

# NATIONAL RAILWAY LABOR CONFERENCE

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**A. K. GRADIA**  
Director of Labor Relations

June 24, 1996

## CIRCULAR NO. 805-3(a)

### TO MEMBER ROADS:

This refers to our circulars in the above series in regard to the national wage and rules negotiations involving employees represented by the United Transportation Union.

In our Circular No. 805-3 we attached copies of the Decision and Award of Arbitration Board No. 559, along with Attachment D, thereto. However, the copies of Attachment D were reproduced from an off-centered original. We are enclosing herewith a properly centered copy for your use.

Yours very truly,

A. K. GRADIA

Director of Labor Relations

Attachment

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase (for other than Dining Car Stewards)

(a) Effective on December 1, 1995, all standard basic daily rates of pay for employees represented by the United Transportation Union in effect on the preceding day shall be increased by three-and-one-half (3-1/2) percent.

(b) In computing the increase for enginemen 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

On the date 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 (for other than Dining Car Stewards)

Effective July 1, 1997, all standard basic daily rates of pay in effect on June 30, 1997 for employees represented by the United Transportation Union 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 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) 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 (for other than Dining Car Stewards)

Effective July 1, 1999, all standard basic daily rates of pay in effect on June 30, 1999 for employees represented by the United Transportation Union 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 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) In engine service and in train and yard ground service, miscellaneous rates based upon hourly or daily rates of pay, as provided in the schedules or wage agreements, shall be adjusted 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) Standard monthly rates and money monthly guarantees applicable in passenger train service shall be thirty times the new standard daily rates. Other than standard monthly rates and money monthly guarantees shall be so adjusted that money differentials existing as of June 30, 1995 shall be preserved.

(f) Existing monthly rates and money monthly guarantees applicable in train service other than passenger will be changed in the same proportion as the daily rate for the class of service involved is adjusted.

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

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

(i) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(j) In computing the first increase in rates of pay effective under Section 1 for engineers, firemen, conductors, brakemen and flagmen 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-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 car scale additives, 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 \$.40" to standard basic through freight rates of pay are set forth in Appendix 1 which is a part of this Agreement.

(k) 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) The existing differential of \$6.00 per basic day in passenger, freight, and yard service, and 6¢ per mile for miles in excess of the number of miles encompassed in the basic day, currently payable to engineers working without firemen, shall be maintained and applied in the same manner as the local freight differential.

(iii) Daily rates of pay, other than standard, of engineers, firemen, conductors, brakemen and flagmen 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 (k)(i) above.

#### Section 9 - General Wage Increases for Dining Car Stewards

(a) Effective on December 1, 1995, all basic monthly rates of pay in effect on June 30, 1995 for dining car stewards represented by the United Transportation Union on the preceding day shall be increased by three-and-one-half (3-1/2) percent.

(b) Effective July 1, 1997, all basic monthly rates of pay in effect on June 30, 1997 for dining car stewards represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent.

(c) Effective July 1, 1999, all basic monthly rates of pay in effect on June 30, 1999 for dining car stewards represented by the United Transportation Union shall be increased by three-and-one-half (3-1/2) percent.

#### Section 10 - Definitions

The carriers' payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve (12) 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 UTU Implementing Document of November 1, 1991, Document A.

Section 11 - Eligibility for Receipt of Signing Bonus, Lump Sum Payments

The signing bonus and lump sum payments provided for in this Article will 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 the signing bonus or 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 12 - 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 National Implementing Document Dated November 7, 1991

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the UTU Implementing Document of November 1, 1991, Document A, 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

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
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 1(e) of this Article.

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

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

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

<u>Effective Date of Adjustment Into</u>	<u>Maximum CPI Increase That Shall Be Taken Account</u>
Dec. 31, 1999	6% of March 1995 CPI plus 6% of March 1997 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 (x) 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 Adjustments Thereto After January 1, 2000

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, 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).

<u>Measurement Periods</u>		
<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
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:



<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
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 3% 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 6% 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 "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 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 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, 2000 shall be equal to the difference between (i) 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, 2001 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 10 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 1 of this Part C will not become part of basic rates of pay. Such allowance will be applied as follows:

(a) For other than dining car stewards, 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 of this Agreement. The cost-of-living allowance will otherwise be applied in keeping with the provisions of Section 8 of Article I.

(b) For dining car stewards, each one cent per hour of cost-of-living allowance will be treated as an increase of \$1.80 in the monthly rates of pay produced by application of Sections 8 and 9 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 provisions of the Railway Labor Act, as amended.

### Section 2 - Eligibility

Existing eligibility requirements under the Dental Plan are amended, effective June 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 <sup>1</sup>	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 <sup>2</sup>	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 \$55 for trifocals  up to \$80 for lenticulars  up to \$210 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 <u>2</u> /	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

<sup>1</sup> 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.

<sup>2</sup> 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 June 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 - FLOWBACK

Section 1

Upon written request of the organization's authorized representative(s), the carrier shall meet to discuss establishment of a procedure under which any employee who holds train service seniority and is holding a regularly assigned position as a locomotive engineer may exercise his train service seniority rights. Any such procedures that are established shall be on an individual railroad basis and shall be in accordance with the guidelines set forth in Section 2.

Section 2

(a) The number of employees holding regularly assigned positions as locomotive engineers at a location that will be permitted to return to train service under this Article will be limited to the number of qualified and available demoted locomotive engineers at such location on the Option Date, the designated date on which employees may exercise rights hereunder to return to train service. As used in this Article, the term qualified shall be deemed to include (but is not limited to) qualification on the physical characteristics of the territory protected by the regularly assigned positions.

(b) Two Option Dates per calendar year will be designated, which shall be January 1 and July 1 unless otherwise agreed by the parties.

(c) Not less than seven (7) days prior to the Option Date, any employee working as a locomotive engineer who also has trainman seniority rights may file a request with the designated representative of a carrier requesting a return to train service.

(d) Subject to subsection (a), each employee holding a regularly assigned position as a locomotive engineer who has a valid request on file pursuant to subsection (c) will be notified on the Option Date, in seniority order (based upon trainman's seniority date), that his request to return to train service will be granted.

(e) An employee exercising train service seniority rights under this Article will be limited to:

- (1) bidding on vacant positions,
- (2) claiming open positions, or
- (3) displacing the junior employee on extra list(s).

(f) The locomotive engineer positions vacated by those

employees who return to train service hereunder will be filled by the qualified and available demoted engineers at the location involved, consistent with applicable rules governing the filling of such vacancies.

(g) An employee returning to train service under this Article will not be permitted to vacate his locomotive engineer's position until his replacement is available to fill such position.

(h) An employee returning to train service under this Article will be treated, during all time in train service resulting from the exercise of rights granted hereunder, as "non-protected" trainmen ineligible for any form of payment (including guarantees, productivity fund buyouts, allowances and arbitraries) or benefit available to "protected" trainmen under any applicable existing or future crew consist agreements.

(i) An employee returning to train service under this Article will not be permitted to voluntarily return to service as a locomotive engineer until after the next Option Date unless there is no train service position available to the employee at the location involved.

(j) An employee returning to train service under this Article continues to be subject to force assignment back into locomotive engineer service in accordance with applicable agreements.

### Section 3

(a) If the parties are unable to agree upon the procedures to implement this Article within ninety (90) days after the date a request is made under Section 1, at any time thereafter during the term of this Agreement either party may submit the matter to final and binding arbitration by serving written notice on the appropriate representative of the other party.

(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 borne equally by the parties.

(c) The arbitrator shall render a decision specifying the procedure for implementation of Section 1 within thirty (30) calendar days from the date the appointment is accepted, provided, however, that the arbitrator shall have no jurisdiction to alter or deviate from the provisions of Section 2. The arbitrator's decision shall be final and binding and shall be guided by the need

to minimize disruptions to the work force that adversely affect the needs of the service and avoid additional costs to the carrier.

Section 4

This Article shall become effective June 1, 1996 and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

ARTICLE VII - 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 bid on vacant, must fill positions or claim open, must fill positions in train service 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 train service seniority roster for the carrier shall be developed, in accordance with applicable rules and procedures, no later than September 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 June 1, 1996 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 Article IV, Section 5 of the UTU Implementing Document A of November 1, 1991 (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 upon promotion to conductor/foreman or engineer (on a carrier party hereto on which the UTU represents engineers). Such an employee who has already been promoted to conductor/foreman or engineer shall have his position on the rate progression scale adjusted to the next higher level on the effective date of this Article.

(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 June 1, 1996 and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

## ARTICLE IX - SENIORITY ACCUMULATION

### Section 1

(a) This Section shall apply only to those carriers on which an organization other than the United Transportation Union (UTU) is exercising the exclusive right to represent all locomotive engineers in company-level grievance, claim and disciplinary proceedings.

(b) Sixty (60) days after service of written request on the carrier by the organization's authorized representative(s), any employee with train service or hostler or hostler helper seniority working as a locomotive engineer will be required, during the period of time he is working as a locomotive engineer, to pay monthly dues to the UTU in order to accumulate any additional seniority as conductor, trainman, hostler or hostler helper. The organization shall be responsible for administration of such arrangements.

### Section 2

On any carrier on which there are arrangements between the carrier and the UTU on the date of this Agreement that require train service employees to pay full monthly dues to the UTU to accumulate additional seniority as conductor, trainman, hostler or hostler helper while working as a locomotive engineer, such arrangements shall be terminated as follows:

(i) if an organization other than the UTU is exercising the exclusive right to represent all locomotive engineers in company-

level grievance, claim and disciplinary proceedings on such carrier, on the date such other organization terminates its exclusive representation rights; and

(ii) if no organization is exercising the exclusive right to represent all locomotive engineers in company-level grievance, claim and disciplinary proceedings on such carrier, on the effective date of this Article.

### Section 3

This Article shall become effective June 1, 1996 and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

## ARTICLE X - TERMINAL COMPANIES

### Section 1

(a) The authorized representative of the organization may make a written request to any terminal company party to this Agreement that the seniority roster on such company be placed on the bottom of a contiguous seniority roster of a designated owning line party to this Agreement, with all prior rights and responsibilities maintained. Representatives of the organization, the terminal company, and its designated owning line shall meet within thirty (30) days thereafter to discuss implementation of such request.

(b) If a terminal company has more than one owning line covered by this Article, the terminal company employees (as a group) shall designate the owning line on whose roster all such employees will be placed.

(c) An employee covered by this Article who exercises seniority on the designated owning line shall be treated as a new employee, provided, however, that such employee shall be credited for all of his train and engine service with the terminal company involved for purposes of rules pertaining to vacation qualification and rate progression.

(d) An employee covered by this Article who exercises seniority on the designated owning line shall be governed by the collective bargaining agreement of such owning line.

### Section 2

(a) If the parties have not reached agreement within ninety (90) days after receipt of the organization's proposal, either party may refer the matter to final and binding arbitration as set forth in this Section.

(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 borne equally by the parties.

(c) The arbitrator's jurisdiction shall be limited to unresolved issues concerning how the seniority rights of employees covered by this Article will be established on the designated owning line's seniority roster. The arbitrator's decision shall be rendered within thirty (30) calendar days from the date the appointment is accepted.

### Section 3

This Article shall become effective June 1, 1996 and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

## ARTICLE XI - ENHANCED CUSTOMER SERVICE

Article VIII - Special Relief, Customer Service - Yard Crews of the UTU Implementing Document of November 1, 1991, Document A, is amended to read as follows and furthermore shall be applicable to all carriers party to this Agreement:

### Section 1

(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 June 1, 1996 and is not intended to restrict any of the existing rights of a carrier.

## ARTICLE XII - 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, excluding crew consist agreements, 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 June 1, 1996 and is not intended to restrict any of the existing rights of a carrier.

## ARTICLE XIII - 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 United Transportation Union, three (3) partisan members representing the carriers, and \_\_\_\_\_, who shall be considered as Chairman. The President of UTU and the Chairman of the National Carriers' Conference Committee (NCCC) shall be ex officio partisan members of the Panel. On any matter, the UTU, 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:

- o System for compensation and related alternatives
- o Quality of Work Life
- o Inter-craft pay relationships
- o Claim and Grievance Handling
- o Flowback
- o Eating en route for road service employees
- o Use of Surplus Employees

- o Employee Utilization
- o Common Extra Boards
- o Standardized Calling Rules
- o Yard Starting Times
- o Runarounds
- o Road/Yard
- o 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 carrier(s) 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, 1999, 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 XIV - 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, 1994 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, 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:

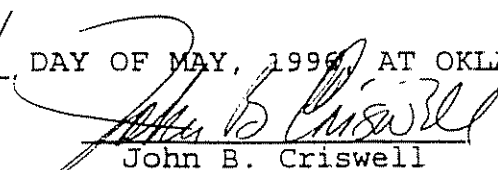
- (1) This Agreement,
- (2) the proposals of the parties identified in Section 2(a) of this Article, and
- (3) Section 2(c) of Article XV of the Agreement of January 27, 1972,

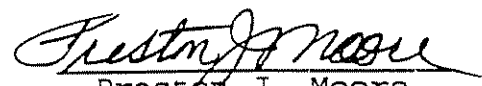
and any pending notices which propose such matters are hereby withdrawn.

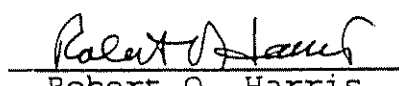
(d) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal which might properly have been served when the last moratorium ended on January 1, 1995.

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

DATED THIS 24th DAY OF MAY, 1996 AT OKLAHOMA CITY, OK.

  
John B. Criswell  
Chairman of Arbitration Board

  
Preston J. Moore  
Member of Arbitration Board

  
Robert O. Harris  
Member of Arbitration Board

May 8, 1996  
#1

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

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 Document "A" 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 8, 1996

#2

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This refers to the increase in wages provided for in Section 1 of Article I of Document "A" 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

I agree:

---

C. L. Little

May 8, 1996

#3

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding regarding Article I - Wages of Document "A" 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

I agree:

---

C. L. Little

May 8, 1996  
#4

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This refers to the Lump Sum Payments provided for in Article I of Document "A" 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 11 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 Documents 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

May 8, 1996  
#5

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding that the provisions of Article I, Section 8(a)(ii) and Article II, Part C, Section 1(b) of Document "A" of the Agreement of this date relating to the application of wage increases and cost-of-living allowances to duplicate time payments shall not apply to special allowances expressed in time, miles or fixed amounts of money contained in existing local crew consist agreements that contain moratorium provisions prohibiting changes in such payments.

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

Yours very truly,

Robert F. Allen

I agree:

---

C. L. Little



May 8, 1996  
#6

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding regarding Article V - Benefits Eligibility of Document "A" 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 directors ("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

I agree:

---

C. L. Little

May 8, 1996

#7

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding regarding Article V - Benefits Eligibility of Document "A" 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 directors ("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

I agree:

---

C. L. Little

May 8, 1996

#8

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

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

I agree:

---

C. L. Little

May 8, 1996  
#9

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding with respect to Article VI -  
Flowback of Document "A" of the Agreement of this date.

The parties recognize that provisions of this Article may be  
in conflict with provisions contained in, or address matters  
governed by, existing collective bargaining agreements between the  
carriers party to this Agreement and other organizations that  
represent the craft and class of engineers.

Accordingly, we are in agreement that implementation of this  
Article is expressly contingent upon resolution of such concerns in  
a manner satisfactory to the carriers. The carriers further agree  
to make all reasonable efforts to resolve those concerns as  
expeditiously as possible. Periodically and at any time upon  
request by the organization, the carriers will report on the status  
and progress of such efforts.

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

Yours very truly,

Robert F. Allen

I agree:

---

C. L. Little

May 8, 1996  
#10

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understandings regarding Article VIII - Rate Progression Adjustment For Promotion of Document "A" 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 conductor/foreman or 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

I agree:

---

C. L. Little

May 8, 1996  
#11

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding regarding Article XI - Enhanced Customer Service of Document "A" 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 XI, 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 UTU President shall promptly confer on any carrier proposal under Article XI that the UTU 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

I agree:

---

C. L. Little



May 8, 1996  
#12

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding with respect to Document "A" of 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

I agree:

---

C. L. Little

Document "B"  
(Yardmasters)

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective on December 1, 1995, all standard basic daily rates of pay for employees covered by this Agreement in effect on the preceding day shall be increased by three-and-one-half (3-1/2) percent.

Section 2 - Signing Bonus

On the date of this Agreement, each employee will be paid a signing bonus of one (1) percent of the employee's compensation for 1994, excluding pay elements not subject to general wage increases under Section 7 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, excluding pay elements not subject to general wage increases under Section 7 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 covered by this Agreement 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, excluding pay elements not subject to general wage increases under Section 7 of this Article and lump sums, over (ii) the lesser of (x) one-half of the amount described in clause (i) 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 Railroad Employees National Health and Welfare Plan (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 covered by this Agreement 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 - Application of Wage Increases

Special allowances not included in fixed daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments will not be increased.

Section 8 - Definitions

The carriers' payment rate for any year for foreign-to-occupation health benefits under the Plan shall mean twelve (12) 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 UTU Implementing Document of November 1, 1991, Document B.

Section 9 - Eligibility for Receipt of Ratification Bonus, Lump Sum Payments

The ratification bonus and lump sum payments provided for in this Article will 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 the ratification bonus or 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.

ARTICLE II - COST-OF-LIVING PAYMENTS

Part A - Cost-of-Living Payments Under National Implementing Document Dated November 7, 1991

The nine-cent cost-of-living allowance in effect beginning July 1, 1995 pursuant to Article II, Part B of the UTU Implementing

Document of November 1, 1991, Document B, 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:

<u>Measurement Periods</u>		<u>Effective Date of Adjustment</u>
<u>Base Month</u>	<u>Measurement Month</u>	
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 1(e) of this Article.

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

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

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

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That Shall Be Taken Into Account</u>
Dec. 31, 1999	6% of March 1995 CPI plus 6% of March 1997 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 (x) 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 Adjustments Thereto After January 1, 2000

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, 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

<u>Base Month</u>	<u>Measurement Month</u>	<u>Effective Date of Adjustment</u>
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, protected rates, vacations, holidays and personal leave days in the same manner as basic wage adjustments have been applied in the past, except that such allowance shall not apply to special allowances and arbitraries representing duplicate time payments.

(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:

<u>Effective Date of Adjustment</u>	<u>Maximum CPI Increase That May Be Taken Into Account</u>
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 3% 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 6% 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 "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 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 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, 2000 shall be equal to the difference between (i) 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, 2001 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 8 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 1 of this Part C will not become part of basic rates of pay. Each one cent per hour of cost-of-living allowance will be applied to basic monthly rates of pay produced by application of the general wage increase provisions of Article I on each railroad in the same manner as used in applying the cost-of-living adjustment provisions of the June 15, 1987 National Agreement.

## 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 provisions of the Railway Labor Act, as amended.

### Section 2 - Eligibility

Existing eligibility requirements under the Dental Plan are amended, effective June 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 the first day of the first full calendar month immediately following the date of this Agreement.

(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 \$750 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 <sup>3</sup>	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 <sup>4</sup>	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 \$55 for trifocals  up to \$80 for lenticulars  up to \$210 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 <u>4</u> /	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

<sup>3</sup> 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.

<sup>4</sup> 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 June 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, effective January 1, 1997, to provide that an employee may take up to one week of his annual vacation in single day increments.

### Section 3

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

## ARTICLE VI - RATE PROGRESSION ADJUSTMENT FOR PROMOTION

### Section 1

(a) An employee employed by a carrier on the date of this Agreement who becomes subject to Article III - Rate Progression of the June 15, 1987 National Agreement shall have his position on the rate progression scale adjusted to the next higher level upon promotion to yardmaster. Such an employee who has already been promoted to yardmaster shall have his position on the rate progression scale adjusted to the next higher level on the effective date of this Article.

(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 twelve (12) calendar months of employment (as defined by the aforementioned Article III, Section 1) 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 III are hereby amended in the same manner as provided in Section 1.

### Section 3

This Article shall become effective June 1, 1996 and is not intended to restrict any of the existing rights of a carrier except as specifically provided herein.

## ARTICLE VII - SUPPLEMENTAL SICKNESS

The October 31, 1978 Supplemental Sickness Benefit Agreement, as subsequently amended effective July 29, 1991 (Sickness Agreement), shall be further amended as provided in this Article.

### Section 1 - Adjustment of Plan Benefits

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 1994 under the terms of that Agreement. Enactment of the agreed-upon RUIA legislation shall not cause the ratio of benefits to rates of pay to differ from that which existed on December 31, 1994.

(b) Section 4 of the Sickness Agreement shall be revised to read as follows:

#### 4. Benefits.

(a) Subject to the provisions of Subparagraph 4(b), the monthly benefit under this Plan for employees eligible to receive sickness benefits under the Railroad Unemployment Insurance Act (RUIA) will be \$1,401, and the monthly benefit under this Plan for employees who have exhausted their sickness benefit under the RUIA will be \$2,184. For disabilities lasting less than a month, and for any residual days of disability lasting more than an exact number of months, benefits will be paid on a calendar days basis at 1/30 of the monthly benefit rate.

(b) If the RUIA should be so amended as to increase daily benefit rates thereunder for days of sickness, and

the sum of 21.75 times the average daily benefit for Yardmasters under the RUIA as so amended plus the amount of the \$1,401 monthly benefit should exceed \$2,290, the amount of the monthly benefit shall be reduced to the extent that the sum of the amount of the reduced monthly benefit plus 21.75 times the average daily benefit for yardmasters under the amended RUIA will not exceed \$2,290. "The average daily benefit for Yardmasters under the RUIA as so amended" for purposes of this Paragraph 4(b) is the benefit which would be payable to a Yardmaster who had worked full time in his base year and whose monthly rate of pay at the December 31, 1994 wage level was \$3,271.

#### Section 2 - Adjustment of Plan Benefits During Agreement Term

Effective December 31, 1999, the benefits provided under the Plan shall be adjusted so as to restore the same ratio of benefits to rates of pay as existed on the effective date of this Article.

#### 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 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 subsequent to 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.

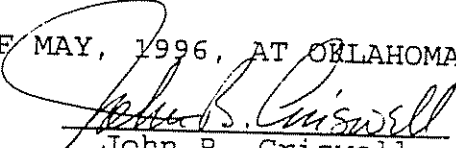
(c) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal for changing any matter contained in this Agreement or which proposes matters covered by the proposals of the parties cited in paragraph (a) of this Section, and any proposals in pending notices relating to such subject matters are hereby withdrawn.

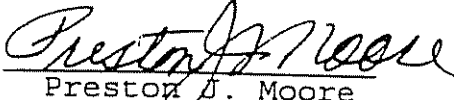
(d) The parties to this Agreement shall not serve nor progress prior to November 1, 1999 (not to become effective before January 1, 2000) any notice or proposal which might properly have been served

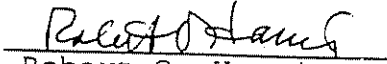
when the last moratorium ended on January 1, 1995.

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

DATED THIS 8th DAY OF MAY, 1996, AT OKLAHOMA CITY, OK.

  
John B. Criswell  
Chairman of Arbitration Board

  
Preston J. Moore  
Member of Arbitration Board

  
Robert O. Harris  
Member of Arbitration Board

May 8, 1996  
#1

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding that Side Letter Nos. 1, 2, 4 and 12 of Document "A" of the Agreement of this date are hereby incorporated as part of this Document.

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

Very truly yours,

Robert F. Allen

I agree:

---

C. L. Little



May 8, 1996  
#2

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding reached as part of Document "B" of the Agreement of this date.

During conferences, the organization asserted that recent changes in operations on a number of carriers, including technological and work process improvements, have affected yardmaster working conditions on those carriers and warrant consideration of agreement changes for those yardmasters. The involved carriers dispute the organization's assertions, but agree that the assertions raise sufficient concerns that deserve a more careful investigation of the facts and circumstances on each of those particular carriers than was possible in the multiemployer conferences resulting in the Agreement of this date.

We have agreed that the discussions which have begun on these subjects shall continue as a priority item on each of those respective carriers in an expedited manner. The facts should be developed promptly for joint review by the involved parties. The conferences should be further designed to expedite and enhance the opportunity to reach joint voluntary solutions to these matters in dispute where necessary and warranted. If either union group or carrier believes that the assistance of the Chairman of the National Carriers' Conference Committee or the President of the organization would help the parties reach solutions, we agreed to assist those parties to the fullest extent.

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

Very truly yours,

Robert F. Allen

I agree:

---

C. L. Little

May 8, 1996  
#3

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding that the provisions of Document B of the Agreement of this date will also be applied to yardmasters who are represented by the United Transportation Union but not represented by its Yardmasters Department.

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

Yours very truly,

Robert F. Allen

I agree:

---

C. L. Little

May 8, 1996  
#4

Mr. Charles L. Little  
President  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, Ohio 44107

Dear Mr. Little:

This confirms our understanding that during preparation of final contract language of the 1996 National Agreement of this date, the parties agreed that Articles VII and X and Side Letter Nos. 6 and 8 of Document "A" shall be considered incorporated into Document "B".

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

Yours very truly,

Robert F. Allen

I agree:

---

C. L. Little

TERMINAL COMPANIES SUBJECT TO ARTICLE X

Alameda Belt Line Railway - 1  
Alton & Southern Railway  
Camas Prairie Railroad Company  
Houston Belt and Terminal Railway  
Los Angeles Junction Railroad Company - 1  
Norfolk and Portsmouth Belt Line Railroad Company  
Peoria and Pekin Union Railway Company  
Port Terminal Railroad Association  
Portland Terminal Railroad Company  
Sacramento Northern Railway - 1  
Terminal Railroad Association of St. Louis  
Wichita Terminal Association - 1  
Winston Salem Southbound Railway Company - 1

- - - - -

NOTE:

1 - Article X not applicable with respect to Yardmasters  
Department - United Transportation Union.

Exhibit A  
UTU

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1994 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1994 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE UNITED TRANSPORTATION UNION 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 United Transportation Union (E), (C), (T) and/or (S), as indicated by an "X" in the appropriate column(s) below:

RAILROADS	UTU			
	(E)	(C)	(T)	(S)
Alameda Belt Line Railway	X		X	
Alton & Southern Railway	X		X	
Atchison, Topeka and Santa Fe	X	X	X	X
Bangor and Aroostook R.R. Co.	X-2		X-2	
The Belt Railway Co. of Chicago			X-2	
Burlington Northern Railroad Company	X	X	X	X
Camas Prairie Railroad Company	X	X	X	X
Central California Traction		X		
Chicago and North Western Ry. Co.	X	X	X	
Consolidated Rail Corporation	X	X	X	
CSX Transportation, Inc.:				
The Baltimore and Ohio Chicago T. Co.	X			X
The Baltimore and Ohio R.R. Co.	X	X	X	
The Chesapeake and Ohio Ry Co. (former)	X	X	X	X
Chicago & East. Ill. R.R. Co. (former)		X	X	
Gainesville Midland Railroad Company		X	X	
The Hocking Valley Ry. Co. (former)	X	X	X	X
Louisville & Nashville R.R. Co. (former)		X	X	
Monon Railroad (former)	X			
The Nashville, Chattanooga & St. Louis Ry. Co. (former)			X	
Pere Marquette Railway Company (former)	X	X	X	X
Richmond, Fred. & Potomac Ry. Co.		X	X	
Seaboard Coast Line R.R. Co. (former)	X	X	X	

RAILROADS

UTU

	(E)	(C)	(T)	(S)
Toledo Terminal R.R. Co. (former)				X
Western Maryland Ry. Co. (former)	X	X	X	
Western Railway of Alabama		X	X	
Galveston, Houston and Henderson R.R.	X		X	
Houston Belt and Terminal Railway			X	
The Kansas City Southern Ry. Co.				
CP-Kansas City Southern Joint Agency	X	X	X	X
Lake Superior & Ishpeming R.R. Co.	X-1		X-1	
Los Angeles Junction Railroad Company	X			X
Manufacturers Railway Company			X	
Meridian & Bigbee R.R.	X-3	X-3	X-3	
Missouri-Kansas-Texas Railroad	X	X	X	
Missouri Pacific Railroad				
Oklahoma, Kansas & Texas Railroad	X	X	X	X
New Orleans Public Belt Railroad	X-2			X-2
Norfolk and Ports. Belt Line R.R. Co.	X		X	
Norfolk Southern Railway Company				
The Alabama Great Sou. R.R. Co.	X	X	X	X
Atlantic & East Car. Ry. Co.	X	X	X	X
Central of Georgia R.R. Co.	X	X	X	X
The Cinn., N.O. & Texas Pac. Ry. Co.	X	X	X	X
Georgia Sou. and Fla. Ry. Co.	X	X	X	X
Norfolk & Western Railway Company	X	X	X	X
Tenn., Ala. and Georgia Ry. Co.	X	X	X	X
Tennessee Railway Company	X	X	X	X
Northeast Ill. Reg. Commuter R.R.	X-2	X-2	X-2	
North. Ind. Commuter Transp. District	X-2	X-2	X-2	
Oakland Terminal Railway	X		X	
Ogden Union Ry. & Depot Co.			X	
Peoria and Pekin Union Ry. Co.	X		X	
The Pitts., Chart., & Yough. Ry. Co.	X	X	X	
Port Terminal Railroad Association	X		X	
Portland Terminal Railroad Company				X
Sacramento Northern Railway			X	
Spokane International Railroad	X	X	X	
Terminal Railroad Assoc. of St. Louis	X		X	

R A I L R O A D S

	(E)	(C)	UTU (T)	(S)
Union Pacific Railroad	X	X	X	X
Utah Railway Company		X	X	
Western Pacific Railroad		X	X	
Wichita Terminal Association	X			X
Winston Salem Southbound Railway Company		X	X	

NOTES:

- 1 - Wages and Rules only.
- 2 - Health and Welfare only.
- 3 - Health and Welfare only, excludes UTU clerks.

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FOR THE CARRIERS:

FOR THE UNITED TRANSPORTATION  
UNION:

\_\_\_\_\_  
Oklahoma City, OK.

Exhibit B  
(UTU - Ymstrs.)

CARRIERS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE IN CONNECTION WITH NOTICES DATED NOVEMBER 1, 1994 OF DESIRE TO REVISE AND SUPPLEMENT EXISTING AGREEMENTS IN ACCORDANCE THEREWITH, SERVED BY AND ON BEHALF OF SUCH CARRIERS UPON THE UNITED TRANSPORTATION UNION, AND NOTICES DATED ON OR SUBSEQUENT TO NOVEMBER 1, 1994 AND SERVED ON SUCH CARRIERS BY THE GENERAL CHAIRMEN, OR OTHER RECOGNIZED REPRESENTATIVES OF THE YARDMASTERS DEPARTMENT - UNITED TRANSPORTATION UNION 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 Yardmasters Department - United Transportation Union.

Alton & Southern Railway  
Camas Prairie Railroad Company  
Chicago and North Western Railway Company  
Consolidated Rail Corporation  
CSX Transportation, Inc.:  
    The Baltimore and Ohio Railroad Company (former)  
    The Chesapeake and Ohio Railway Company (former)  
    Clinchfield Railroad (former)  
    Louisville and Nashville Railroad Company (former)  
    Louisville and Nashville Terminal Company  
        (Nashville Terminals)  
    Monon Railroad (former)  
    The Nashville, Chattanooga & St. Louis Ry. Co. (former)  
    Richmond, Fredericksburg & Potomac Ry. Co.  
    Seaboard Coast Line Railroad Company (former)  
Houston Belt and Terminal Railway  
The Kansas City Southern Railway Company  
    CP-Kansas City Southern Joint Agency  
Missouri-Kansas-Texas Railroad  
Missouri Pacific Railroad  
New Orleans Public Belt Railroad - 1  
Norfolk and Portsmouth Belt Line Railroad Company  
Norfolk Southern Railway Company  
Norfolk & Western Railway Company  
Northeast Illinois Regional Commuter Railroad - 1



Peoria and Pekin Union Railway Company  
The Pittsburgh, Chartiers & Youghiogheny Railway Co.  
Port Terminal Railroad Association  
Portland Terminal Railroad Company  
Terminal Railroad Association of St. Louis

NOTES:

- 1 - Health and Welfare and Supplemental Sickness only.

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FOR THE CARRIERS:

FOR THE UNITED TRANSPORTATION  
UNION:

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\_\_\_\_\_

Oklahoma City, OK.

ARTICLE I WAGES

Q-1: Are payments received by employees as a result of Productive Fund buyouts to be included as compensation for the purpose of calculating the signing bonus and lump sum payment provided for this Article?

A-1: *No. Such payments are not to be considered as part of the compensation for this purpose.*

Q-2: 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-2: *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-3: (1) Do the General Wage Increases provided for in Article I apply to Reserve Board (Fireman) payments established pursuant to Article XIII of the October 31, 1985 National Agreement?

(2) Also to guaranteed extra boards and other reserve board payments which are contained in crew consist agreements?

A-3. (1) Yes.

(2) Yes, except for a carrier on which the applicable crew consist agreement provides that general wage increases will not apply to such payments.

Q-4: 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-4: *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-5: Are the lump sum payments applicable to employees who are suspended, as well as employees who are reinstated with rights unimpaired?

A-5: *Yes, because in both cases the employment relationship is maintained.*

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

A-6: *Yes.*

Q-7: 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-7: *Yes, so long as such payments are subject to general wage increases. This Article does not affect lump sum eligibility provisions in a crew consist agreement.*

Q-8: 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-8: *Yes, so long as the employee maintains his/her employment relationship with the Carrier, or subsequently retires or dies.*

Q-9: Is it a correct understanding that those pay elements which were frozen by the provisions of Article IV, Section 5 of the 1985 UTU National Agreement will not be included in determining an employees base year compensation?

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: Does an employee's base year compensation include reduced crew allowances and/or Conductor Only payments?

A-10: *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-11: 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-11: *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-12: 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-12: *Only compensation earned on the carrier party to this agreement at which employed on the date payment is due will be credited.*

Q-13: What is the definition of "foreign-to-occupation" as used in Section 10?

A-13: *Foreign-to-occupation" is defined in Article I, Section 10 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 qualifying 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 Plan affected by the changes benefit eligibility?

A-6: *There is no change.*

Q-7: Do the provisions of Side Letter No. 6 of Document "A" also apply to General Chairpersons, Local Chairpersons and State Legislative Directors ("local officials") who are represented by the UTU Yardmasters Department?

A-7: *Yes, in accordance with Side Letter #4, Document "B".*

Q-8: What was the intent of the parties when increasing the number of qualifying days for health benefit eligibility?

A-8: *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-9: Existing rules on some properties contain monthly milage 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-9: *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-10: Will the new qualifying provisions be applied retroactively to January 1, 1996 so as to disqualify individuals for employee and/or dependent health benefits who were eligible under the previous requirements?

A-10. *No. As provided in Side Letter #8, Document "A", such provisions shall be applied effective on the first day of the calendar month immediately following the month in which the Agreement is ratified.*

Q-11: Will mileage equivalents and overtime hours be used in calculating the seven (7) day requirement?

A-11: *No.*

Q-12: 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-12: *This is addressed in and will be determined in accordance with the provisions of Side Letter #9, Document "A".*

- Q-13: Does the term "local officials" include local presidents, secretaries, treasurers and legislative representatives who may also be required to lose time from their assignments due to union obligation?
- A-13: *No, local officials are limited to working General Chairmen, Local Chairmen, and state legislative directors.*
- Q-14: 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-14: *This is addressed in and will be determined in accordance with the provisions of Side Letter #9, Document "A".*
- Q-15: 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-15: *Eligibility for COBRA coverage remains unchanged.*
- Q-16: When does a newly hired employee first become covered for employee and/or dependent health benefits?
- A-16: *This is addressed in and will be determined in accordance with the provisions of Side Letter #9, Document "A".*
- Q-17: Will paid holidays be counted in meeting the qualifying requirement?
- A-17: *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 on (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" include local 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 directors.*

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 a 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 - FLOWBACK

Q-1: Do the provisions of this Article VI supersede the provisions of Article XIII of the October 31, 1985 National Agreement which requires individuals to exhaust all engine service seniority prior to returning to train service?

A-1: *Yes, solely for purposes of exercising rights under Article VI.*

Q-2: In Section 1, what does "individual railroad" intend?

A-2: *It is intended to mean the territory within the jurisdiction of the individual UTU General Committees. The UTU General Committees having jurisdiction must concur.*

Q-3: When implementing the provisions of this Article on "an individual railroad basis", was the intent of the parties that each organization representative would retain their autonomous jurisdiction?

A-3: *Yes, it is intended to mean the territory within the jurisdiction of the individual UTU General Committees. The UTU General Committees having jurisdiction must concur.*

Q-4: Are the crew consist protected employees returning to train service in Section 2, Paragraph (h), entitled to exercise seniority placement to "blankable" positions?

A-4: No.

Q-5: May the Carrier make the request to implement the provisions of Article VI?

A-5: *No. The request to implement these provisions must be made by the authorized representatives of the Organization.*

Q-6: What is the definition of "replacement is available" in paragraph (g)?

A-6: *An engine service employee who is qualified to protect the service requirements of the assignment being vacated under existing applicable rules.*

Q-7: Does this rule affect in any way or change existing rules which permit for the voluntary forfeiture of engine service seniority?

A-7: *No. Such rules remain unchanged.*

#### 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: Was it the intent of the parties to include yardmasters for the purposes of the application of this Article?

A-4: Yes, as provided in Side Letter #4, Document "B".

Q-5: 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-5: (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-6: What is the definition of "prior right territory(s)" as set forth in the note to Section 2(c)?

A-6: 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 Conductor 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: What constitutes "promotion to yardmaster" as contained in Document "B", Article VI - Rate Progression - Section 1?

A-3: For application of this rule, when an employee has been qualified to work a yardmaster position.

Q-4: 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-4: Yes, where UTU is the certified representative for the craft of locomotive engineer.

Q-5: If an individual is promoted to conductor and thereby advanced to the next higher wage step, will the wage step be advanced again if later promoted to foreman?

A-5: No.

Q-6: 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-6: Yes.

ARTICLE IX - SENIORITY ACCUMULATION

Q-1: Are seniority accumulation provisions which are covered by a local crew consist moratorium amended, altered or abrogated by this rule?

A-1: No.

Q-2: Does this article apply to all craft seniority that remains protected under UTU contracts, including pre-1985 Fireman's Seniority?

A-2: Yes.

Q-3: What is the effect on an individual's seniority if they choose not to comply with the provisions of this Article once enacted, but subsequently meet the requirements?

A-3: *The individual accrues seniority only during the months where they are in compliance with the rule provisions.*

ARTICLE X - TERMINAL COMPANIES

Q-1: Was it the intent of the parties that yardmasters represented by UTU would receive the same employment opportunities and service credits as train and engine service employees represented by UTU?

A-1: *Yes, as provided in Side Letter #4, Document "B".*

Q-2: If an agreement presently exists which provides for the placement of terminal company employees on owning line seniority roster, may the Organization Representative make a request under this rule so as to place the terminal company employees on another owning line seniority roster?

A-2: *Yes, there would be no prohibition to such a request, provided that an employee placed on an owning line seniority roster pursuant to this Article shall be required to relinquish his seniority on such other owning line roster.*



Q-3: Are employees who acquire seniority on a Carrier as a result of the implementation of this Article relinquishing any labor protective conditions which may have been imposed by any governmental authority as a result of a sale, lease, merger, or acquisition?

A-3: *Existing statutory labor protective conditions are not affected by this Article.*

Q-4: What is the definition of Terminal Company?

A-4: *This Article is applicable to the carriers listed in Attachment A to the Agreement.*

ARTICLE XI - 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 UTU General Chairperson(s) prior to implementation of the proposed service under paragraph (a).*

Q-2: Should the Carrier notify the General Chairperson(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 UTU General Chairperson(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 UTU President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the UTU 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 UTU President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the UTU President and the NCCC Chairman.*

Q-7: Can the Carrier be considered a customer in the application of this rule?

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 XI supersede the Road/Yard Service zone established under Article VIII; Section 2(c) of the October 31, 1985 National Agreement or the agreed upon interpretations pertaining thereto?

A-10: *No, this Article amends Article VIII - Special Relief, Customer Service - Yard Crews of the UTU Implementing Document of November 1, 1991, Document A.*

Q-11: Does Article XI 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 XI?

A-12: *As set forth in paragraph (e).*

Q-13: Does Article XI 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 UTU President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the UTU 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 UTU President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the UTU 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 UTU President, is egregiously inconsistent with the intent of the rule will not be implemented without conference between the UTU 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 XI, 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 XII - 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: It is 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 XII.*

Q-7: Is it the intent of Article XII 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 XIII - 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.

DOCUMENT "B"

Q-1: Does Article VII alter Sickness Plans on signatory Carriers not party to the October 31, 1978 Supplemental Sickness Benefit Agreement?

A-1: No.

Q-2: Does Document "B", Side Letter No. 2 restrict settlement of disputes to peaceful resolution?

A-2: Yes.