

SECTION J

EMPLOYMENT SECURITY

MEDIATION AGREEMENT Dated February 7, 1965 Attrition Form of Job Protection

This agreement made this 7th day of February, 1965, by and between the participating carriers listed in Exhibits A, B and C, attached hereto and hereby made a part hereof, and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees and the employees shown thereon and represented by the Railway Labor Organizations signatory hereto, through the Employees' National Conference Committee, Five Cooperating Railway Labor Organizations, witnesseth:

IT IS AGREED:

ARTICLE I - PROTECTED EMPLOYEES

Section 1 - All employees, other than seasonal employees, who are in active service and who have or attain ten (10) or more years of employment relationship will be retained in service subject to compensation as herein provided unless or until retired, discharged for cause, or otherwise removed by natural attrition. For the purpose of this Agreement, the term "active service" is defined to include all employees working, or holding an assignment, or in the process of transferring from one assignment to another (whether or not the date on which such ten (10) or more years of employment is acquired was a work day). An employee who is not regularly assigned on the date the employee is otherwise eligible to achieve protected status under this Section will be deemed to be protected on the first day assigned to a regular position in accordance with existing rules of the BRS Agreement.

Section 2 - Seasonal employees, who had compensated service during each of the three calendar years immediately preceding the year in which they have or attain ten (10) or more years of employment relationship who otherwise meet the definition of "protected" employees under Section 1, will be offered employment in future years at least equivalent to what they performed in the year they became protected, unless or until retired, discharged for cause, or otherwise removed by natural attrition.

[Note: Sections 1 and 2 amended by Article IX of the August 8, 1996 Agreement.]

Section 3 - In the event of a decline in a carrier's business in excess of 5 % in the average %age of both gross operating revenue and net revenue ton miles in any 30-day period compared with the average of the same period for the years 1963 and 1964, a reduction in forces in the crafts represented by each of the organizations signatory hereto may be made at any time during the said 30-day period below the number of employees entitled to preservation of employment under this Agreement to the extent of one % for each one % the said decline exceeds 5 %. The average %age of decline shall be the total of the % of decline in gross operating revenue and % of decline in net revenue ton miles divided by two. Advance notice of any such force reduction shall be given as required by the current Schedule Agreements of the organizations signatory hereto. Upon restoration of a carrier's business following any such force reduction,

employees entitled to preservation of employment must be recalled in accordance with the same formula within 15 calendar days.

Section 4 - Notwithstanding other provisions of this Agreement, a carrier shall have the right to make force reductions under emergency conditions such as flood, snowstorm, hurricane, earthquake, fire or strike, provided that operations are suspended in whole or in part and provided further that because of such emergencies the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employees involved in the force reductions no longer exists or cannot be performed. Sixteen hours advance notice will be given to the employees affected before such reductions are made. When forces have been so reduced and thereafter operations are restored employees entitled to preservation of employment must be recalled upon the termination of the emergency. In the event the carrier is required to make force reductions because of the aforesaid emergency conditions, it is agreed that any decline in gross operating revenue and net revenue ton miles resulting therefrom shall not be included in any computation of a decline in the carrier's business pursuant to the provisions of Section 3 of this Article 1.

[NOTE: This Section 4 amended, in part, by article IX of the November 16, 1971 Agreement: See I-1-74.]

Section 5 - Subject to and without limiting the provisions of this agreement with respect to furloughs of employees, reductions in forces, employee absences from service or with respect to cessation or suspension of an employee's status as a protected employee, the carrier agrees to maintain work forces of protected employees represented by each organization signatory hereto in such manner that force reductions of protected employees below the established base as defined herein shall not exceed 6% per annum. The established base shall mean the total number of protected employees in each craft represented by the organizations signatory hereto who qualify as protected employees under Section 1 of this Article I.

ARTICLE II - USE AND ASSIGNMENT OF EMPLOYEES AND LOSS OF PROTECTION

Section 1 - An employee shall cease to be a protected employee in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to retain or obtain a position available to him in the exercise of his seniority rights in accordance with existing rules or agreements, or failure to accept employment as provided in this Article. A protected furloughed employee who fails to respond to extra work when called shall cease to be a protected employee. If an employee dismissed for cause is reinstated to service, he will be restored to the status of a protected employee as of the date of his reinstatement.

Section 2 - An employee shall cease to be a protected employee in the event of his failure to accept employment in his craft offered to him by the carrier in any seniority district or on any seniority roster throughout the carrier's railroad system as provided in implementing agreements made pursuant to Article III hereof, provided, however, that nothing in this Article shall be understood as modifying the provisions of Article V hereof.

Section 3 - When a protected employee is entitled to compensation under this Agreement, he may be used in accordance with existing seniority rules for vacation relief, holiday vacancies, or sick relief, or for any other temporary assignments which do not require the crossing of craft lines. Traveling expenses will be paid in instances where they are allowed under existing rules. Where existing agreements do not provide for traveling expenses, in those instances, the representatives of the organization and the carrier will negotiate in an endeavor to reach an agreement for this purpose.

ARTICLE III - IMPLEMENTING AGREEMENTS

Section 1 - The organizations recognize the right of the carriers to make technological, operational and organizational changes, and in consideration of the protective benefits provided by this Agreement the carrier shall have the right to transfer work and/or transfer employees throughout the system which do not require the crossing of craft lines. The organizations signatory hereto shall enter into such implementing agreements with the carrier as may be necessary to provide for the transfer and use of employees and the allocation or rearrangement of forces made necessary by the contemplated change. One of the purposes of such implementing agreements shall be to provide a force adequate to meet the carrier's requirements.

Section 2 - Except as provided in Section 3 hereof, the carrier shall give at least 60 days' (90 days in cases that will require a change of an employee's residence) written notice to the organization involved of any intended change or changes referred to in Section 1 of this Article whenever such intended change or changes are of such a nature as to require an implementing agreement as provided in said Section 1. Such notice shall contain a full and adequate statement of the proposed change or changes, including an estimate of the number of employees that will be affected by the intended change or changes. Any change covered by such notice which is not made within a reasonable time following the service of the notice, when all of the relevant circumstances are considered, shall not be made by the carrier except after again complying with the requirements of this Section 2.

Section 3 - The carrier shall give at least 30 days' notice where it proposes to transfer no more than five employees across seniority lines within the same craft and the transfer of such employees will not require a change in the place of residence of such employee or employees, such notice otherwise to comply with Section 2 hereof.

Section 4 - In the event the representatives of the carrier and organizations fail to make an implementing agreement within 60 days after notice is given to the general chairman or general chairmen representing the employees to be affected by the contemplated change, or within 30 days after notice where a 30-day notice is required pursuant to Section 3 hereof, the matter may be referred by either party to the Disputes Committee as hereinafter provided. The issues submitted for determination shall not include any question as to the right of the carrier to make the change but shall be confined to the manner of implementing the contemplated change with respect to the transfer and use of employees, and the allocation or rearrangement of forces made necessary by the contemplated change.

Section 5 - The provisions of implementing agreements negotiated as hereinabove provided for with respect to the transfer and use of employees and allocation or reassignment of forces shall enable the carrier to transfer such protected employees and rearrange forces, and such movements, allocations and rearrangements of forces shall not constitute an infringement of rights of unprotected employees who may be affected thereby.

ARTICLE IV - COMPENSATION DUE PROTECTED EMPLOYEES

Section 1 - Subject to the provisions of Section 3 of this Article IV, protected employees who hold regularly assigned positions shall not be placed in a worse position with respect to compensation than the normal rate of compensation for said regularly assigned position as of the date they become protected; provided, however, that in

addition thereto such compensation shall be adjusted to include subsequent general wage increases.

[Note: Section 1 amended by Article IX of the August 8, 1996 Agreement.]

Section 2 - Subject to the provisions of Section 3 of this Article IV, all other employees entitled to preservation of employment shall not be placed in a worse position with respect to compensation than that earned during a base period comprised of the last twelve months in which they performed compensated service immediately preceding the date of this Agreement. For purposes of determining whether, or to what extent, such an employee has been placed in a worse position with respect to his compensation, his total compensation and total time paid for during the base period will be separately divided by twelve. If his compensation in his current employment is less in any month (commencing with the first month following the date of this agreement) than his average base period compensation (adjusted to include subsequent general wage increases), he shall be paid the difference less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average time paid for during the base period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the time paid for during the base period; provided, however, that in determining compensation in his current employment the employee shall be treated as occupying the position producing the highest rate of pay and compensation to which his seniority entitles him under the working agreement and which does not require a change in residence.

Section 3 - Any protected employee who in the normal exercise of his seniority bids in a job or is bumped as a result of such an employee exercising his seniority in the normal way by reason of a voluntary action, will not be entitled to have his compensation preserved as provided in Sections 1 and 2 hereof, but will be compensated at the rate of pay and conditions of the job he bids in; provided, however, if he is required to make a move or bid in a position under the terms of an implementing agreement made pursuant to Article III hereof, he will continue to be paid in accordance with Sections 1 and 2 of this Article IV.

Section 4 - If a protected employee fails to exercise his seniority rights to secure another available position, which does not require a change in residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position he elects to retain, he shall thereafter be treated for the purposes of this Article as occupying the position which he elects to decline.

Section 5 - A protected employee shall not be entitled to the benefits of this Article during any period in which he fails to work due to disability, discipline, leave of absence, military service, or other absence from the carrier's service, or during any period in which he occupies a position not subject to the working agreement; nor shall a protected employee be entitled to the benefits of this Article IV during any period when furloughed because of reduction in force resulting from seasonal requirements (including lay-offs during Miners' Holiday and the Christmas Season) or because of reductions in forces pursuant to Article I, Sections 3 or 4, provided, however, that employees furloughed due to seasonal requirements shall not be furloughed in any 12-month period for a greater period than they were furloughed during the 12 months preceding the date of this agreement.

Section 6 - The carrier and the organizations signatory hereto will exchange such data and information as are necessary and appropriate to effectuate the purposes of this Agreement.

ARTICLE V - MOVING EXPENSES AND SEPARATION ALLOWANCES

In the case of any transfers or rearrangement of forces for which an implementing agreement has been made, any protected employee who has 15 or more years of employment relationship with the carrier and who is requested by the carrier pursuant to said implementing agreement to transfer to a new point of employment requiring him to move his residence shall be given an election, which must be exercised within seven calendar days from the date of request, to make such transfer or to resign and accept a lump sum separation allowance in accordance with the following provisions:

If the employee elects to transfer to the new point of employment requiring a change of residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in said provisions and in addition to such benefits shall receive a transfer allowance of eight hundred dollars (\$800) and five working days instead of the "two working days" provided by Section 10(a) of said Agreement.

If the employee elects to resign in lieu of making the requested transfer as aforesaid he shall do so as of the date the transfer would have been made and shall be given (in lieu of all other benefits and protections to which he may have been entitled under the Protective Agreement and Washington Agreement) a lump sum separation allowance which shall be computed in accordance with the schedule set forth in Section 9 of the Washington Agreement; provided, however, that force reductions permitted to be made under this Agreement shall be in addition to the number of employees who resign to accept the separation allowance herein provided.

Those protected employees who do not have 15 years or more of employment relationship with the carrier and who are required to change their place of residence shall be entitled to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in such provisions and in addition to such benefits shall receive a transfer allowance of four hundred dollars (\$400) and 5 working days instead of "two working days" provided in Section 10(a) of said Agreement.

[NOTE: Article V amended, in part, by Article VII of the June 4, 1991 Agreement.]

ARTICLE VI - APPLICATION TO MERGERS, CONSOLIDATIONS AND OTHER AGREEMENTS

Section 1 - Any merger agreement now in effect applicable to merger of two or more carriers, or any job protection or employment security agreement which by its terms is of general system-wide and continuing application, or which is not of general system-wide application but which by its terms would apply in the future, may be preserved by the employee representatives so notifying the carrier within 60 days from the date of this agreement, and in that event this agreement shall not apply on that carrier to employees represented by such representatives.

Section 2 - In the event of merger or consolidation of two or more carriers, parties to this Agreement on which this agreement is applicable, or parts thereof, into a single system subsequent to the date of this agreement, the merged, surviving or consolidated carrier will constitute a single system for purposes of this agreement, and the provisions hereof shall apply accordingly, and the protections and benefits granted to employees under this agreement shall continue in effect.

Section 3 - Without in any way modifying or diminishing the protection, benefits or other provisions of this agreement, it is understood that in the event of a coordination between two or more carriers as the term "coordination" is defined in the Washington Job Protection Agreement, said Washington Agreement will be applicable to such

coordination, except that Section 13 of the Washington Job Protection Agreement is abrogated and the disputes provisions and procedures of this agreement are substituted therefor.

Section 4 - Where prior to the date of this agreement the Washington Job Protection Agreement (or other agreements of similar type whether applying inter-carrier or intra-carrier) has been applied to a transaction, coordination allowances and displacement allowance (or their equivalents or counterparts, if other descriptive terms are applicable on a particular railroad) shall be unaffected by this agreement either as to amount or duration, and allowances payable under the said Washington Agreement or similar agreements shall not be considered compensation for purposes of determining the compensation due a protected employee under this agreement.

ARTICLE VII - DISPUTES COMMITTEE

Section 1- Any dispute involving the interpretation or application of any of the terms of this agreement and not settled on the carrier may be referred by either party to the dispute for decision to a committee consisting of two members of the Carriers' Conference Committees signatory to this agreement, two members of the Employees' National Conference Committee signatory to this agreement, and a referee to be selected as hereinafter provided. The referee selected shall preside at the meetings of the committee and act as chairman of the committee. A majority vote of the partisan members of the committee shall be necessary to decide a dispute, provided that if such partisan members are unable to reach a decision, the dispute shall be decided by the referee. Decisions so arrived at shall be final and binding upon the parties to the dispute.

Section 2 - The parties to this agreement will select a panel of three potential referees for the purpose of disposing of disputes pursuant to the provisions of this section. If the parties are unable to agree upon the selection of the panel of potential referees within 30 days of the date of the signing of this agreement, the National Mediation Board shall be requested to name such referee or referees as are necessary to fill the panel within 5 days after the receipt of such request. Each panel member selected shall serve as a member of such panel for a period of one year, if available. Successors to the members of the panel shall be appointed in the same manner as the original appointees.

Section 3 - Disputes shall be submitted to the committee by notice in writing to the Chairman of the National Railway Labor Conference and to the Chairman of the Employees' National Conference Committee, signatories to this agreement, who shall within 10 days of receipt of such notice, designate the members of their respective committees who shall serve on the committee and arrange for a meeting of the committee to consider such disputes as soon as a panel referee is available to serve, and in no event more than 10 days thereafter. Decision shall be made at the close of the meeting if possible (such meeting not to continue for more than 5 days) but in any event within 5 days of the date such meeting is closed, provided that the partisan members of the committee may by mutual agreement extend the duration of the meeting and the period for decision. The notice provided for in this Section 3 shall state specifically the questions to be submitted to the committee for decision; and the committee shall confine itself strictly to decisions as to the questions so specifically submitted to it.

Section 4 - Should any representative of a party to a dispute on any occasion fail or refuse to meet or act as provided in Section 3, then the dispute shall be regarded as decided in favor of the party whose representatives are not guilty of such failure or refusal and settled accordingly but without establishing a precedent for any other cases; provided that a partisan member of the committee may, in the absence of his partisan colleague, vote on behalf of both.

Section 5 - The parties to the dispute will assume the compensation, travel expense and other expense of their respective partisan committee members. Unless other arrangements are made, the office, stenographic and other expenses of the committee, including compensation and expenses of the referee, shall be shared equally by the parties to the dispute.

ARTICLE VIII - EFFECT OF THIS AGREEMENT

This Agreement is in settlement of the disputes growing out of notices served on the carriers listed in Exhibits A, B and C on or about May 31, 1963 relating to Stabilization of Employment, and out of proposals served by the individual railroads on organization representatives of the employees involved on or about June 17, 1963 relating to Technological, Organizational and Other Changes and Employee Protection. This Agreement shall be construed as a separate Agreement by and on behalf of each of said carriers and its employees represented by each of the organizations signatory hereto. The provisions of this Agreement shall remain in effect until July 1, 1967, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

No party to this agreement shall serve, prior to January 1, 1967, any notice or proposal on a national, regional or local basis for the purpose of changing the provisions of this Agreement, or which relates to the subject matter contained in the proposals of the parties referred to in this Article, and that portion of pending notices relating to such subject matters, whether local, regional or national in character, are withdrawn. Any notice or proposal of the character referred to in this paragraph served on or after January 1, 1967 shall not be placed into effect before July 1, 1967.

ARTICLE IX - COURT APPROVAL

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

Chicago, Illinois
November 24, 1965

Mr. J.E. Wolfe, Chairman
National Railway Labor Conference
Room 474 - Union Station Building
Chicago, Illinois 60606

Dear Mr. Wolfe:

In our discussions today concerning the Interpretations of the February 7, 1965 Agreement a question was raised with respect to paragraph 1(a) of the interpretation of Article III. The question was predicated on alleged information to the effect that the agreement between the Transportation-Communication Employees Union and the R.F.&P. Railroad in effect on February 7, 1965 authorizes the carrier to transfer employees from one seniority district or roster to another without agreement between the carrier and the organization and that such transfers have been made since that date without implementing agreements.

Inquiry by me discloses that the alleged information is false; the T.C.A. Agreement on the R.F.&P. provides for only one seniority district on that carrier.

However, pursuant to your request this letter will assure you that if the working agreement between any of the organizations and any of the carriers party to the February 7, 1965 Agreement as in effect on February 7, 1965 specifically authorized the carrier to transfer employees from one seniority district or roster to another without agreement with the organization and such transfers have in fact been made pursuant to such authority prior to today's date, such transfers will not be disturbed by reason of the Interpretations agreed upon today.

Very truly yours,

/s/ G. E. Leighty
Chairman, Employees National
Conference Committee

Washington, DC
February 7, 1965

Mr. G. E. Leighty, Chairman
Of the Five Cooperating
Railroad Labor Organizations

The following will confirm the understanding we had in connection with the agreement signed today.

If, subsequent to the effective date of the Protective Agreement, i.e. October 1, 1964, officials, supervisor or fully excepted personnel exercise seniority rights in a craft or class of employees protected under said Agreement, then, during the period such seniority is exercised, such officials, supervisory or fully excepted personnel shall be entitled to the same protection afforded by the said agreement to employees in the craft or class in which such seniority is exercised, and no employee subject to said Agreement shall be deprived of employment or adversely affected with respect to compensation rules, working conditions, fringe benefits, or right and privileges pertaining thereto, by return of the official, supervisory or fully excepted employee to work under the schedule agreement.

If this is in accord with the understanding reached, please signify by signing in the lower left hand corner of this letter.

ACCEPTED

/s/ G. E. Leighty, Chairman of the Five Cooperating Railroad Labor Organizations

/s/ J. W. Oram, Chairman Eastern Carriers' Conference Committee

/s/ E. H. Hallmann, Chairman Western Carriers' Conference Committee

/s/ W. S. Macgill, Chairman Southeastern Carriers' Conference Committee

Chicago, Illinois
November 24, 1965

Mr. J. E. Wolfe, Chairman
National Railway Labor Conference
Room 474 – Union Station Building
Chicago, Illinois 60606

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Very truly yours,

/s/ G. E. Leighty
Chairman, Employees National
Conference Committee

THE FOLLOWING INTERPRETATIONS OF THE PROVISIONS OF THE MEDIATION AGREEMENT DATED FEBRUARY 7, 1965 (STABILIZATION OF EMPLOYMENT AGREEMENT) HAVE BEEN AGREED UPON BY THE PARTIES TO SAID AGREEMENT AND WILL HAVE THE SAME FORCE AND EFFECT AS THE PROVISIONS OF THE AGREEMENT THAT HAVE BEEN THUS INTERPRETED.

ARTICLE I — PROTECTED EMPLOYEES

Section 1—

In determining whether an employee who was on furlough on October 1, 1964, where extra boards are not maintained meets the “active service” requirement of Article 1, Section 1, on that date, the following will govern:

The total number of days an employee performs service during months in 1964 in which such employee is furloughed during the entire month should be divided by the total number of such months (irrespective of whether the days of service and the months of furlough in 1964 precede or follow October 1, 1964) and if the quotient of this calculation is seven (7) days or more the employee shall be considered to have been in “active service” on October 1, 1964. Days of service in which an employee is furloughed only a part of the month shall not be taken into account in determining whether the employee meets the “active service” requirement.

Employees who were on furlough on October 1, 1964 and were not then available for all calls because of restrictions they had voluntarily placed on their availability are not to be considered in “active service” on that date.

All employees who meet the qualifications herein specified and the other qualifications under Article 1, Section 1, of the Agreement dated February 7, 1965, who were on furlough on February 7, 1965 are entitled to be returned to active service no later than March 1, 1965.

Question No. 1: What are the protected rights of an employee who had two years of employment relationship on October 1, 1964, who had worked more than fifteen days in 1964, but was furloughed on September 30, 1964, and performed no service prior to February 8, 1965?

Answer to Question No. 1: Such an employee is not protected under Article 1, Section 1, but has rights to recall, compensation and exercise of seniority as is required to be accorded him pursuant to the applicable working agreement.

Question No. 2: An employee is furloughed on August 15, 1964, performs nine days of extra work in August, ten days in September, ten days in October, four days in November and three days in December. Does he meet the “active service” requirement of Article 1, Section 1, as of October 1, 1964?

Answer to Question No. 2: No. Although such an employee performed 36 days of extra work in the course of five months while furloughed, August is not taken into account because he was not furloughed during the entire month; during the remaining four months of 1964 he performed 27 days of service which is insufficient to meet the average of 7 days per month.

Question No. 3: An employee who is furloughed during the entire year of 1964 performs a total of 84 days of extra work during the year, all before October 1, 1964. Does he meet the “active service” requirement of Article 1, Section 1, as of October 1, 1964?

Answer to Question No. 3: Yes. He has performed the required average of 7 days of service for each month furloughed in 1964.

Question No. 4: Are employees who, by reason of personal illness, personal injury or because of their occupancy of an elective office or serving as a full time official with one

of the unions parties to the February 7, 1965 Agreement who failed to qualify as protected employees under Article 1, Section 1, of the Agreement entitled to protection if they would have otherwise qualified for protection?

Answer to Question No. 4: Yes. These employees, insofar as guaranteed compensation is concerned, would be guaranteed the rate of the position held on October 1, if they were holding a position in their own name; otherwise, guaranteed compensation will be on the basis of the position occupied on return to active service.

Question No. 5: Is the term "employment relationship" synonymous with "seniority"?

Answer to Question No. 5: The term "employment relationship" used in this Section should not be confused with the term "seniority," since it was used in the agreement to provide protection to employees who had at least a 2-year employment relationship with a carrier on October 1, 1964, but who may not have had at least 2 years' seniority.

Question No. 6: Are employees who meet the specified qualifications of "protected employees" and who were furloughed on the date of the agreement entitled to return to active service before March 1, 1965, if pursuant to their rights under the schedule agreement they elected to remain furloughed rather than exercise seniority to obtain work at a distant point, or temporary work, or work in a lower-rated classification?

Answer to Question No. 6: This question is answered in the preceding interpretations of Article 1, Section 1.

Question No. 7: What rights to employment or guarantee of compensation does an unprotected employee have?

Answer to Question No. 7: Except as provided in Article 3, Section 5, such an employee retains his seniority rights and is entitled to such employment as he can obtain pursuant to such rights. The only compensation guarantee he has is the agreed upon rate for the work he performs in pursuance of his exercise of seniority.

Question No. 8: Can a "protected employee" become unprotected other than pursuant to Article II; specifically, is a "protected employee's" protected status effected by being displaced by a senior unprotected employee?

Answer to Question No. 8: No.

Question No. 9: Can employment in more than one craft be counted in determining protected status?

Answer to Question No. 9: Ordinarily no; however, in cases such as promotion of a telegrapher to train dispatcher, promotion of a clerk to yardmaster, etc., where the seniority in the craft from which promoted is retained, employment in the higher classification will be counted.

Question No. 10: Can employment in more than one seniority district in the same craft on the same carrier be counted in determining protected status?

Answer to Question No. 10: Yes, provided the employee acquired and retained seniority on each seniority district or roster or was transferred to another seniority district or roster at the request of management for temporary service. Otherwise, no.

Question No. 11: Are employees who had 2 or more years' employment relationship on October 1, 1964, but who were absent in military service on October 1, 1964 and whose absence in military service prevented them from performing 15 days of service in 1964 "protected employees"?

Answer to Question No. 11: The answer to this question turns on the rights of the employees under the Universal Military Training and Service Act.

Section 2—

Question No. 1: What is a "seasonal employee"?

Answer to Question No. 1: An employee is a “seasonal employee” within the meaning of this section if his employment during the years 1962, 1963 and 1964 followed a pattern of layoffs for seasonal reasons.

An employee who normally works on a regular job throughout the year in some capacity is not to be considered a seasonal employee merely because he normally takes seasonal work during a portion of the year and then reverts to his regular job; such an employee is covered by Section 1 of Article I. However, if he is replaced in his regular job during the period that he is on seasonal work by an employee whose pattern of employment is simply to serve as such replacement, that employee would be a seasonal employee.

Question No. 2: What protection is guaranteed to seasonal employees under this Section?

Answer to Question No. 2: A seasonal employee is guaranteed under this Section an offer of employment in future years equivalent to his 1964 seasonal employment both as to period and as to compensation. See Answer to Question No. 5 dealing with the exercise of seniority by seasonal employees.

Question No. 3: Must the equivalent employment offered in future years be offered in the same seniority territory or general work location in which the 1964 employment was performed?

Answer to Question No. 3: No. However, the offer of employment must be within the seasonal employee’s seniority territory or if such employee has an employment relationship but does not have seniority the offer must be limited to the operating division on which the employee qualified by reason of service in 1964.

Question No. 4: Must the guaranteed employment period offered in future years be substantially the same period of the year as that in which the employee was employed in 1964?

Answer to Question No. 4: The guaranteed employment period offered in future years is to be in the same season as that in which the employee was employed in 1964, which could vary from year to year depending upon the characteristics of the season and the nature of work to be performed, but limited to the amount of time the individual worked in 1964.

Question No. 5: May a senior seasonal employee displace a junior seasonal employee, and, if so, under what circumstances?

Answer to Question No. 5: If a senior seasonal employee worked less in 1964 than a junior seasonal employee in the same seniority district or roster (the same territory if employment relationship governs) such senior seasonal employee will be permitted to displace the junior seasonal employee for the purpose of working out the unexpired guarantee that otherwise would accrue to the junior seasonal employee.

Sections 3 and 4—

Question No. 1: What is the relationship between the force reductions permitted under Section 3 and those permitted under Section 4?

Answer to Question No. 1: A carrier can reduce forces in the application of Section 3 if a sufficient decline in business is anticipated regardless of the cause or causes of such decline. However, if the carrier elects to abolish jobs under the provisions of Section 4, decline in business resulting from the emergency situation there involved will not be included in calculating the %ages for purposes of Section 3.

Question No. 2: What is a carrier required to do to support its claim of the right to make force reductions in pursuance of Section 3?

Answer to Question No. 2: Section 3 permits force reductions in anticipation of decline in business with the understanding that carriers will support the %age of force

reduction by furnishing pertinent information to the organizations' representatives as soon as available. If it should develop that the %age of business decline did not occur as anticipated, employees improperly deprived of work will be made whole.

Question No. 3: How will the phrase "any 30-day period" be applied?

Answer to Question No. 3: The phrase "any 30-day period" as specified in Section 3 applies literally to any consecutive 30-day period, and not to a calendar day month. The carriers will furnish, as promptly as the information can be compiled, the gross operating revenue and net revenue ton mile data for the years 1963 and 1964 on a calendar month basis; if thereafter, a carrier reduces forces under Section 3 on the basis of a decline in business for a consecutive 30-day period not corresponding with a calendar month, the information for 1963 and 1964 will then be furnished for the 30-day period corresponding with the period used by the carrier to effect the force reduction.

Question No. 4: How does the decline in business formula apply to short lines or terminal companies for which data concerning net revenue ton miles or gross operating revenues may not exist?

Answer to Question No. 4: Short lines or terminal companies for which data covering net revenue ton miles or gross operating revenues may not exist should enter into local agreements for the purpose of providing an appropriate measure of volume of business which is equivalent to the measure provided for in Article I, Section 3.

Question No. 5: How is the base referred to in this Section to be determined?

Answer to Question No. 5: The base referred to in this Section is a number to be established with respect to each craft represented by the organizations on each signatory carrier. Such number with respect to each craft shall consist of the total number of employees represented by the respective organization on the respective carrier who qualify as protected employees under Article I, Section 1.

Question No. 6: What is the year upon which the 6% limitation is to be computed?

Answer to Question No. 6: The year upon which the 6% is to be computed begins on February 7, 1965 and runs through February 6, 1966 and in subsequent years means the corresponding period.

ARTICLE II — USE AND ASSIGNMENT OF EMPLOYEES AND LOSS OF PROTECTION

Sections 1 and 2—

Question No. 1: Are the seniority rights of an employee who ceases to be a "Protected employee" otherwise than by resignation, death, retirement or dismissal for cause, affected in any way?

Answer to Question No. 1: Except as provided in Article III, Section 5, such employees retain such seniority rights as they are entitled to under the applicable working agreement.

Section 1—

Question No. 2: Is a position on another seniority roster with respect to which an employee holds no seniority, but with respect to which he holds preferential rights to employment as against a non-employee, a position available to such employee in the exercise of his seniority rights as that term is used in this Section?

Answer to Question No. 2: No.

Question No. 3: What are the obligations of extra employees with respect to obtaining or retaining a position in order to remain a "protected employee"?

Answer to Question No. 3: If an extra employee fails to obtain a position other than a temporary position available to him in the exercise of his seniority rights in accordance with the existing rules or agreements, he will lose his protected status. It should be

understood, however, that this does not prohibit the making of local agreements which will permit an employee to remain an extra employee if there is a mutual understanding that this action may be justified.

Question No. 4: Does the phrase “fails to respond to extra work when called” apply to isolated instances of not receiving a call or being unavailable to respond?

Answer to Question No. 4: The provisions of Article II, Section 1, of the Agreement do require a furloughed employee protected under Article I, Section 1, to respond to a call for extra work in order to preserve the protected status. Isolated instances such as referred to in the Question should be handled on an equitable basis in the light of the circumstances involved. Seasonal employees must respond when offered employment as provided in Article I, Section 2.

Question No. 5: What should be the terms of travel expense rules to be negotiated under this Section?

Answer to Question No. 5: The National Railway Labor Conference and the Employees’ National Conference Committee are making a survey of travel expense rules prevalent in the industry and will furnish to the Carrier and the Organization representatives appropriate guide lines for rules to be negotiated pursuant to this Section.

ARTICLE III — IMPLEMENTING AGREEMENTS

The parties to the Agreement of February 7, 1965, being not in accord as to the meaning and intent of Article III, Section 1, of that Agreement, have agreed on the following compromise interpretation to govern its application:

1. Implementing agreements will be required in the following situations:

(a) Whenever the proposed change involves the transfer of employees from one seniority district or roster to another, as such seniority districts or rosters existed on February 7, 1965.

(b) Whenever the proposed change, under the agreement in effect prior to February 7, 1965, would not have been permissible without conference and agreement with representatives of the Organizations.

That part of Item 1 (a) hereof which reads — “. . . as such seniority districts or rosters existed on February 7, 1965” applies particularly to situations such as those that frequently obtain in collective agreements to which the Brotherhood of Maintenance of Way Employees is a party which provide that seniority is co-extensive with the territorial jurisdiction of a supervisory officer. Under these conditions, if the territory of the designated officer is expanded or contracted it does not have any effect on the seniority of the involved employees. The language above quoted is intended to mean that seniority districts or rosters existing on the effective date of the February 7, 1965 Agreement are not to be changed insofar as the application of the aforesaid agreement is concerned, except as the result of an implementing agreement or other agreement mutually acceptable to the interested parties.

2. In all instances in which the carrier makes a change such as described in Article III, Section 1, of the February 7, 1965 Agreement which does not require an implementing agreement under Item 1 hereof, but which requires an employee to change his place of residence in order to retain his protected status, such employee shall be accorded the benefits contained in Section 10 of the Washington Agreement notwithstanding anything to the contrary contained in said provisions and shall have five working days instead of the “two working days” provided by Section 10 (a) of said Agreement.

When a carrier makes a technological, operational or organizational change which does not require an implementing agreement, employees affected by such change will be permitted to exercise their seniority in conformity with existing seniority rules.

3. When changes are made under Items 1 or 2 above which do not result in an employee being required to work in excess of 30 normal travel route miles from the residence he occupies on the effective date of the change, such employee will not be considered as being required to change his place of residence unless otherwise agreed.

ARTICLE IV — COMPENSATION DUE PROTECTED EMPLOYEES

Section 1—

Question No. 1: What is the compensation guarantee of an employee who on October 1, 1964 held a regularly assigned position as a machine operator and during 1964 operated machines with varying rates of pay?

Answer to Question No. 1: A full time machine operator is guaranteed the respective rates of the various machines he operates.

Question No. 2: If an employee such as the employee referred to in the preceding question is compelled to leave a machine operator position under conditions in which the guarantee of Article IV, Section 1, continues to apply, how will such guarantee then be computed?

Answer to Question No. 2: Such guarantee then shall be the weighted average of the rates of the machines he operated during 1964.

Question No. 3: What is the compensation guarantee of an employee who on October 1, 1964 held a regularly assigned position and who normally works a portion of the year in a lower-rated classification and the rest of the year in a higher-rated classification?

Answer to Question No. 3: Such an employee is guaranteed in future years the compensation of the lower-rated classification for the number of months he worked in such classification in 1964 and the compensation of the higher-rated classification for the number of months he worked in such classification in 1964.

Question No. 4: What is the compensation guarantee of an employee who on October 1, 1964 held a regularly assigned relief position relieving on different positions with varying rates of pay?

Answer to Question No. 4: The incumbent of a regularly assigned relief position is guaranteed the respective rates of the various positions on which he relieved during 1964.

Question No. 5: If an employee such as the employee referred to in the preceding question is compelled to leave the regularly assigned relief position under conditions in which the guarantee of Article IV, Section 1, continues to apply, how will such guarantee then be computed?

Answer to Question No. 5: Such guarantee then shall be the weighted average of the rates of the positions on which he relieved during 1964.

Question No. 6: Is the foregoing answer applicable also to an employee who was working extra on October 1, 1964 and providing relief on different positions with varying rates of pay?

Answer to Question No. 6: No. Such employee's guarantee is computed under Article IV, Section 2.

Question No. 7: Are Express commissions to be included in determining the compensation guaranteed in Sections 1 and 2 of Article IV?

Answer to Question No. 7: No. Express commissions are not considered compensation as that term is used in this Agreement. Moreover, such adjustments as

may be necessary when Express commissions are discontinued are subject to rules of the existing collective agreements. However, if an employee as a result of a transaction subject to the provisions of the February 7, 1965 Agreement is required to transfer from one position to another and the position to which transferred does not involve Express commissions, the provisions of the collective agreement which would have applied, had Express commissions been discontinued at the position from which transferred, will be applied in establishing a new rate on the position to which transferred.

Section 2—

Question No. 1: In determining the base period earnings under Section 2 of Article IV, may compensation earned in more than one craft be included?

Answer to Question No. 1: Under defined conditions set forth in Question and Answer No. 9 of the Interpretation of Article I, Section 1, employees may qualify as protected employees on the basis of employment which includes service in specified kinds of crafts other than the craft in which the employee is to be protected. To the extent that an employee whose guarantee is governed by Section 2 or Article IV has compensated service in such other craft, such service will also be included in determining the base period average earnings and hours paid for. However, his base period average monthly earnings shall be computed by taking his average hourly earnings in the base period in the craft in which he is protected (adjusted to include subsequent general wage increases), multiplying by the total number of hours paid for in the base period in both crafts and dividing by 12. Correspondingly, in determining whether the compensation guarantee has been met by actual service paid for in any month after February 1965, and in determining any additional payment guaranteed, the earnings from actual service paid for will be considered to be the average hourly earnings for that month in the craft in which the employee is protected multiplied by the average hours paid for in both crafts in the base period.

Section 3—

Question No. 1: If a “protected employee” for one reason or another considers another job more desirable than the one he is holding, and he therefore bids in that job even though it may carry a lower rate of pay than the job he is holding, what is the rate of his guaranteed compensation thereafter?

Answer to Question No. 1: The rate of the job he voluntarily bids in.

Question No. 2: If an employee such as the employee referred to in the preceding question is thereafter required to move or bid in a position under the terms of an implementing agreement made pursuant to Article III, what will be his guaranteed rate of compensation?

Answer to Question No. 2: Such employee will continue to be paid in accordance with Sections 1 or 2 of Article IV.

Question No. 3: Does this section affect the guaranteed compensation of an employee holding a regular assignment and who bids in a position with a higher rate of pay on a temporary basis, being entitled to return to the regularly assigned position at the conclusion of the temporary work?

Answer to Question No. 3: No. Such an employee continues to be guaranteed the compensation as determined by Section 1 or Section 2 of this Article.

Question No. 4: Does this section apply to affect the guaranteed compensation of an employee whose earnings are affected because an unprotected employee in the normal exercise of his seniority rights voluntarily or involuntarily bids in or bumps into a job?

Answer to Question No. 4: No.

Section 5—

Question No. 1: Does an employee who is absent from service for any of the reasons set forth in this section lose his protected status?

Answer to Question No. 1: He does not lose his protected status but he is not entitled to the compensation guarantee provided in Article IV during the period of time that he is absent for the specified reasons. Upon his return to service he again becomes entitled to the full benefits of the Article.

Question No. 2: What are some examples of the types of information that carriers will furnish pursuant to this section?

Answer to Question No. 2: Both parties are obligated by this section to provide any data and information that may be necessary and appropriate to carry out the purposes of this agreement. In addition to the information concerning gross revenues and net ton miles discussed in connection with Article I, Section 3, carriers will now provide the organizations with respect to each craft lists of the employees who are protected under Section 1 of Article I and those protected as seasonal employees under Section 2 of Article I. Such lists with respect to employees protected under Section 1 of Article I will include information showing whether the employee's compensation is guaranteed under Section 1 or Section 2 of Article IV. In individual cases as they arise, the carriers will, on request, furnish information showing the normal rate of compensation of the position held on October 1, 1964 or the base period months, earnings and hours, depending on whether Section 1 or Section 2 of Article IV applies. With respect to seasonal employees covered by Section 2 or Article I, the list will show the period of seasonal employment in 1964 (including the days and hours so employed). In individual cases as they arise, the carriers will on request furnish the compensation paid with respect to such seasonal employment.

It is understood that these lists are for information purposes in carrying out the provisions of the agreement and will be subject to correction in case of errors.

ARTICLE V — MOVING EXPENSES AND SEPARATION ALLOWANCES

In the selection of protected employees who are required to transfer from one seniority district or roster to another as the result of the execution of an implementing agreement, the work at the new location will be offered to qualified employees in seniority order. It is contemplated that a sufficient number of qualified employees will be required to transfer but seniority rights will be respected so long as the objective respecting an adequate number of qualified employees is fulfilled. This interpretation in no way impairs the right of the carriers to furlough, in inverse seniority order, unprotected employees who are not needed.

Question No. 1: Are there any circumstances in which employees living in camp cars would be entitled to move their residence and be afforded the benefits of this Article?

Answer to Question No. 1: Where employees affected by an implementing agreement are expected to live in camp cars, that fact does not preclude the possibility that a change in residence may be required by the rearrangements provided for in the implementing agreement. In the event that the various points at which the camp cars will be located under the rearrangements are as accessible to the employee's residence as the locations were prior to the rearrangements, a change of residence would not be considered to be required; otherwise, the provisions of Article V are applicable.

Question No. 2: If there are more than one qualified protected employees available for a position to which an employee is required to transfer under this Article V, which employee, in the final analysis, must accept the transfer?

Answer to Question No. 2: The position at the new location will first be offered to the senior protected qualified employee. If he elects to decline such position and retain his present position or exercises seniority on another position in his home seniority district, the position will then be offered to other protected qualified employees in seniority order, with the understanding that the junior qualified protected employee must accept the position which is offered.

In the application of this interpretation the following is understood:

(a) No failure of a junior qualified protected employee to accept the position which is offered occurring before the date of these interpretations, nor thereafter for a period not exceeding 30 days from the date of the execution of this document, shall adversely affect the protection or seniority rights of such employee except as may be provided in the working agreement.

(b) If the junior qualified protected employee refuses or has refused to accept, as required by this interpretation, the position which is offered such refusal shall not operate to impose any obligation on any senior employee who has previously declined the offer of such position. If more than one such position is involved, each position shall be treated separately for purposes of this interpretation.

Question No. 3: Does the senior employee or employees who remain on the home seniority district, under the circumstances set forth herein above, lose their protection?

Answer to Question No. 3: No.

ARTICLE VI — APPLICATION TO MERGERS, CONSOLIDATIONS AND OTHER AGREEMENTS

Section 3—

Question No. 1: What is the purpose and operation of this Section?

Answer to Question No. 1: This Section is designed to provide the protection of the Washington Job Protection Agreement in cases of “coordination” as defined in said Washington Job Protection Agreement to employees who are not protected under the provisions of the February 7, 1965 Agreement. In addition, the procedural provisions of the February 7, 1965 Agreement are substituted for Section 13 of the Washington Job Protection Agreement insofar as disputes are concerned that may arise subsequent to the effective date of the February 7, 1965 Agreement.

General Question: Do these interpretations apply to the provisions of agreements that have been entered into subsequent to February 7, 1965?

Answer: No.

HANDLING OF CLAIMS OR GRIEVANCES

Rules and procedures governing the handling of claims or grievances including time limit rules, shall not apply to the handling of questions or disputes concerning the meaning or interpretation of the provisions of the February 7, 1965 Agreement. Such questions or disputes may be handled at any time and may be taken up directly between the General Chairman and the highest operating officer of the carrier designated to handle such matters.

Individual claims for compensation alleged to be due pursuant to the Agreement shall be handled in accordance with the rules governing the handling of claims and grievances, including time limit rules, provided that the time limit on claims involving an interpretation of the Agreement shall not begin to run until 30 days after the interpretation is rendered.

Signed at Chicago, Illinois, this 24th day of November, 1965.

For the Carriers:

/s/ E. H. Hallmann
Chairman, Western Carriers' Conference Committee

/s/ W. S. Macgill
Chairman, Southeastern Carriers' Conference Committee

/s/ J. W. Oram
Chairman, Eastern Carriers' Conference Committee

Approved:

/s/ J. E. Wolfe
Chairman, National Railway Labor Conference

Employee's National Conference Committee, Five Cooperating Railway Labor Organizations:

/s/ G. E. Leighty
Chairman

Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees

/s/ C. L. Dennis
Grand President

Brotherhood of Maintenance of Way Employes

/s/ H. C. Crotty
President

Transportation-Communications Employees Union

/s/ G. E. Leighty
President

Brotherhood of Railroad Signalmen

/s/ Jesse Clark
President

Hotel & Restaurant Employees and Bartenders International Union

/s/ Richard W. Smith
International Vice President

WITNESS:

/s/ Francis A. O'Neill, Jr.
Member,
National Mediation Board

July 16, 1999

Mr. W. D. Pickett
President
Brotherhood of Railroad Signalmen
601 W. Golf Road, Box U
Mt. Prospect, IL 60056

Dear Mr. Pickett:

In Side Letter #6 to the August 8, 1996 National Agreement with your organization ("1996 Agreement"), the parties agreed to develop "a current document that incorporates the agreed-upon changes" to the February 7, 1965 Agreement "that the parties have reached in the interim", including Article IX of the 1996 Agreement and "any other appropriated conforming changes."

Our respective committees have developed the document contemplated by Side Letter #6, which is appended hereto and entitled the "BRS Synthesis". This will confirm our mutual understanding that the BRS Synthesis sets forth the terms of the February 7, 1965 Agreement, as subsequently amended by the parties, in effect as of this date with respect to the Brotherhood of Railroad Signalmen and the employees represented by the BRS on the carriers listed in Exhibit A to the BRS Synthesis.

If this accurately reflects our understanding, please acknowledge by signing your name in the space provided below.

Very truly yours,

/s/ Robert F. Allen

I agree:
/s/ W.D. Pickett

BRS SYNTHESIS

Case No. A-7128

MEDIATION AGREEMENT

Dated February 7, 1965 as amended by subsequent
National Agreements through August 8, 1996

This agreement made this 7th day of February, 1965, by and between the participating carriers listed in Exhibits A, B and C, attached hereto [omitted] and hereby made a part hereof, and represented by the National Railway Labor Conference and the Eastern, Western and Southeastern Carriers' Conference Committees and the employees shown thereon and represented by the Railway Labor Organizations signatory hereto, through the Employees' National Conference Committee, Five Cooperating Railway Labor Organizations, and as amended by subsequent national agreements through August 8, 1996 between the participating carriers listed in Exhibit "A" of those agreements, hereafter referred to as the "Carriers" and their employees represented by the Brotherhood of Railroad Signalmen (BRS), hereafter referred to as employees.

IT IS AGREED:

ARTICLE I - PROTECTED EMPLOYEES

Section 1 -

All employees, other than seasonal employees, who on or after August 8, 1996 are in active service and who have or attain ten (10) or more years of employment relationship, will be retained in service subject to compensation as hereinafter provided unless or until retired, discharged for cause, or otherwise removed by natural attrition. For the purpose of this Agreement, the term "active service" is defined to include all employees working, or holding an assignment, or in the process of transferring from one assignment to another (whether or not the date on which such ten (10) or more years of employment relationship is acquired was a work day). An employee who is not regularly assigned on the date the employee is otherwise eligible to achieve protected status under this Section will be deemed to be protected on the first day assigned to a regular position in accordance with existing rules of the BRS Agreement.

Section 2 -

Seasonal employees, who had compensated service during each of the three calendar years immediately preceding the year in which they have or attain ten (10) or more years of employment relationship who otherwise meet the definition of "protected" employees under Section 1, will be offered employment in future years at least equivalent to what they performed in the year they became protected, unless or until retired, discharged for cause, or otherwise removed by natural attrition.

[Note: Article I, Sections 1 and 2 amended, in part, by Article IX of the August 8, 1996 Agreement.]

Section 3 -

In the event of a decline in a carrier's business in excess of 5% in the average %age of both gross operating revenue and net revenue ton miles in any 30-day period compared with the average of the same period for the years 1963 and 1964, a reduction in forces in the crafts represented by each of the organizations signatory hereto may be made at any time during the said 30-day period below the number of employees entitled to preservation of employment under this Agreement to the extent of one % for each one % the said decline exceeds 5%. The average %age of decline shall be the total of the % of decline in gross operating revenue and % of decline in net revenue ton miles divided by 2. Advance notice of any such force reduction shall be given as required by the current Schedule Agreements of the organizations signatory hereto. Upon restoration of a carrier's business following any such force reduction, employees entitled to preservation of employment must be recalled in accordance with the same formula within 15 calendar days.

Section 4 -

Notwithstanding other provisions of this Agreement, a carrier shall have the right to make force reductions under emergency conditions such as flood, snowstorm, hurricane, tornado, earthquake, fire or labor dispute between such carrier and any of its employees, provided that such conditions result in suspension of a Carrier's operations in whole or in part. It is understood and agreed that such force reductions will be confined solely to those work locations directly affected by any suspension of operations. When forces have been so reduced and thereafter operations are restored employees entitled to preservation of employment must be recalled upon the termination of the emergency. In the event the carrier is required to make force reductions because of the aforesaid emergency conditions, it is agreed that any decline in gross operating revenue and net revenue ton miles resulting therefrom shall not be included in any computation of a decline in the carrier's business pursuant to the provisions of Section 3 of this Article I.

[Note: Section 4 amended, in part, by Article IX of the November 16, 1971 Agreement.]

Section 5 -

Subject to and without limiting the provisions of this agreement with respect to furloughs of employees, reductions in forces, employee absences from service or with respect to cessation or suspension of an employee's status as a protected employee, the carrier agrees to maintain a work force of protected employees represented by the organization signatory hereto in such manner that force reductions of protected employees below the established base as defined herein shall not exceed six % (6%) per annum. The established base shall mean the total number of protected employees in each craft represented by the organizations signatory hereto who qualify as protected employees under Section 1 of this Article I.

ARTICLE II - USE AND ASSIGNMENT OF EMPLOYEES AND LOSS OF PROTECTION

Section 1 -

An employee shall cease to be a protected employee in case of his resignation, death, retirement, dismissal for cause in accordance with existing agreements, or failure to retain or obtain a position available to him in the exercise of his seniority rights in accordance with existing rules or agreements, or failure to accept employment as provided in this Article. A protected furloughed employee who fails to respond to extra

work when called shall cease to be a protected employee. If an employee dismissed for cause is reinstated to service, he will be restored to the status of a protected employee as of the date of his reinstatement.

Section 2 -

An employee shall cease to be a protected employee in the event of his failure to accept employment in his craft offered to him by the carrier in any seniority district or on any seniority roster throughout the carrier's railroad system as provided in implementing agreements made pursuant to Article III hereof, provided, however, that nothing in this Article shall be understood as modifying the provisions of Article V hereof.

Section 3 -

When a protected employee is entitled to compensation under this Agreement, he may be used in accordance with existing seniority rules for vacation relief, holiday vacancies, or sick relief, or for any other temporary assignments which do not require the crossing of craft lines. Traveling expenses will be paid in instances where they are allowed under existing rules. Where existing agreements do not provide for traveling expenses, in those instances, the representatives of the organization and the carrier will negotiate in an endeavor to reach an agreement for this purpose.

ARTICLE III - IMPLEMENTING AGREEMENTS

Section 1 -

The organizations recognize the right of the carriers to make technological, operational and organizational changes, and in consideration of the protective benefits provided by this Agreement the carrier shall have the right to transfer work and/or transfer employees throughout the system which do not require the crossing of craft lines. The organizations signatory hereto shall enter into such implementing agreements with the carrier as may be necessary to provide for the transfer and use of employees and the allocation or rearrangement of forces made necessary by the contemplated change. One of the purposes of such implementing agreements shall be to provide a force adequate to meet the carrier's requirements.

Section 2 -

Except as provided in Section 3 hereof, the carrier shall give at least 60 days' (90 days in cases that will require a change of an employee's residence) written notice to the organization involved of any intended change or changes referred to in Section 1 of this Article whenever such intended change or changes are of such a nature as to require an implementing agreement as provided in said Section 1. Such notice shall contain a full and adequate statement of the proposed change or changes, including an estimate of the number of employees that will be affected by the intended change or changes. Any change covered by such notice which is not made within a reasonable time following the service of the notice, when all of the relevant circumstances are considered, shall not be made by the carrier except after again complying with the requirements of this Section 2.

Section 3 -

The carrier shall give at least 30 days' notice where it proposes to transfer no more than 5 employees across seniority lines within the same craft and the transfer of such employees will not require a change in the place of residence of such employee or employees, such notice otherwise to comply with Section 2 hereof.

Section 4 -

In the event the representatives of the carrier and organizations fail to make an implementing agreement within 60 days after notice is given to the general chairman or general chairmen representing the employees to be affected by the contemplated change, or within 30 days after notice where a 30-day notice is required pursuant to Section 3 hereof, the matter may be referred by either party to the Dispute Resolution Committee as hereinafter provided. The issues submitted for determination shall not include any question as to the right of the carrier to make the change but shall be confined to the manner of implementing the contemplated change with respect to the transfer and use of employees, and the allocation or rearrangement of forces made necessary by the contemplated change.

Section 5 -

The provisions of implementing agreements negotiated as hereinabove provided for with respect to the transfer and use of employees and allocation or reassignment of forces shall enable the carrier to transfer such protected employees and rearrange forces, and such movements, allocations and rearrangements of forces shall not constitute an infringement of rights of unprotected employees who may be affected thereby.

ARTICLE IV - COMPENSATION DUE PROTECTED EMPLOYEES

Section 1 -

Subject to the provisions of Section 3 of this Article IV, protected employees who hold regularly assigned positions shall not be placed in a worse position with respect to compensation than the normal rate of compensation for said regularly assigned position as of the date they become protected; provided, however, that in addition thereto such compensation shall be adjusted to include subsequent general wage increases.

[Note: Section 1 revised in accordance with Article IX of the August 8, 1996 Agreement.]

Section 2 -

Subject to the provisions of Section 3 of this Article IV, all other employees entitled to preservation of employment shall not be placed in a worse position with respect to compensation than that earned during a base period comprised of the last twelve months in which they performed compensated service immediately preceding August 8, 1996. For purposes of determining whether, or to what extent, such an employee has been placed in a worse position with respect to his compensation, his total compensation and total time paid for during the base period will be separately divided by twelve. If his compensation in his current employment is less in any month (commencing with the first month following the date of this agreement) than his average base period compensation (adjusted to include subsequent general wage increases), he shall be paid the difference less compensation for any time lost on account of voluntary absences to the extent that he is not available for service equivalent to his average time paid for during the base period, but he shall be compensated in addition thereto at the rate of the position filled for any time worked in excess of the time paid for during the base period; provided, however, that in determining compensation in his current employment the employee shall be treated as occupying the position producing the highest rate of pay and compensation to which his seniority entitles him under the working agreement and which does not require a change in residence.

Section 3 -

Any protected employee who in the normal exercise of his seniority bids in a job or is bumped as a result of such an employee exercising his seniority in the normal way by reason of a voluntary action, will not be entitled to have his compensation preserved as provided in Sections 1 and 2 hereof, but will be compensated at the rate of pay and conditions of the job he bids in; provided, however, if he is required to make a move or bid in a position under the terms of an implementing agreement made pursuant to Article III hereof, he will continue to be paid in accordance with Sections 1 and 2 of this Article IV.

Section 4 -

If a protected employee fails to exercise his seniority rights to secure another available position, which does not require a change in residence, to which he is entitled under the working agreement and which carries a rate of pay and compensation exceeding those of the position he elects to retain, he shall thereafter be treated for the purposes of this Article as occupying the position which he elects to decline.

Section 5 -

A protected employee shall not be entitled to the benefits of this Article during any period in which he fails to work due to disability, discipline, leave of absence, military service, or other absence from the carrier's service, or during any period in which he occupies a position not subject to the working agreement; nor shall a protected employee be entitled to the benefits of this Article IV during any period when furloughed because of reduction in force resulting from seasonal requirements (including lay-offs during Miners' Holiday and the Christmas Season) or because of reductions in forces pursuant to Article I, Sections 3 or 4, provided, however, that employees furloughed due to seasonal requirements shall not be furloughed in any 12-month period for a greater period than they were furloughed during the 12 months preceding the date of this agreement.

Section 6 -

The carrier and the organizations signatory hereto will exchange such data and information as are necessary and appropriate to effectuate the purposes of this Agreement.

ARTICLE V - MOVING EXPENSES AND SEPARATION ALLOWANCES

Section 1 -

In the case of any transfers or rearrangement of forces for which an implementing agreement has been made, any protected employee who has 15 or more years of employment relationship with the carrier and who is requested by the carrier pursuant to said implementing agreement to transfer to a new point of employment requiring him to move his residence shall be given an election, which must be exercised within seven calendar days from the date of request, to make such transfer or to resign and accept a lump sum separation allowance in accordance with the following provisions:

If the employee elects to transfer to the new point of employment requiring a change of residence, such transfer and change of residence shall be subject to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in said provisions and in addition to such benefits shall receive a transfer allowance of eight hundred dollars (\$800) and five working days instead of the "two working days" provided by Section 10(a) of said Agreement.

If the employee elects to resign in lieu of making the requested transfer as aforesaid he shall do so as of the date the transfer would have been made and shall be given (in lieu of all other benefits and protections to which he may have been entitled under the Protective Agreement and Washington Agreement) a lump sum separation allowance which shall be computed in accordance with the schedule set forth in Section 9 of the Washington Agreement; provided, however, that force reductions permitted to be made under this Agreement shall be in addition to the number of employees who resign to accept the separation allowance herein provided.

Section 2 -

Those protected employees who do not have 15 years or more of employment relationship with the carrier and who are required to change their place of residence shall be entitled to the benefits contained in Sections 10 and 11 of the Washington Agreement notwithstanding anything to the contrary contained in such provisions and in addition to such benefits shall receive a transfer allowance of eight hundred dollars (\$800) and 5 working days instead of "two working days" provided in Section 10(a) of said Agreement.

[Note: Article V, amended in part, by Article VII of the June 4, 1991 Agreement.]

ARTICLE VI - APPLICATION TO MERGERS, CONSOLIDATIONS AND OTHER AGREEMENTS

Section 1 -

Any merger agreement now in effect applicable to merger of two or more carriers, or any job protection or employment security agreement which by its terms is of general system-wide and continuing application, or which is not of general system-wide application but which by its terms would apply in the future, may be preserved by the employee representatives so notifying the carrier within 60 days from the date of this agreement, and in that event this agreement shall not apply on that carrier to employees represented by such representatives.

Section 2 -

In the event of merger or consolidation of two or more carriers, parties to this Agreement on which this agreement is applicable, or parts thereof, into a single system subsequent to the date of this agreement, the merged, surviving or consolidated carrier will constitute a single system for purposes of this agreement, and the provisions hereof shall apply accordingly, and the protections and benefits granted to employees under this agreement shall continue in effect.

Section 3 -

Without in any way modifying or diminishing the protection, benefits or other provisions of this agreement, it is understood that in the event of a coordination between two or more carriers as the term "coordination" is defined in the Washington Job Protection Agreement, said Washington Agreement will be applicable to such coordination, except that Section 13 of the Washington Job Protection Agreement is abrogated and the disputes provisions and procedures of this agreement are substituted therefor.

Section 4 -

Where prior to the date of this agreement the Washington Job Protection Agreement (or other agreements of similar type whether applying inter-carrier or intra-carrier) has been applied to a transaction, coordination allowances and displacement allowances (or their equivalents or counterparts, if other descriptive terms are applicable on a particular railroad) shall be unaffected by this agreement either as to amount or duration, and allowances payable under the said Washington Agreement or similar agreements shall not be considered compensation for purposes of determining the compensation due a protected employee under this agreement.

ARTICLE VII - DISPUTE RESOLUTION COMMITTEE

Section 1 -

Any dispute involving the interpretation or application of any of the terms of this agreement and not settled on the carrier may be referred by either party to the Dispute Resolution Committee consisting of two members of the National Carriers' Conference Committee signatory to this agreement, two members of the Brotherhood of Railroad Signalmen, and a Referee to be selected as hereinafter provided. The Referee selected shall preside at the meetings of the Committee and act as chairman of the Committee. A majority vote of the partisan members of the Committee shall be necessary to decide a dispute, provided that if such partisan members are unable to reach a decision, the dispute shall be decided by the Referee. Decisions so arrived at shall be final and binding upon the parties to the dispute.

Section 2 -

The parties to this agreement will select a Referee for the purpose of disposing of disputes pursuant to the provisions of this section. If the parties are unable to agree upon the selection of the Referee within 30 days of the date of the signing of this agreement, the National Mediation Board shall be requested to name such Referee within five days after the receipt of such request. The Referee selected shall serve for a period of one year, if available. Successors to the Referee shall be appointed in the same manner as the original appointee.

Section 3 -

Disputes shall be submitted to the Dispute Resolution Committee by notice in writing to the Chairman of the National Railway Labor Conference and to the International President of the Brotherhood of Railroad Signalmen, signatories to this agreement, who shall within 10 days of receipt of such notice, designate the members of their respective committees who shall serve on the Committee and arrange for a meeting of the Committee to consider such disputes as soon as possible and in no event more than 10 days thereafter. Decision shall be made at the close of the meeting if possible, provided that the partisan members of the Committee may by mutual agreement extend the duration of the meeting and the period for decision. The notice provided for in this Section 3 shall state specifically the questions to be submitted to the Committee for decision; and the Committee shall confine itself strictly to decisions as to the questions so specifically submitted to it.

Section 4 -

Should any representative of a party to a dispute on any occasion fail or refuse to meet or act as provided in Section 3, then the dispute shall be regarded as decided in favor of the party whose representatives are not guilty of such failure or refusal and

settled accordingly but without establishing a precedent for any other cases; provided that a partisan member of the Committee may, in the absence of his partisan colleague, vote on behalf of both.

Section 5 -

The parties to the dispute will assume the compensation, travel expense and other expense of their respective partisan Committee members. Unless other arrangements are made, the office, stenographic and other expenses of the Committee, including compensation and expenses of the Referee, shall be shared equally by the parties to the dispute.

ARTICLE VIII - EFFECT OF THIS AGREEMENT

This Agreement is in settlement of the disputes growing out of notices served on the carriers listed in Exhibits A, B and C [omitted] on or about May 31, 1963 relating to Stabilization of Employment, and out of proposals served by the individual railroads on organization representatives of the employees involved on or about June 17, 1963 relating to Technological, Organizational and Other Changes and Employee Protection and out of proposals served by the carriers and organization which resulted in the National Signalmen Agreements subsequent to the February 7, 1965 Mediation Agreement through August 8, 1996. This Agreement shall be construed as a separate Agreement by and on behalf of each of said carriers as identified in Exhibit A hereto and its employees represented by the Brotherhood of Railroad Signalmen. The provisions of this Agreement shall remain in effect until January 1, 2000, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended, in accordance with Article X - General Provisions of the August 8, 1996 Signalmen Agreement. This Agreement does not affect the application of the February 7, 1965 Agreement (whether or not amended in June 4, 1991) to any party not signatory to the August 8, 1996 Signalmen Agreement.

It is agreed that the November 24, 1965 Joint Interpretations of the February 7, 1965 Agreement and arbitration awards of SBA 605 interpreting and applying that Agreement will continue to apply to the provisions of this Agreement.

ARTICLE IX - COURT APPROVAL

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

[SIGNATURES OMITTED]

EXHIBIT A

RAILROADS COVERED BY THE PROVISIONS OF THE MEDIATION AGREEMENT, CASE NO. A-7128, DATED FEBRUARY 7, 1965, AS AMENDED BY SUBSEQUENT NATIONAL AGREEMENTS BETWEEN RAILROADS REPRESENTED BY THE NATIONAL CARRIERS' CONFERENCE COMMITTEE AND THE BROTHERHOOD OF RAILROAD SIGNALMEN THROUGH AUGUST 8, 1996, WITH RESPECT TO THEIR EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF RAILROAD SIGNALMEN

Alton & Southern Railroad
Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Railroad Company
Chicago and North Western Railway Company
CSX Transportation, Inc.
 Atlanta & West Point Rail Road
 The Baltimore and Ohio Chicago Terminal Company
 The Baltimore and Ohio Railroad Company (former)
 The Chesapeake and Ohio Railway Company (former) (Northern and Southern
 Regions)
 Chicago and Eastern Illinois Railroad Co. (former)
 Clinchfield Railroad (former)
 Louisville and Nashville Railroad Company (former)
 Monon Railroad (former)
 Pere Marquette Railway Company (former)
 Richmond, Fredericksburg & Potomac Railway Co.
 Seaboard Coast Line Railroad Company (former)
 Georgia Railroad (former)
 Western Maryland Railway Company (former)
 Western Railway of Alabama
Galveston, Houston and Henderson Railroad
Houston Belt and Terminal Railway
The Kansas City Southern Railway Company
Missouri-Kansas-Texas Railroad
Missouri Pacific Railroad
Oklahoma, Kansas & Texas Railroad
Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Central of Georgia Railroad Company
 Cincinnati, New Orleans & Texas Pacific Railway
 Georgia Southern and Florida Railway
 Norfolk & Western Railway Company
 New Orleans and Northeastern Railroad
 New Orleans Terminal Co.
 St. Johns River Terminal Company
Peoria and Pekin Union Railway Company
Union Pacific Railroad

July 16, 1999

Mr. W.D. Pickett
President
Brotherhood of Railroad Signalmen
601 W. Golf Road, Box U
Mt. Prospect, IL 60056

Dear Mr. Pickett:

This is in reference to our recent conversation regarding Article IX - Protected Employees of the August 8, 1996 National Agreement with your organization. This will confirm that it was the mutual intent of the parties to amend Article I, Section 1 of the February 7, 1965 Job Stabilization Agreement, as amended ("JSA"), effective August 8, 1996, for the entire craft represented by the BRS.

That is, employees who meet the coverage conditions set forth in that provision on or after August 8, 1996 will be treated as protected thereunder as of such date. Accordingly, determinations as to protected status, protected rate of compensation, etc. that were made under Article I, Section 1 of the JSA prior to August 8, 1996 were eliminated for employees in active service on or after August 8, 1996.

Very truly yours,

/s/ Robert F. Allen