN CARRIERS' CONFERENCE COMMITTEES, and the employees shown thereon and represented by the BROTHERHOOD OF LOCOMOTIVE ENGINEERS through their conference committee.

WITNESSETH:

WHEREAS on or about January 6, 1950 and November 3, 1950, certain proposals were served on the carriers parties hereto by the Brotherhood of Locomotive Engineers on behalf of employees represented by that organization; and

WHEREAS on or about the same dates certain proposals on behalf of the carriers parties hereto were served on the employees of said carriers represented by the Brotherhood of Locomotive Engineers:

NOW THEREFORE IT IS AGREED:

ARTICLE 1 - WAGE INCREASES

(a) Effective October 1, 1950, an increase of 18 cents per hour or $l.44 per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and, in consideration of other provisions of this agreement, a further increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(b) Effective January 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(c) Effective March 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 2 cents per hour or 20 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(d) Upon the date this Agreement becomes effective as provided for in Agreement “B”, an additional 4 cents per hour or 32 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers.

(e) Yard rates shall apply to belt line, transfer and yard service, or combinations thereof, effective October 1, 1950.

(f) The interim increase of 12.5 cents per hour for yardmen, and 5 cents per hour for employees in road service, effective October 1, 1950, as provided in General Order No. 2, issued February 8, 1951 by Assistant Secretary of the Army Karl R. Bendetsen, shall be credited against the increases provided for in this Article 1.

(g) In application of increases provided for in paragraphs (a), (b), (c) and (d) -

1. All arbitraries, miscellaneous rates, or special allowances as provided in the schedules or wage agreements shall be increased under this agreement in proportion to the daily increase herein granted.

2. In determining new hourly rates, fractions of a cent will be disposed of by applying next higher quarter of a cent.

3. Mileage rates shall be determined by dividing the new daily rates by the miles constituting a basic day's work in the respective classes of service.

4. Daily earnings minima shall be increased by the amount of the respective daily increase.

5. Existing money differentials above existing standard daily rates shall be maintained.

6. In local freight service the same differential in excess of through freight rates shall be maintained.

ARTICLE 2 - COST-OF-LIVING ADJUSTMENT

(a) A cost-of-living adjustment will be determined in accordance with changes in the "Consumers' Price Index for Moderate Income Families for Large Cities Combined-All Items" (1935-1939 = 100) (Old Series) - as published by the Bureau of Labor Statistics, U. S. Department of Labor, and hereafter referred to as the BLS Consumers' Price Index. For the purpose of this computation an arbitrary base index of 178.0 is agreed to. The cost-of-living adjustment as hereinafter provided shall be made commencing April 1, 1951 and each three months thereafter based on the BLS Consumers' Price Index as of February 15, 1951 and the BLS Consumers' Price Index each third month thereafter as illustrated by the following table:

BLS Consumer Price Index as of	Effective Date of adjustment - first pay period on or after:
February 15, 1951	April 1, 1951
May 15, 1951	July 1, 1951
August 15, 1951	October 1, 1951
November 15, 1951	January 1, 1952
February 15, 1952	April 1, 1952
May 15, 1952	July 1, 1952
August 15, 1952	October 1, 1952
November 15, 1952	January 1, 1953
February 15, 1953	April 1, 1953
May 15, 1953	July 1, 1953
August 15, 1953	October 1, 1953

(b) The cost-of-living adjustment, when provided for, shall remain in effect to date of subsequent adjustment, as provided for in paragraph (a).

(c) Wage rates in effect March 1, 1951 plus the additional 4 cents per hour (32 cents per basic day) provided for in Article l(d) of this agreement will not be reduced during the life of this agreement. However, such rates are subject to a cost-of-living adjustment in accordance with the following table; adjustments to be made on the dates as illustrated in paragraph (a):

BLS Consumers' Price Index	Cost-of-living allowance
178.0 and less than 179.0	None
179.0 and less than 180.0	1 cent per hour (8 cents per basic day)
180.0 and less than 181.0	2 cents per hour (16 cents per basi day)
181.0 and less than 182.0	3 cents per hour (24 cents per basic day)
182.0 and less than 183.0	4 cents per hour (32 cents per basic day)

and so forth, with corresponding 1 cent per hour (8 cents per basic day) adjustment for each 1 point change in the index. The initial allowance of 1 cent per hour (8 cents per basic day) made when the index reaches 179.0 will not be eliminated unless the index reaches 178.0 or less.

Examples:

If the BLS Consumers' Price Index as of February 15, 1951 should be 179.0 and less than 180.0, 1 cent per hour (8 cents per basic day) shall be added effective April 1, 1951 as a cost-of-living adjustment; if such index as of May 15, 1951 should be 178.0 or less, then effective July 1, 1951 the cost-of-living adjustment established under this example will be eliminated.

If the BLS Consumers' Price Index as of February 15, 1951 should be 180.0 and less than 181.0, 2 cents per hour (16 cents per basic day) shall be added effective April 1, 1951 as a cost-of-living adjustment; if such index as of May 15, 1951 should be 179.0 and less than 180.0, then effective July 1, 1951 the cost-of-living adjustment established under this example will be reduced by 1 cent per hour (8 cents per basic day).

The cost-of-living adjustment will be applied as a wage increase or a wage reduction in the same manner as the wage increase provided for Article 1 hereof.

(d) In the event the Bureau of Labor Statistics does not issue the specified BLS Consumers' Price Index on or before the effective dates specified in paragraph (a), the cost-of-living adjustment will become effective on the first day of the pay period during which the index is released.

(e) No adjustments, except as provided in paragraph (f) shall be made because of any revision which may later be made in the published figures of the BLS Consumers' Price Index for any base month.

(f) The parties to this agreement agree that the continuance of the cost-of-living adjustment is dependent upon the availability of the official monthly BLS Consumers' Price Index in its present form and calculated on the same basis as the Index for August 15, 1950, except that, if the Bureau of Labor Statistics, U. S. Department of Labor, should during the effective period of

this agreement revise or change the methods or basic data used in calculating the BLS Consumers' Price Index in such a way as to affect the direct comparability of such revised or changed index with the index for August 15, 1950, then that Bureau shall be requested to furnish a conversion factor designed to adjust to the new basis the base index of 178.0 described in paragraph (a) hereof, and the several indexes listed in paragraph (c) hereof.

(g) The parties agree that this Article 2 shall remain in effect until October 1, 1953 and thereafter subject to change under the provisions of the Railway Labor Act as amended.

ARTICLE 3 - FIVE-DAY WORK WEEK

Section 1

(a) Beginning on the date this Article 3 becomes effective on any carrier, such carrier will establish for engineers and firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, and hostlers and hostler helpers, represented by the Brotherhood of Locomotive Engineers, a work week of five basic days. Except as otherwise provided in this Article 3, the work week will consist of five consecutive days with two days off in each seven. The foregoing work week rule is subject to all other provisions of this agreement.

(b) The designated officer or officers on each railroad and the representative or representatives designated by the Brotherhood will meet and agree on details and methods for rebulletining and reassigning jobs to conform with the five-day week. After all initial changes have been made to place the five-day week in effect, subsequent changes will be made in accordance with schedule agreement rules.

Section 2

The term "work week" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work. Engineers

Section 3

(a) When service is required by a carrier on days off of regular assignments it may be performed by other regular assignments, by regular relief assignments, by a combination of regular and regular relief assignments, or by extra employees when not protected in the foregoing manner. (This does not disturb rules or practices on roads involving the use of emergency men or unassigned employees.) Where regular relief assignments are established, they shall, except as otherwise provided in this agreement, have five consecutive days of work, designated days of service, and definite starting times on each shift within the time periods specified in the starting time rules. They may on different days, however, have different starting times within the periods specified in the starting time rules, and have different points for going on and off duty within the same seniority district which shall be the same as those of the employee or employees they are relieving.

(b) Where regular relief assignments cannot be established for five consecutive days on the same shift within the time periods specified in the starting time rules, as provided for in Section 3(a), such assignments may be established for five consecutive days with different

starting times on different shifts on different days, within the time periods specified in the starting time rules, and on different days may have different points for going on and off duty in the same seniority district which shall be the same as those of the employee or employees they are relieving.

(c) After the starting times and days of service have been established, changes therein may be made only in accordance with schedule or bulletin rules.

(d) Rules providing for assignments of crews for a fixed period of time which shall be for the same hours daily will be relaxed only to the extent provided in (a) and (b) of this Section 3.

(e) Except as otherwise provided for in this Section 3, regular relief assignments shall be established in conformity with rules in agreements or practices in effect on individual properties governing starting times and bulletining of assignments, and when so established may be changed thereafter only in accordance with schedule and bulletin rules.

Section 4

(a) Accumulation. - Agreements may be made on the individual properties to provide for the accumulation of days off over a period not to exceed five consecutive weeks.

(b) Days Off. - 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 carrier and the organization, such day or days may be filled by using the regular men and be paid for at straight-time rate.

(c) Non-consecutive days. - If the representatives of the parties fail to agree upon the establishment of non-consecutive days off at any point, the carrier may nevertheless establish non-consecutive days off subject to the right of the employees to process the dispute as a grievance or claim under the rules agreement. Engineers

Section 5 - Regular Employees

(a) Existing rules which relate to the payment of daily Overtime for regular assigned employees and practices thereunder are not changed hereby and shall be understood to apply to regular assigned relief men, except that work performed by regular assigned relief men on assignments which conform with the provisions of Section 3 of this article shall be paid for at the straight-time rate.

(b) Regular assigned yard and hostling service employees worked as such more than five straight-time eight-hour shifts in a work week shall be paid one and one-half times the basic straight-time rate for such excess work except:

(1) As provided in Section 4 (a) and (b);

(2) When changing off where it is the practice to work alternately days and nights for certain periods;

(3) When working through two shifts to change off;

(4) Where exercising seniority rights from one assignment to another;

(5) Where paid straight-time rates under existing rules or practices for a second tour of duty in another grade or class of service.

In the event an additional day's pay at the straight-time rate is paid to an employee 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 straight-time eight-hour shifts referred to in this paragraph (b).

(c) 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 (b) of this Section 5, be utilized in computing the five straight-time eight-hour shifts referred to in such paragraph (b) of this Section 5, 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. Existing rules or practices regarding the basis of payment of arbitraries or special allowances and similar rules are not affected by this agreement.

(d) Any tour of duty in road service shall not be considered in any way in connection with the application of this agreement, nor shall service under two agreements be combined in computations leading to overtime under the five-day week.

Section 6 - Extra Employees

(a) Existing rules which relate to the payment of daily overtime for extra employees and practices thereunder are not changed hereby. Any shift in yard and hostling service in excess of eleven straight-time shifts in yard and hostling service in a semi-monthly period will be paid for at time and one-half rate.

Section 6 - Extra Employees (continued)

Notes: It is recognized that the carrier is entitled to have an extra employee work eleven straight time shifts in yard and hostling service in a semi-monthly period without regard to overtime shifts which may be worked under provisions of the Agreement of August 11, 1948. After an extra man has worked eleven straight time shifts in yard and hostling service in a semi-monthly period he will remain on the extra board, but will not be used in yard and hostling service during the remainder of that period if other extra men are available who can work in such service at the straight time rate.

(b) In the event an additional day's pay at the straight time rate is paid to an extra employee for other service performed or started during the course of his tour of duty in yard or hostling service, such additional day will not be utilized in computing the eleven straight time shifts referred to in paragraph (a) of this Section.

(c) The principles outlined in Section 5 (c) and (d) shall be applicable to extra employees in the application of this Section 6.

Section 7

Beginning on the date the five-day work week becomes effective on any carrier, the Vacation Agreement dated April 29, 1949, effective July 1, 1949 shall be amended as to such carrier to provide the following insofar as yard service employees and employees having interchangeable yard and road rights covered by said agreement, who are represented by the Brotherhood of Locomotive Engineers, are concerned:

Note: The amendments to such Vacation Agreement made by this Section 7 as applicable to yard service shall apply to yard, belt line and transfer service and combinations thereof, and to hostling service.

Section 1(a) - 1(b). Add:

In the application of Section l(a) and l(b) each basic day in yard service performed by a yard service employee or by an employee having interchangeable yard and road rights shall be computed as 1.2 days for purposes of determining qualifications for vacation.

Qualifying years accumulated, also qualifying requirements for years accumulated for extended vacations, prior to the calendar year in which the five-day work week becomes effective, shall not be changed.

Section 1(d). Add "Note": The 60 and 30 calendar days referred to herein shall not be subject to the 1.2 computation provided for in Sections 1(a) and 1(b).

Section 2(a). Add:

Yard Service

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

Combination of Yard and Road Service

An employee having interchangeable yard and road rights receiving one week's vacation, or pay in lieu thereof, under Section 1(a) shall be paid 1/52 of the compensation earned by such employee, under schedule agreements held by the organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under Section 1 (or carriers in case he qualified on more than one carrier under Section 1(f)) 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 shall be not less than six 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 shall be not less than five minimum basic days' pay at the rate of the last yard service rendered.

Section 2(b). Add:

Yard Service

An employee receiving two weeks' vacation, or pay in lieu thereof, under Section 1(b) shall be paid 1/26 of the compensation earned by such employee, under schedule agreements held by the organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under Section 1 (or carriers in case he qualified on more than one carrier under Section 1(f)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than ten minimum basic days' pay at the rate of the last yard service rendered.

Combination of Yard and Road Service

An employee having interchangeable yard and road rights receiving two weeks' vacation, or pay in lieu thereof, under Section 1(b) shall be paid 1/26 of the compensation earned by such employee, under schedule agreements held organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under Section 1 (or carriers in case he qualified on more than one carrier under Section l(f)) 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 shall be not less than twelve 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 shall be not less than ten minimum basic days' pay at the rate of the last yard service rendered.

Section 9. Add:

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, such additional vacation days shall be reduced by l/6th.

General

Except to the extent that the Vacation Agreement effective July 1, 1949, is changed by this Article 3, the said Vacation Agreement, as well as the Memorandum of Understanding of April 29, 1949, shall remain in full force and effect.

Section 8

Existing weekly or monthly guarantees in yard or hostling service producing more than five days per week shall be modified to provide for a guarantee of five days per week. Nothing in this Article 3 shall be construed to create a guarantee where none now exists.

Section 9

(a) All regular or regular relief assignments shall be for five consecutive calendar days per week of not less than eight consecutive hours per day, except as otherwise provided in this Article 3.

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(b) An employee on a regular or regular relief assignment who takes another regular or regular relief assignment, will take the conditions of that assignment, but if this results in the

employee working more than five 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.

(c) A regular assigned employee in yard and hostling service, who under schedule rules goes on an extra board, may work on a board for the remainder of the semi-monthly period, provided the combined days worked in yard and hostling service on the regular assignment and an extra board do not exceed eleven straight time days. He will then be subject to the "Note" under Section 6 of this Article 3.

(d) An employee who leaves an extra board for a regular or regular relief assignment will work the days of his new assignment at straight time rate, without regard to the number of days he may have worked on an extra board.

(e) Except as provided in paragraphs (b), (c) and (d) of this Section -

Regular employees will not be permitted to work more than five straight time eight-hour shifts in a work week,

Extra employees will not be permitted to work more than eleven straight time eight-hour shifts in a semi-monthly period in yard or hostling service, and each excluding the exceptions from the computations provided for in Section 5, paragraphs (b) and (c).

Section 10

(a) The provisions of this Article 3 applicable to yard service shall apply to yard, belt line and transfer service and combinations thereof.

(b) None of the provisions of this Article 3 relating to starting time shall be applicable to any classification of employees included within the scope of this Article 3 which is not now subject to starting time rules.

Section 11

Existing rules and practices, including those relating to the establishment of regular assignments, the establishment and regulation of extra boards and the operation of working lists, etc., shall be changed or eliminated to conform to the provisions of this Article 3 in order to implement the operation of the reduced work week on a straight time basis.

Section 12

The parties hereto having in mind conditions which exist or may arise on individual carriers in the application of the five-day work week 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 Article 3, provided thst such understandings shall not be inconsistent with this Article 3.

ARTICLE 4 - INTERDIVISIONAL, INTERSENIORITY DISTRICT, INTRADIVISIONAL, AND/OR INTRASENIORITY DISTRICT SERVICE (FREIGHT OR PASSENGER)

Where a carrier desires to establish interdivisional, interseniority district, intradivisional, or intraseniority district runs in passenger or freight service, the carrier shall give notice to the General Chairman of the organizations involved of its desire to establish such runs, giving detailed information specifying the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishment of such service, the purpose being to furnish the employees with all the necessary information.

The parties will negotiate in good faith on such proposals and failing to agree, either party may invoke the services of the National Mediation Board. If mediation fails and the parties do not agree to arbitrate the dispute under the Railway Labor Act, then at the request of either party, the proposal will be considered by a National Committee consisting of the chiefs of the employee organizations involved and an equal number of carrier representatives who shall be members of the Carriers' Conference Committees, signatories hereto, or their successors or representatives, provided, however, that this procedure of appeal to the National Committee thus created shall not be made in any case for a period of six months from the date of this agreement.

If said National Committee does not agree upon the disposition of the proposal, then the conferees will in good faith undertake to agree upon a neutral chairman who will sit with the Committee, hear the arguments of the parties, and make representations and recommendations to the parties with the view in mind of disposing of the controversy. In the event the parties do not agree upon such neutral chairman, then upon the request of the parties, or either of them, the National Mediation Board will appoint the chairman.

While the recommendations of the Chairman are not to be compulsory or binding as an arbitration award, yet the parties hereto affirm their good intentions of arranging through the above procedure for the final disposition of all such disputes on a fair and reasonable basis.

Every effort will be made to settle disputes over interdivisional service on the property and thus to minimize the number of appeals to the above National Committee.

This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 5 - MORE THAN ONE CLASS OF ROAD SERVICE

The dispute as to this rule shall be submitted to arbitration. The arbitrators shall have the right to consider whether or not any rule covering more than one class of road service should be granted, and if so, the language of such rule.

Each party shall designate the exact questions, conditions or issues relating to such rule which it desires to submit to arbitration, and same shall constitute the questions to be submitted to arbitration.

The Board of Arbitration shall be composed of three members, one appointed by the Chairmen of the three Carriers' Conference Committees; one by the organization or organizations executing this agreement. The arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator, and failing therein, said neutral shall be appointed by the President of the United States. Procedures, including time limits within which all actions provided for herein are to be taken, shall be according to the forms, procedures and stipulations contained in the Railway Labor Act, as amended.

The arbitration proceedings shall be commenced on or before August 12, 1952.

ARTICLE 6 - SWITCHING SERVICE FOR NEW INDUSTRIES

(a) Where, after the effective date of this agreement, an industry desires to locate outside of existing switching limits at points where yard crews are employed, the carrier may assure switching service at such location even though switching limits be not changed, and may perform such service with yard crews from a yard or yards embraced within one and the same switching limits without additional compensation or penalties therefor to yard or road crews, provided the switch governing movements from the main track to the track or tracks serving such industry is located at a point not to exceed four miles from the then existing switching limits. Road crews may perform service at such industry only to the extent they could do so if such industry were within switching limits. 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.

The yard engineer - fireman or yard engineers - firemen 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 industry 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-firemen by the carrier each month. The BLE General Chairman or General Chairmen involved may at periodic intervals of not less than three months designate a plan for apportionment of time whereby road engineers - firemen from the seniority district on which the industry is 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.

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

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 7 - CHANGING SWITCHING LIMITS

(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 Chairmen 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, any party involved may invoke the services of the National Mediation Board.

If mediation fails, the parties agree that the dispute shall be submitted to arbitration under the Railway Labor Act, as amended. Upon such failure of mediation, 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 arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator or arbitrators in accordance with the provisions of the Railway Labor Act, as amended. In the event they fail to agree, the neutral arbitrator or arbitrators shall be appointed by the National Mediation Board, all in accordance with the provisions of the Railway Labor Act, as amended. The jurisdiction of the Arbitration Board shall be limited to the questions submitted to it. The award of the Board shall be final and binding upon the parties.

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

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 8 - REPORTING FOR DUTY

(a) In assigned road service where under existing rules employees report for duty without being notified or called and it is desired on any day to defer the reporting time, advance notice shall be given not less than the usual advance calling time for reporting for duty at each terminal and in accordance with usual calling practices at such terminal. The employee shall be notified at such time when he is to report and only one such deferment may be made. In such cases the time of the trip or tour of duty shall begin at the time the employee is required in accordance with said notice of change to report for duty. If not so notified, the reporting time shall be as provided in the assignment.

(b) Where employees are notified by call of time at which to report, existing rules or practices are not changed or affected by this rule.

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 9 - APPROVAL

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

This agreement is subject to such approval as may be necessary under the terms of the executive order by the President of the United States taking over the railroads and the laws of the United States pertaining to stabilization of prices, wages, etc

ARTICLE 10 - MORATORIUM

No proposals for changes in rates of pay, rules or working conditions will be initiated or progressed by the employees against any carrier or by any carrier against its employees, parties hereto, within a period of three years from October 1, 1950, except such proposals for changes in rules or working conditions which may have been initiated prior to June 1, 1950. Provided, however, that if government wage stabilization policy permits so-called annual improvement wage increases, the parties may meet with the President of the United States, or such other person as he may designate, on or after July 1, 1952, to discuss whether or not further wage adjustments for employees covered by this agreement are justified, in addition to increases received under the cost-of-living formula. At the request of either party for such a meeting, the President or his representative shall fix the time and place for such meeting. The President or his representative and the parties may secure information from the wage stabilization authorities or other government agencies. If the parties are unable to agree at such conferences whether or not further wage adjustments are justified they shall ask the President of the United States to appoint a referee who shall sit with them and consider all pertinent information, and decide promptly whether further wage increases are justified and, if so, what such increases should be, and the effective date thereof. The carrier representatives shall have one vote, the employee representatives shall have one vote and the referee shall have one vote.

The foregoing will not debar management and committees on individual railroads from mutually agreeing upon changes in rates, rules and working conditions of employees covered by this agreement; nor does it bar committees of either organization from service of notice to change mileage limitations on individual properties.

ARTICLE 11 - DISPUTES COMMITTEE

Any dispute arising between parties to this agreement in connection with the revision of individual agreements so as to make them conform to this agreement shall be referred jointly, or by either party, for decision to a committee, the carrier members of which shall be three members of the Carriers' Conference Committees, signatories hereto, or their successors, and the employee members of which shall be three representatives selected by the organization signatory hereto.

In the event the Committee is unable to reach a decision with respect to any such disputes, a neutral referee shall be selected by the members of the Committee, to sit with the Committee and act as a member thereof.

If a majority of the Committee is unable to agree upon the selection of a neutral referee, any three members of the Committee may request the National Mediation Board to appoint such neutral referee.

Decisions of a majority of all the members of the Committee shall be final and binding upon the parties to any dispute in which a decision may be rendered.

ARTICLE 12

This agreement is in full and final settlement of all issues, not withdrawn by the parties, growing out of notices served by the employees, parties hereto, and by the carriers, parties hereto, on or about January 6, 1950 and November 3, 1950, in accordance with Section 6 of the Railway Labor Act, of intended changes in agreements affecting rates of pay, rules and working conditions.

ARTICLE 13

This agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees representcd by the Brotherhood of Locomotive Engineers as heretofore stated; and shall remain in effect until September 30, 1953 and thereafter, subject to notices served in accordance with Section 6 of the Railway Labor Act, as amended.

SIGNED AT WASHINGTON, D. C., this TWENTY-THIRD day of MAY, 1952.

SIGNATURES NOT REPRODUCED IN THIS COMPUTERIZED VERSION

SIDE LETTERS

Hotel Hamillton
Washington, D C

May 17, 1952

Messrs. D.P. Loomis, Chmn
Western Carriers ' Conference Committee

L.W. Horning, Chmn
Eastern Carriers' Conference Committee

W.S. Baker, Chmn
Southeastern Carriers' Conference Committee

Dear Sirs:

This is to advise you that effective this date the undersigned are withdrawing from consideration in any settlement that may be reached on the contents of our Notice dated January 6, 1950 all matters listed therein, except the following:

(1) The basic daily wage rates for engineers on all classes of engines or other power used shall be increased 20%. All differentials, arbitraries, and special allowances shall be increased 20%.

This withdrawal, of course, is limited in its application to those carriers presently represented by your Committee in conferences with us on the issues contained in the Brotherhood's notice above referred to.

Very truly yours,

J.P. Shields, et al
Grand Chief Engineer

At Washington, D.C. May 23, 1952

Mr. J. P. Shields
Grand Chief Engineer
Brotherhood of Locomotive Engineers
Hamilton Hotel
Washington, D.C.

Dear Sirs:

This will confirm our understanding that the moratorium rules in the agreements signed this date between the carriers represented by the Eastern, Western and Southeastern Carriers' Conference Committees and employees represented by the Brotherhood of Locomotive Engineers do not apply to requests for the negotiation of union shop agreements.

SIGNED BY THE THREE CHAIRMEN OF THE EASTERN,
WESTERN, AND SOUTHEASTERN CARRIERS
CONFERENCE COMMITTEES

At Washington, D. C.
May 23, 1952

Honorable Nelson M. Bortz, Chairman
Railroad and Airline Wage Board
Room 756 Home Owners Loan Building
101 Indiana Avenue, N.W.
Washington, D. C.

Dear Sir:

We enclose herewith copies of agreements signed by the carriers represented by the Eastern, Western and Southeastern Carriers' Conference Committees and their employees represented by the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen and Order of Railway Conductors signed at the White House on May 21, 1952.

We also enclose copies of the complete formal agreements signed by the parties this date.

The provisions respecting wages and rates of pay contained in these agreements are in substantial accordance with the proposal made by the government in the White House on December 21, 1950, and follow the pattern of the agreements covering employees represented by the Fifteen Cooperating Railway Organizations, the Switchmen's Union of North America, the Railroad Yardmasters of America, and the Brotherhood of Railroad Trainmen heretofor approved by the stabilization authority.

You will also note that the White House Agreements are witnessed by Dr. John R. Steelman, the Assistant to the President of the United States and by Honorable Leverett Edwards, Chairman of the National Mediation Board. We shall appreciate it if your Board will approve these agreements as promptly as possible and advise the undersigned.

Yours very truly,

Signed By the Three Chairmen of the Carriers' Conference Committees and J.P. Shields, Grand Chief Engineer of the BLE

RAILROAD AND AIRLINE WAGE BOARD

WASHINGTON, D. C.

May 28, 1952

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L. W. Horning, Chairman
Eastern Carriers' Conference

D. P. Loomis, Chairman
Western Carriers' Conference

W.S. Baker, Chairman
Southeastern Carriers Conference

J.P. Shields, Grand Chief Engineer
Brotherhood of Locomotive Engineers

D.B. Robertson, International
President, Brotherhood of
Locomotive Firemen and
Enginemen

R.O. Hughes, President
Order of Railway Conductors

Gentlemen:

This will acknowledge your joint application of May 23, 1952, transmitting copies of Memorandum Agreements signed at the White House on May 21, 1952 and also copies of the complete formal agreements dated May 23, 1952 which have been signed by representatives of the Eastern, Western, and Southeastern Carriers' Conference Committees and the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen and Enginemen, and the Order of Railway Conductors. Approval of these agreements is requested.

You state that the provisions respecting wages and rates of pay contained in the above-mentioned agreements are in substantial accordance with the proposal made by the Government at the White House on December 21, 1950. It is indicated also that the agreements of May 23, 1952 follow the pattern of the agreements covering employees represented by the Fifteen Cooperating Railway Labor Organizations, the Switchmen's Union of North America, the Railroad Yardmasters of America, and the Brotherhood of Railroad Trainmen.

Examination of the agreements reveals that the compensation provisions are similar in amounts and timing to those provided in earlier agreements also affecting large groups of railroad employees and previous1y approved by the appropriate stabilization authorities. Moreover, the pattern, complexity, and duration of the wage negotiations found to exist in these previously approved settlements are likewise clearly present in the instant case. The compensation provisions of the agreements of May 21-23, 1952 are therefore approvable under existing stabilization regulations, orders, and decisions and are hereby approved.

The Board finds that the adjustments in compensation approved herein are consistent with standards now in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies, and so certifies.

Very truly yours,

Nelson M. Bortz, Chairman
Railroad and Airline Wage Board

APPROVED May 28, 1952

V A C A T I O N A G R E E M E N T

DATED APRIL 29. 1949

As amended

August 17, 1954

January 18, 1961

November 17, 1964

June 22, 1967

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

SECTION 1

(a) Effective January 1, 1965, 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 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 one hundred sixty (160) basic days in miles or hours paid for, as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A", dated May 23, 1952, on an individual carrier, but not earlier than the year 1960, in the application of this Section l(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 l(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, 1965, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having three or more years of continuous service with employing carrier will be qualified for an annual vacation of two 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said three or more years of continuous service renders service of not less than four hundred eighty (480) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated 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, ant 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, 1967, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having ten or more years of continuous service with employing carrier will be qualified for an annual vacation of three 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said ten or more years of continuous service renders service of not less than sixteen hundred (1600) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated 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 l(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, 1965, each employee, subject to the scope of schedule agreements held by the organizations signatory to the April 29, 1949 Vacation Agreement, having twenty or more years of continuous service with employing carrier will be qualified for an annual vacation of four 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 one hundred sixty (160) basic days in miles or hours paid for as provided in individual schedules and during the said twenty or more years of continuous service renders service of not less than thirty-two hundred (3200) basic days in miles or hours paid for as provided in individual schedules.

Beginning with the effective date of the provisions of Article 3 of Agreement "A" dated 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 equiva1ent of 120 qualifying days.) (See NOTE below.)

NOTE: In the application of Section l(a), (b), (c) and (d), 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.

(e) (Not applicable.)

(f) 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 sixty (60) such days, will be included in the determination of qualification for vacation; also, calendar days, not in excess of thirty (30), on which an employee is absent from and unable to perform service because of injury received on duty will be included.

The 60 and 30 calendar days referred to in this Section 1(f) 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) and (d), respectively.

(g) 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 four hundred eighty (480) basic days under Section 1(b) and sixteen hundred (1600) basic days under Section 1(c), and thirty-two hundred (3200) basic days under Section l(d).

(h) 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.

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

(a) An employee receiving one week's vacation, or pay in lieu thereof, under Section 1(a) shall be paid 1/52 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 carrier in case he qualified on more than one carrier under Section 1(g)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than six (6) minimum basic days' pay at the rate of the last service rendered.

(b) An employee receiving two weeks' vacation, or pay in lieu thereof, under Section 1(b) shall be paid 1/26 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(g)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than twelve (12) minimum basic days' pay at the rate of the last service rendered.

(c) An employee receiving three weeks' vacation, or pay in lieu thereof, under Section 1(c) shall be paid 3/52 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(g))during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than eighteen (18) minimum basic days' pay at the rate of the last service rendered.

(c-l) An employee receiving four weeks' vacation, or pay in lieu thereof, under Section 1(d) shall be paid 4/52 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(h)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than twenty-four (24) minimum basic days' pay at the rate of the last service rendered.

(d) Beginning on the date Agreement "A" between the parties, dated 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, who are represented by the Brotherhood of Locomotive Engineers, are concerned:

Yard Service

(1) An employee receiving one weeks' vacation, or pay in lieu thereof, under Section 1(a) shall be paid 1/52 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(g)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than five (5) minimum basic days' pay at the rate of the last service rendered.

Combination of Yard and Road Service

(2) An employee having interchangeable yard and road rights receiving one weeks' vacation, or pay in lieu thereof, under Section 1(a) shall be paid 1/52 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 (g)) 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 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 shall be not less than five (5) minimum basic days' pay at the rate of the last yard service rendered.

Yard Service

(3) An employee receiving two weeks' vacation, or pay in lieu thereof, under Section 1(b) shall be paid 1/26 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(g)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than ten (10) minimum basic days' pay at the rate of the last yard service rendered.

Combination of Yard and Road Service

(4) An employee having interchangeable yard and road rights receiving two weeks' vacation, or pay in lieu thereof, under Section 1(b) shall be paid 1/26 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 (g)) 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 shall be not less than twelve (12) 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 shall be not less than ten (10) minimum basic days' pay at the rate of the last yard service rendered.

Yard Service

(5) An employee receiving three weeks' vacation, or pay in lieu thereof, under Section 1(c) shall be paid 3/52 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 (g)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than fifteen (15) minimum basic days' pay at the rate of the last yard service rendered.

Combination of Yard and Road Service

(6) An employee having interchangeable yard and road rights receiving three weeks' vacation, or pay in lieu thereof, under Section 1(c) shall be paid 3/52 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 (g)) 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 shall be not less than eighteen (18) 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 shall be not less than fifteen (15) minimum basic days' pay at the rate of the last yard service rendered.

(7) 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, such additional vacation days shall be reduced by 1/6th.

NOTE: Section 1(b), 1(c), 1(d) and Section 2(d) of this Agreement applicable to yard service shall apply to yard, belt line and transfer service and combinations thereof, and to hostling service.

Yard Service

(8) An employee receiving four weeks' vacation, or pay in lieu thereof, under Section 1(d) shall be paid 4/52 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(h)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than twenty (20) minimum basic days' pay at the rate of the last yard service rendered

Combination of Yard and Road Service

(9) An employee having interchangeable yard and road rights receiving four weeks' vacation, or pay in lieu thereof, under Section 1(d) shall be paid 4/52 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(h)) 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 shall be not less than twenty-four (24) 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 shall be not less than twenty (20) minimum basic days' pay at the rate of the last yard service rendered.

SECTION 3

Vacations, or allowances therefore, under two or more schedules held by different organizations on the same carrier shall not be combined to create a vacation or 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 employees' 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, non-compliance 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 therefore 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, understanding or custom.

SECTION 10

Any dispute or 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 ant either the carrier or the organization desires that the dispute or controversy be handled further, it shall be referred by either party for decision to a committee, the carrier members of which shall be five members of the Carriers' Conference Committees signatory hereto, or their successors; and the employee members of which shall be the chief executives of the five organization signatory hereto, or their representatives, or successors. It is agreed that the Committee herein provided will meet between January l and June 30 and July 1 and December 31 of each year if any dispute or controversies have been filed for consideration. In event of failure to reach agreement the dispute or controversy shall be arbitrated in accordance with the Railway Labor Act, as amended, the arbitration being handled by such Committee. Interpretation or application agreed upon by such committee, or fixed by such arbitration, shall be final and binding as an interpretation or application of this agreement.

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, in so far 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, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, Brotherhood of Railroad Trainmen and Switchmen's Union of North America.

An employee who has taken or is scheduled to commence his vacation during the year 1949 prior to July l, 1949 shall not be entitled to the increased vacation nor to the vacation allowance provided for herein during the period July 1, 1949-December 31, 1949.

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 carriers 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.

MEMORANDUM

In computing basic days in miles or hours paid for, as provided in Section 1 of said agreement, the parties agree that the following interpretations shall apply:

1. A trainman in passenger service, on a trip of 300 miles, upon which no overtime or other allowances accrue, will be credited with two basic days.

2. An employee in freight service on a run of 125 miles, upon which no overtime or other allowances accrue, will be credited with 1-1/4 basic days.

3. An employee in freight service on a run of 125 miles, with total time on duty of 14 hours on the trip, will be credited with 1-3/4 basic days.

4. An employee in yard service working 12 hours will be credited with 1-1/2 basic tays.

5. An employee in freight service, runaround and paid 50 miles for same, will be credited with 1/2 basic day.

6. An employee in freight service, called and released and paid 50 miles for same, will be credited with 1/2 basic day.

7. An employee in freight service, paid no overtime or other allowances, working as follows:

1st trip	-	150 miles
2nd "	-	140 "
3rd "	-	120 "
4th "	-	150
5th "	-	160
:	Total -	700

will be credited with seven basic days.

8. An employee in freight service makes trip of 80 miles in 8 hours or less, for which he is paid 100 miles, will be credited with 1 basic day.

9. An engineman in passenger service makes a trip of 100 miles or less in 5 hours will be credited with 1 basic day.

10. An engineman in short turnaround passenger service makes a trip of 100 miles or less, on duty eight hours within a spread of nine hours, will be credited with 1 basic day.

11. A trainman in short turnaround passenger service makes a trip of 150 miles or less, on duty eight hours within a spread of nine hours, will be credited with 1 basic day.

12. A trainman in short turnaround passenger service makes a trip of 150 miles or less, total spread of time 10 hours, on duty eight hours within the first nine hours, will be credited with 1-1/8 basic days.

13. An employee in freight service, deadheading, is paid 50 miles for same, will be credited with 1/2 basic day.

14. An employee is paid eight hours under the held away-from-home terminal rule will be credited with 1 basic day.

15. An employee is allowed one hour as arbitrary allowance, will be credited with 1/8 basic day.

INTERPRETATION OF CONTINUOUS SERVICE PROVISIONS OF SECTION 1 OF VACATION AGREEMENT

In the granting of vacations subject to agreements held by the five operating organizations, service rendered for the carrier will be counted in establishing five or fifteen or more years of continuous service, as the case may be, where the employee transferred in service to a position subject to an agreement held by an organization signatory to the April 29, 1949 Vacation agreement, provided there was no break in the employee's service as a result of the transfer from a class of service not covered by an agreement held by an organization signatory to the April 29, 1949 Agreement. This understanding will apply only where there was a transfer of service.

This understanding will apply commencing with the year 1956 but will also be applicable to claims of record properly filed with the carrier on or after January 1, 1955, for 1955 vacations and on file with the carrier at the date of this understanding. No other claims for 1955 based on continuous service will be paid. Standby agreements will be applied according to their terms and conditions for the year 1955.

A G R E E M E N T

This agreement made this 11th day of August, 1948, by and between the participating carriers listed in Exhibits A, B and C, attached hereto and made a part hereof and represented by, the Eastern, Western, and Southeastern Carriers' Conference Committees, and the employees shown and represented respectively by the BROTHERHOOD OF LOCOMOTIVE ENGINEERS, BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN, and SWITCHMEN S UNION OF NORTH AMERICA through their Conference Committees.

IT IS HEREBY AGREED:

Section 1 - Minimum Basic Daily Rates for Engineers and Firemen, and Helpers on Other Then Steam Power, in Freight Service.

The minimum rates for engineers and firemen, and helpers on other than steam power, used in all classes of service paying freight rates shall be the rates presently applicable to locomotives weighing l00, 000 pounds and less than 140,000 pounds on drivers; and the rates for such service on locomotives weighing 140,000 pounds and less than 170,000 pounds on drivers shall be the same as those presently applicable to locomotives weighing 170,000 pounds and less than 200,000 pounds on drivers.

Existing rate and weight on driver tables shall be revised accordingly, preserving any higher rate that may be in effect on any specific locomotive or any class of freight service on an individual carrier.

Existing differentials for divisions or portions thereof or mountain or desert territory as compared with valley territory, whether expressed in rates or constructive mileage allowances, are preserved.

This shall be effective as of January 1, 1948.

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Section 2 -Basic Daily Rates for Engineers and Firemen, and Helpers on Other Than Steam Power, in Yard Service.

The rates presently in effect for through freight service shall be made applicable to engineers and firemen, and helpers on other than steam power, in yard service, except that the rate for firemen and helpers in yard service, on locomotives weighing less than 140,000 pounds on drivers shall be $10.49; provided, however, that the existing differentials between the rates for firemen on steam locomotives and helpers on electric locomotives in yard service shall be maintained.

Rates for engineers and firemen, and helpers on other than steam power, in yard service shall be as set out in Appendix A, attached hereto and made a part hereof. Existing rates in yard or through freight service which are higher than those shown in Appendix A shall be maintained in applying this section, except that existing differentials in through freight service for divisions or portions thereof or mountain or desert territory as compared with valley territory, whether expressed in rates or constructive mileage allowances, shall not be applied to yard service.

No other differential shall apply in yard service.

This shall be effective as of January 1, 1948.

Appendix A to Section 2 -- Rate Tables

NOT REPRODUCED IN THIS COMPUTERIZED REPRODUCTION

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Section 3 - Rate of Pay for Hostlers and Outside Hostler Helpers

The daily Rate of pay for Hostlers and Outside Hostler Helpers will be as follows:

Occupation	Daily Rate
Outside Hostlers	$11.17
Inside Hostlers	10.49
Outside Hostler Helpers	9.88

This shall be effective as of January 1, 1948.

Section 4 - Rate for Yard Switchtenders.

The daily rate of pay for Switchtenders will be - $9.91.

This rate shall become effective as of January 1, 1948, except on such roads as the Employees Committee may elect to preserve the existing rate and so notify the carrier within thirty days from the date of this agreement.

Section 5 Yard Conductors (foremen) and Yard Brakemen (Helpers).

The basic daily rate for yard conductors (foremen) and yard brakemen (helpers) shall be increased by fifteen cents ($.15).

This rate shall become effective as of January 1, 1948, except on such roads as the Employees Committee may elect to preserve the existing rate and so notify the carrier within thirty days from the date of this agreement.

Section 6 - Differential for Yard Conductors (Foremen).

The basic daily rate for yard conductors (foremen) shall be determined by adding eighty five cents ($.85) to the basic daily rate paid to yard brakemen (helpers).

This rate shall become effective as of January 1, 1948, except on such roads as the Employees Committee may elect to preserve the existing rate and so notify the Carrier within thirty days from the date of this agreement.

Section 7 - Short Turnaround Passenger Ser vice.

That part of the present short turnaround passenger service rule relating to the spread of hours shall be revised to provide:

Engineers and firemen, and helpers on other than steam power, on short turnaround passenger runs, no single trip of which exceeds 80 miles, including suburban and branch line service, shall be paid overtime for all time actually on duty, or held on duty, in excess of eight (8) hours (computed on each run from the time required to report for duty to the end of that run) within nine (9) consecutive hours; and also for all time in excess of nine (9) consecutive hours computed continuously from the time first required to report to the final release at the end of the last run.

Time shall be counted as continuous service in all cases where the interval of release from duty at any point does not exceeds one hour. This rule applies regardless of mileage made. For calculating overtime under this rule, the Management may designate the initial trip.

(Examples and answers agreed to on individual railroads changed where necessary to conform with the above, shall remain in effect.)

This shall be effective September l, 1948.

Section 8 - Minimum Rate For Engineers and Motormen Operating Motor or Electric Cars in Multiple Unit Passenger Service.

Engineers or motormen operating motor or electric cars, whether in multiple or single unit passenger service, shall be paid a basic day rate of $11.52 with a daily guarantee of $12.17.

This shall be effective as of January 1, 1948, except on such roads as the Employees Committee may elect to preserve the existing rate and so notify the Carrier within thirty days from the date of this agreement.

Section 9 - Overtime In Yard and Hostler Service..

The following rule shall be added for extra men:

Overtime rate in yard and hostler service--Extra engineers, firemen, helpers on other than steam power, hostlers, outside hostler helpers and yardmen.

Except as indicated below or when changing off where it is the practice to work alternately days and nights for certain periods, working through two shifts to change off or where exercising seniority rights, all time worked in excess of eight hours continuous service in a twenty-four hour period shall be paid for as overtime on a minute basis at one and one-half times the hourly rate.

In the application of this rule, the following shall govern:

(a) This rule applies only to service paid on an hourly or daily basis and not to service paid on mileage or road basis.

(b) A tour of duty in road service shall not be used to require payment of such overtime rate in yard service, (The term road service , as used in this paragraph (b), shall not apply to employees paid road rates, but governed by yard rules.)

(c) Where an extra man commences work on a second shift in a twenty-four 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 to twenty-four hours from the starting time of the first shift.

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

(d) An extra man changing to a regular assignment or a regularly assigned man reverting to the extra list shall be paid at the pro rata rate for the first eight hours of work following such change.

(e) Except as modified by other provisions of this rule, an extra employee 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 man available to perform the work at pro rata rate.

NOTE (1) On railroads where a seniority board is in effect the rule shall include a provision that in cases where there is a man or men on the board available for work at the pro rata rate, a senior man who exercises his seniority to work two shifts, the second of which would otherwise, under the provisions of this rule, be paid at the overtime rate, shall be paid at the pro rata rate.

NOTE (2) the adoption of this rule shall not affect any existing rule in the schedule of any individual carrier relating to service performed on a succeeding trick when an employees relief fails to report at the fixed starting time.

NOTE (3): Existing rules and practices on individual carriers for regular engineers, firemen, helpers on other than steam power, hostlers, outside hostler helpers and yardmen are not changed hereby.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 10- Initial Terminal Delay - Passenger Service,

(a) Initial terminal delay shall be paid on a minute basis to engineers and firemen, and helpers on other than steam power, in passenger service after one (1) hour s unpaid terminal time has elapsed from the time of reporting for duty up to the time the train leaves the terminal (terminal means passenger station or other starting point from which the train actually departs), at one-eighth (l/8th) of the basic daily rate, according to class of engine used, in addition to the full mileage, with the understanding that the actual time consumed in the performance of service in the initial terminal for which an arbitrary allowance of any kind is paid shall be deducted from the initial terminal time under this rule.

Where mileage is allowed between the point of reporting and the point of departure, each mile so allowed will extend by three (3) minutes the one(1) hour period after which initial terminal delay payment begins.

(b) When road overtime accrues during any trip or tour of duty, in no case will payment for both initial terminal delay and overtime be paid, but which ever is the greater will be paid.

(c)When a tour of duty is composed of a series of trips, initial terminal delay will be computed on only the first trip of the tour of duty.

NOTE: Where existing schedule rules require a carrier to bring engineers or firemen, or helpers on other than steam power, on duty more than forty-five (45) minutes prior to departure of the train on which they are to be used, such rules shall be revised to permit the Management to designate the time they are to report for duty.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 11 - Initial Terminal Delay - Freight Service.

(a) Initial terminal delay shall be paid on a minute basis to engineers and firemen, and helpers on other than steam power, in through freight service after one (1) hour and fifteen (15) minutes unpaid terminal time has elapsed from the time of reporting for duty up to the time the train leaves the terminal, at one-eighth (l/8th) of the basic daily rate,
according to class of engine used, in addition to the full mileage, with the understanding that the actual time consumed in the performance of service in the initial terminal for which an arbitrary allowance of any kind is paid shall be deducted from the initial terminal time under this rule.

Note: The phrase train leaves the terminal means when the train actually starts on its road trip from the yard track where the train is first made up.

Where mileage is allowed between the point of reporting for duty and the point of departure from the track on which the train is first made up, each mile so allowed will extend by 4.8 minutes the period of one (1) h our and fifteen (15) minutes after which initial terminal delay payment begins.

Note: The phrase through freight service as used in this rule does not include pusher, helper, mine run, shifter, roustabout, belt line, transfer, work, wreck, construction, circus train (paid special rates or allowances), road switcher, district runs, local freight and mixed service.

(b) When road overtime accrues during any trip or tour of duty, in no case will payment for both initial terminal delay and overtime be paid, but which ever is the greater will be paid.

(c)When a tour of duty is composed of a series of trips, initial terminal delay will be computed on only the first trip of the tour of duty.

NOTE: Where existing schedule rules require a carrier to bring engineers or firemen, or helpers on other than steam power, on duty more than forty-five (45) minutes prior to departure of the train on which they are to be used, such rules shall be revised to permit the Management to designate the time they are to report for duty.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 12 - Final Terminal Delay - Passenger Service.

(a) In passenger service (except as provided for in paragraph (b) of this rule) all time, in excess of 30 minutes, computed from the time train stops at the final terminal passenger station until finally relieved from duty, shall be paid for as final terminal delay; provided, that should

train be stopped behind another train standing at or waiting to reach the final terminal passenger station, or be held out of that station for any other reason after entering final terminal, final terminal delay, in excess of 30 minutes, shall be computed and paid for from the time first so stopped until finally relieved from duty.

Note: The phrase waiting to reach the final terminal passenger station, or be held out of that station. . . refers only to trains which are ready to enter the final terminal passenger station but are prevented from so doing.

(b) If the passenger train terminates at a point other than a final terminal passenger station, all time, in excess of 30 minutes, computed from the time train stops at such point until finally relieved from duty, shall be paid for as final terminal delay; provided, that should train be stopped behind another train standing at or waiting to reach such point, or be held out of or away from that point for any other reason after entering final terminal, final terminal delay, in excess of 30 minutes, shall be computed and paid for from the time first so stopped until finally relieved from duty.

Note: The phrase waiting to reach such point, or be held out of or away from that point. . . refers only to trains which are ready to enter such point other than the final terminal passenger station, but are prevented from so doing.

(c) Where mileage is allowed between the point where final terminal delay time begins and the point where finally relieved, each mile so allowed will extend by three (3) minutes the thirty minute period after which final terminal delay payment begins.

(d) All final terminal delay, computed as provided for in this rule, shall be paid for, on the minute basis, at one-eighth (1/8th) of the basic daily rate, according to class of service and engine used, in addition to full mileage of the trip, with the understanding that the actual time consumed in the performance of service in the final terminal for which an arbitrary allowance of any kind is paid shall be deducted from the final terminal time under this rule.

After road overtime commences, final terminal delay shall not apply and road overtime shall be paid until finally relieved from duty.

Note: The phrase relieved from duty as used in this rule includes time required to make inspection, complete all necessary reports and/or register off duty.

(e) When a tour of duty is composed of a series of trips, final terminal delay will be computed on only the last trip of the tour of duty.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 13 - Final Terminal Delay - Freight Service.

(a) In freight service all time, in excess of 30 minutes, computed from the time engine reaches switch, or signal governing same, used in entering final terminal yard track where train is to be left or yarded, until finally relieved from duty, shall be paid for as final terminal delay; provided, that should train be stopped because of yard conditions at final terminal, or by a

preceding train waiting in or to enter yard, final terminal delay, in excess of 30 minutes, shall be computed and paid for from the time first so stopped until finally relieved from duty.

Note: The phrase that should train be stopped because of yard conditions at final terminal, or by a preceding train waiting in or to enter yard. . . means that should a train arrive at such switch or signal and other trains arrive and stand behind waiting to enter such yard; final terminal delay will be computed for all such trains from the time each train is so stopped.

(b) Where mileage is allowed between the point where final terminal delay time begins and the point where finally relieved, each mile so allowed will extend by four and eight tenths (4.8) minutes the thirty minute period after which final terminal delay payment begins.

(c) All final terminal delay, computed as provided for in this rule, shall be paid for, on the minute basis, at one-eighth (1/8th) of the basic daily rate, according to class of service and engine used, in addition to full mileage of the trip, with the understanding that the actual time consumed in the performance of service in the final terminal for which an arbitrary allowance of any kind is paid shall be deducted from the final terminal time under this rule.

After road overtime commences, final terminal delay shall not apply and road overtime shall be paid until finally relieved from duty.

Note: The phrase relieved from duty as used in this rule includes time required to make inspection, complete all necessary reports and/or register off duty.

(d) When a tour of duty is composed of a series of trips, final terminal delay will be computed on only the last trip of the tour of duty.

(e) This rule shall not apply to pusher, helper, mine run, shifter, roustabout, transfer, belt line, work, wreck, construction, road switcher or district run service. This rule shall not apply to circus train service where special rates or allowances are paid for such service.

Note: The question as to what particular service is covered by the designations used in paragraph (e) shall be determined on each individual railroad in accordance with the rules and practices in effect thereon.

(f) In local freight service, time consumed in switching at final terminal shall not be included in the computation of final terminal delay time.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 14 - Held-Away-From-Home-Terminal.

Present rules relating to pay for time held at other than home terminal shall be revised to provide as follows:

(a) Engineers and firemen, and helpers on other than steam power, in pool freight and in unassigned service held at other than home terminal will be paid continuous time for all time so held after the expiration of sixteen hours from the time relieved from previous duty, at the regular rate per hour paid them for the last service performed. If held sixteen hours after the expiration of

the first twenty-four hour period, they will be paid continuous time for the time so held during the next succeeding eight hours, or until the end of the second twenty-four hour period, and similarly for each twenty-four hour period thereafter.

(b) Should an engineer, fireman, or helper on other than steam power, be called for service or ordered to deadhead after pay begins, the held away-from-home-terminal time shall cease at the time pay begins for such service or, when deadheading, at the time the train leaves the terminal, except that in no event shall there be duplication of payment for deadhead time and held-away-from-home-terminal time.

(C) Payments accruing under this rule shall be paid for separate and apart from pay for the subsequent service or deadheading.

(d) For the purpose of applying this rule, the railroad will designate a home terminal for each crew in pool freight and in unassigned service.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 15 - Conversion Rule.

(a) Engineers and firemen, and helpers on other than steam power, in through or irregular freight service required to pick up and/or set off a car or cars at three or more points, or, when the time actually consumed in picking up and/or setting off exceeds one hour and thirty minutes in the aggregate for the entire trip during any one trip or tour of duty shall be paid local freight rates for the entire service performed. The following shall not be considered picking up and/or setting off cars for the purpose of this rule:

(l) Picking up or setting off cabins or caboose cars at initial or final terminal.

(2) Picking up cars at first point or setting off cars at Last point at which cars are picked up or set off respectively, within the initial or final terminal.

(3) At foreign line junction points not exceeding four in number, when interchange cars only are picked up and/or set off.

(4) Setting out defective cars at any point.

(5) Doubling hills.

(6) Setting out or picking up cars (but not setting out and picking up at the same point) for the purpose of adjusting the tonnage of the train to established engine ratings.

Except as provided in Item (6) above, picking up and/or setting off cars at one point between the time train is stopped and the entire train is coupled up and ready to start shall constitute picking up and/or setting off cars at one "point" for the purpose of this rule.

(b) Engineers, firemen, or helpers on other than steam power, required to do station switching will be paid local or way freight rates. Switching necessary in picking up cars will not

be considered station switching. Switching for the purpose of placing at loading or unloading places cars other than cars loaded with livestock or highly perishable freight, will be considered station switching. If, in order to set out car or cars clear of main line, it is necessary to move from spot a car or cars that are set for loading or unloading, such car or cars will be replaced on spot and so doing will not be considered station switching .

(c) In passenger or through or irregular freight service where commercial LCL freight and/or company material in excess of 2000 pounds is loaded or unloaded by the engine or train crew during the entire trip engineers and firemen or helpers on other than steam power ,will be paid local freight rates.

(d) There shall be no conversion except as specifically covered by this rule.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 16 - Eating and Sleeping Accommodations

Road engineers and firemen, and helpers on other than steam power, will not be tied up between their terminals except at points where food and lodging can be procured.

This rule shall become effective on October 1, 1948, except on such roads as the Employees Committee may elect to preserve existing rules and so notify the carrier on or before September 20, 1948.

Section 17 - Time Limit on Claims

All claim or grievances arising on and after November 1, 1948 shall be handled as follows:

(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 days from the date of the occurrence on which the claim or grievance is based. Should any such claim or grievance be disallowed, the carrier shall, within sixty days from the date same is filed, notify the employee or his representative of the reasons for such disallowance. If not so notified, the claim or grievance shal1 be considered valid and settled accordingly, but this shall not be considered as a precedent or waiver of the contentions of the carrier 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 days from receipt of notice of disallowance, and the representative of the carrier shall be notified of the rejection of his decision. Failing to comply with this provision the matter shall be considered closed, but this shall not be considered as a precedent or waiver of the contentions of the employees as to other similar claims or grievances.

The procedure outlined in paragraphs (a) and (b) 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 days after written notice of the decision of said officer he is notified in writing that his decision is not accepted. All claims or grievances involved in a decision of the highest officer shall be barred unless within six months from the date of said officers decision 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 months 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 carrier. With respect to claims and grievances involving an employee held out of service in discipline cases, the original notice of request for reinstatement with pay for time lost shall be sufficient.

Section 17 - Time Limit on Claims - Continued -

(e) This rule recognizes the right of representatives of the organizations parties 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.

Note: With respect to all claims or grievances which arose or arise out of occurrences prior to November 1, 1948, such claims or grievances must be made on or before April l, 1949, in the manner provided for in paragraph (a) hereof and if not progressed pursuant to the provisions of paragraphs (b) and (c) of this rule, the claims or grievances shall be barred. This provision does not apply to claims or grievances already barred under existing agreements.

This rule shall become effective on November 1, 1948, except on such roads as may elect to preserve existing rules and so notify the Employees Committees on or before October 1, 1948.

Section 18

This agreement is subject to the approval of courts with respect to carriers in the hands of Receivers or Trustees.

Section 19

Except as otherwise provided in Section 2, existing differentials for divisions or portions thereof or mountain or desert territory as compared with valley territory, whether expressed in rates or constructive mileage allowances, are preserved.

Except as to Sections l, 2, 3, 7 and 17, existing rules considered more favorable by the committees on individual roads are preserved, provided notice is given as specified in this agreement.

Section 20

This agreement is in full and final settlement of the dispute growing out of notices served by the employees' parties hereto and by the carriers parties hereto, on or about June 20, 1947, in accordance with Section 6 of the Railway Labor Act, of intended changes in agreements affecting rates of pay, rules and working conditions.

Section 21

This agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented respectively by the BROTHERHOOD OF LOCOMOTIVE ENGINEERS, BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN, and the SWITCHMEN S UNION OF NORTH AMERICA, as heretofore stated; and shall remain in effect until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

SIGNED AT WASHINGTON, D.C. THIS ELEVENTH DAY OF AUGUST, 1948

SIGNATURES NOT REPODUCED IN THIS COMPUTERIZED VERSION

MEMORANDUM OF AGREEMENT
(1944)

This Agreement entered into this twenty-fifth day of January, 1944, by and between the carriers listed in Appendix (A), attached hereto and made a part hereof, represented by the duly authorized Western Carriers Conference Committee signatory hereto, as party of the first part, and the Locomotive Engineers of said carriers, as respectively indicated by said Appendix (A), and represented by the Brotherhood of Locomotive Engineers signatory hereto by its duly authorized Assistant Grand Chief Engineer, and Temporary Assistant Grand Chief Engineer, as parties of the second part.

WITNESSETH:

WHEREAS, certain proposals on behalf of the classes of employees hereinbefore referred to were served on the carriers parties hereto by the Brotherhood of Locomotive Engineers which led to proceedings before the National Mediation Board, docketed as Mediation Case A-978; and

WHEREAS, a hearing was conducted by a President's Emergency Board and said Board on or about May 21, 1943, filed its Report together with its Findings and Recommendations with the President of the United States; and

WHEREAS, the parties have conferred with respect to said proposals, and said Emergency Board Report of May 21, 1943; and

WHEREAS, the parties have agreed on rates covering steam, electric and Diesel-electric, locomotives;

NOW THEREFORE it is mutually agreed:

1. To put into effect, subject to requisite governmental approval and upon such approval being obtained, rates for Engineers for steam, electric and Diesel-electric locomotives as specifically set out in Appendix (B), attached hereto and made a part hereof.

2. (a) Existing rates of pay which are higher than those herein provided shall not be reduced. If a rate higher than that provided by this agreement is in effect by reason of some special agreement with individual carriers such higher rate shall continue to be paid but need not be increased except as provided in paragraph (b) hereof.

(b) Existing differentials for divisions or portions thereof; or mountain or desert territory as compared with valley territory, whether expressed in the rates or in constructive mileage allowances, shall be preserved.

(c) Except as specifically provided herein, this agreement does not modify or supersede existing agreements covering rates of pay, rules and working conditions of Locomotive Engineers.

3. In the application of this agreement it is understood that the existing duties and responsibilities of engineers will not be assigned to others. It is further understood that a second engineer is not required in multiple-unit service where the engineer operates the locomotive form on cab with one set of controls.

4. In so far as the rates of pay provided for in this agreement depend upon the approval of any

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(*) Requisite governmental approval of the rates of pay provided for in this agreement having been obtained effective March 22, 1944, this agreement becomes effective April 1, 1944

individual or governmental agency before becoming effective under the Stabilization Program, the parties hereto agree to join in such submission as may be necessary or desirable to seek the requisite approval of the appropriate individual or governmental agency. It is understood and agreed, however, that such rates of pay are not valid and binding unless and until such requisite approval has first been obtained. In the event of such approval, this agreement shall become effective on the first day of the pay roll period following the date of final approval by the appropriate individual or governmental agency. Upon such final approval being forthcoming, the effective date so determined shall be automatically inserted as the effective date of this agreement without further action of the parties hereto.(*)

5. This agreement is subject to approval of the courts with respect to such of the carriers, parties hereto, as are in the hands of Receivers or Trustees.

6. This agreement is in full settlement of the second party's proposals and the questions covered by Mediation Case A-978, and shall continue in effect, subject to change under the provisions of the Railway Labor Act as amended.

For the participating carriers listed in Appendix (A):

D. P. LOOMIS
Chairman
Western Carriers Conference Committee

A. L. COEY
R. C. WHITE
H. H. URBACH
J. G. McLEAN
S. C. KIRKPATRICK
C. R. YOUNG

For the participating Organization of employees:

J. P. SHIELDS
Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

J. McGUIRE
Temp. Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

Signed at Chicago, Illinois

January 25, 1944

APPENDIX (A)

(List of participating carriers of the Western Carriers Conference Committee.)

Not reproduced herein.

APPENDIX (B)

(WESTERN RAILROADS RATE TABLES)

Not reproduced herein

MEMORANDUM

Chicago, Illinois, January 25, 1944.

Referring to agreement signed at Chicago this date between the Brotherhood of Locomotive Engineers and the Western Carriers Conference Committee:

This will confirm our understanding that any pending claims for the employment of a second engineer in multiple-unit Diesel-electric: service, except those covering conditions where employees other than engineers were handling the operating controls of any of the units, are hereby withdrawn.

J. P. SHIELDS
Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers.
Committee

D. P. LOOMIS
Chairman
Western Carriers Conference

J. McGUIRE
Temp. Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

MEMORANDUM

Chicago, Illinois, January 25, 1944.

Referring to agreement, signed at Chicago this date, between the Brotherhood of Locomotive Engineers and the Western Carriers Conference Committee:

This will confirm our understanding that any dispute or controversy arising out of the interpretation or application of any of the provisions of said agreement may be referred by either the carrier or representative of the employees concerned to a committee, the carrier members of which shall be the members of the Western Carriers Conference Committee signatories hereto or their representatives; and the Brotherhood members of which shall be the Grand Chief Engineer or his duly authorized representative together with not less than eight General Chairmen. Interpretation or application agreed upon by such committee shall be final and binding upon the parties to such dispute or controversy.

This provision is not intended to prohibit the parties from filing claims with the National Railroad Adjustment Board in the manner provided in the Railway Labor Act as amended, but if the committee provided for herein agrees upon an interpretation or application of the affected provisions of the agreement, such claims shall be withdrawn and settled in accordance with the decision of the committee.

J. P. SHIELDS
Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

D. P. LOOMIS
Chairman
Western Carriers Conference Committee

J. McGUIRE
Temp. Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

WESTERN CARRIERS CONFERENCE COMMITJ'.EE
Room 482, Union Station Building, Chicago, Ill.

December 17, 1943.

MR. J. P. SHIELDS,
Assistant Grand Chief Engineer,

MR. JOHN McGUIRE,
Temp. Assistant Grand Chief Engineer,
Brotherhood of Locomotive Engineers,
Room 1332, Consumers Building,
Chicago, Illinois.

Gentlemen:

This will confirm the statement which we made to you in our conference this date to the effect that the proposed Agreement between the Western railroads represented by this Committee and the employees represented by your organization in settlement of your proposals. covered by Mediation Case A-978, if the same becomes effective, shall be without prejudice to the application of, or addition to, the rates of pay provided in said Agreement of increases in rates of pay as a result of the, proceedings had pursuant to notices served upon the carriers by the five operating brotherhoods on January 25, 1943.

Very truly yours,

Western Carriers Conference Committee

By D. P. LOOMIS
Chairman

Acknowledged December 17, 1943
Brotherhood of Locomotive Engineers

By J. P. SHIELDS
Assistant Grand Chief Engineer

J. McGUIRE
Temp. Assistant Grand Chief Engineer

MEMORANDUM

Chicago, Ill, January 25, 1944.

Referring to agreement signed at Chicago this date between the Brotherhood of Locomotive Engineers and the Western Carriers Conference Committee:

It is understood that in so far as Mallet rates are concerned no changes in the present Mallet rates in Western territory were requested by the Brotherhood of Locomotive Engineers and no consideration was given to those rates. The present Mallet rates are included in the rate tables attached to said agreement as Appendix (B) as a matter of reference and convenience.

J. P. SHIELDS
Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

D. P. LOOMIS
Chairman
Western Carriers Conference Committee

J. McGUIRE
Temp. Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers

NATIONAL RAILWAY LABOR PANEL
Washington 25, D. C.
Federal Works Building

September 6, 1944.

MR. D. P. LOOMIS, Chairman
Western Carriers Conference Committee
482 Union Station Building
Chicago, Illinois

MR. J. P. SHIELDS
Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers
1332 Consumers Building
Chicago, Illinois

MR. J. McGUIRE
Temporary Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers
1332 Consumers Building
Chicago, Illinois'

Gentlemen:

In your letter of August 7, 1944 you call my attention to an agreement reached on January 25, 1944 between the Western Carriers' Conference Committee and the Brotherhood of Locomotive Engineers relative to the so-called Diesel Case, which was Mediation Board Case A-978, and request that I take such action as may at this time be appropriate.

Under Paragraph 3 of Executive Order 9299, which governs action on agreed to wage adjustments submitted to the Chairman of the National Railway Labor Panel for his approval, the Chairman is directed to advise the parties of necessary modifications in any instance where he does not find the agreement as submitted permissible under the standards of the Stabilization Program. It appears that in this case you have discussed the possibility of certain modifications but have decided to ask for reconsideration of the agreement as originally executed and submitted for approval under date of January 25, 1944.

I have reviewed the entire matter, including your letter of March 22, 1944 to Judge Vinson, to determine what further action might be taken at this time and have concluded that certain of the wage adjustments provided for in the agreement are permissible; but I have been unable to find a basis upon which other adjustments are permissible. I will, therefore, indicate the permissible provisions of the agreement and the procedure which seems to me to be appropriate for further consideration of the remaining provisions.

The first adjustments evident in the rate scales incorporated in Appendix B of your agreement of January 1944 are minor increases for existing weight brackets, the effect of which is to level up rates in the Western territory with those in the Eastern territory. These adjustments are permissible under stabilization regulations and are hereby approved under authority of Executive Order 9299.

The rate scales set forth on Sheets 1 and 3 of Exhibit B of the agreement of January 25, 1944, applicable to passenger service and yard service, respectively, are permissible in their entirety under stabilization regulations and are hereby approved under authority of Executive Order 9299. Each of these scales represents, in addition to the leveling-up referred to in the preceding paragraph, an extension of a previously established system of classification by weights-on-drivers to cover the heavier types of equipment now in use and an extension of the existing rates of increase to the new weight brackets.

I do not, however, find that all the rate adjustments for engineers in freight service as set forth on Sheet 2 of Appendix B arc permissible, While this scale the established system of classifying locomotive according to weight-on-drivers has been extended, the accompanying increases in rates of pay do not follow an existing pattern and no showing has been made in connection with your application as to how the rates of increase in the new weight brackets relate to your present wage scales. The application of 21c increase steps in each of the three 50,000 pound brackets from 400,000 to 550,000 pounds presents a. question of permissibility to which no answer is as yet apparent. The basis for the application of 18c increase steps in each new 50,000 pound bracket above 550,000 pounds is also unsupported in the present record. There are only three 50,000 pound brackets in the present scale, two carrying increase steps of I5c and another of 17c. The 21c rate of increase is used in the present scale at only one point, to cover the final classification of "350,000 pounds and over." "Without attempting to fix the exact limit to which increment extensions of the existing scale might go, it may be pointed out that modification of this part of the agreement seems to be necessary unless additional information and data are submitted to support the agreement as it now stands.

The general rule of the Stabilization Program at this time is that wage rates be held to existing levels and increases may not be approved on any broad basis. Where increases are approved, the action must be according to the standards established by or pursuant to the Stabilization Act and under those standards the increases must be held within the narrowest limits equity will allow Wage increase agreements are not approvable *per se*, even when they involve the compromise settlement of demands. The permissible limits for these scales were first established by the Emergency Board Report of May 21, 1943, which was not disapproved by the Economic. Stabilization Director. Since then the limits have been raised by the approval of agreements between the Brotherhood of Locomotive Firemen and Enginemen and the three Carriers' Conference Committees. Although the limits fixed in those agreements are not necessarily absolute, higher limits cannot be approved unless such limits are separately and specifically justified for reasons similar to those set forth in the presentation of the Eastern-B. L. F. & E. agreement as submitted to the Chairman of the Panel in justification for the rates proposed therein.

Very truly yours,

H. H. SCHWARTZ
Chairman

CC: Mr. A. Johnston

NATIONAL RAILWAY LABOR PANEL
Washington 25, D. C.
Federal Works Building

October 9, 1944.

MR. D. P. LOOMIS, Chairman
Western Carriers Conference Committee
482 Union Station Building
Chicago, Illinois

MR. J. P. SHIELDS
Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers
1332 Consumers Building
Chicago, Illinois

MR. J. McGUIRE
Temporary Assistant Grand Chief Engineer
Brotherhood of Locomotive Engineers
1332 Consumers Building
Chicago, Illinois

Gentlemen:

The daily wage rates for Engineers in freight service operating locomotives exceeding 400,000 pounds weight-on-drivers, as set forth in your agreement of January 25, 1944, have been reconsidered on the basis of the information and data in your joint letter of October 2, 1944.

Since the principle of extending existing weight-on-driver brackets in steps of 50,000 pounds was recommended by the Emergency Board in the so-called "Diesel Case," and that recommendation became final pursuant to the provisions of Paragraph 5 of Executive Order 9299, the extension of the weight brackets is in accord with the 'Wage and Salary Stabilization Program and needs no further approval. The proposed 21-cent increment in each of the first three 50,000 pound brackets above 400,000 pounds and the 18-cent increment in each 50,000 pound bracket above 550,000 pounds are shown in your letter to have been agreed to as an appropriate extension of the increments in existing brackets and designed led to integrate the increments in the extended scale with certain of those already in existence.

On the basis of the facts you have stated, the provisions of your agreement applicable to Engineers in freight service operating locomotives in excess of 400,000 pounds weight-an-drivers are found to be permissible under the regulations and orders governing the Wage and Salary Stabilization Program and are hereby approved under authority of Executive Order 9299.

Yours very truly,

H. H. SCHWARTZ
Chairman

CC: Mr. A. Johnston